As submitted to the Securities and Exchange Commission on December 8, 1999
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Charles River Laboratories Holdings, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	2836	06-139-7316
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

251 Ballardvale Street Wilmington, MA 01887 (978) 658-6000	Thomas Ackerman Chief Financial Officer Charles River Laboratories, Inc. 251 Ballardvale Street Wilmington, MA 01887 (978) 658-6000
(Address,including zip code, and telephone number, including area code, of Registrant's principal executive offices)	(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Richard D. Truesdell, Jr., Esq. Davis Polk & Wardwell 450 Lexington Avenue New York, New York 10017	Greg Ezring Latham & Watkins 885 Third Avenue New York, New York 10022

Approximate date of commencement of proposed sale to the public: From time to time after the effective date.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box. |X|

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement for the same offering. |_|

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earliest effective registration statement for the same offering. |_|

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earliest effective registration statement for the same offering. |_|

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. |_|

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Aggregate Price Per Security(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(5)
Warrants to purchase common stock.....	150,000 warrants	$ 10.00(2)	$ 1,500,000	$ 396
Common Stock, par value $.01 per share	591,366 shares(3)	$ 2.53(4)	$ 1,496,156	$ 395

(1) Estimated solely for the purpose of computing the amount of registration fee.
(2) Based on the exercise price of the warrants.
(3) 591,366 shares of common stock of the registrant are issuable upon exercise of the warrants being registered hereunder, plus a presently indeterminable number of shares of common stock, if any, as shall be issuable from time to time as required pursuant to adjustments under the warrants.
(4) Based on each warrant entitling the holder to purchase 3.94 shares of common

stock.
(5) Previously paid in connection with Registration No. 333-91845.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

==========

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 8, 1999

PROSPECTUS

Charles River Laboratories Holdings, Inc.

COMMON STOCK

WARRANTS TO PURCHASE COMMON STOCK

This prospectus relates to the resale of 150,000 warrants to purchase shares of common stock of Holdings, par value $.01 per share, by certain holders named in this prospectus or in an accompanying supplement to this prospectus. This prospectus also relates to the issuance and sale of shares of common stock of Holdings issued upon the exercise of the warrants. All of the common stock and warrants being registered may be offered and sold from time to time by certain of the holders.

Holdings will not receive any proceeds from the sale of the common stock or warrants by the selling holders, other than payment of the exercise price of the warrants. The warrants were initially issued in a private placement pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended. The warrants are being registered by Holdings pursuant to registration rights granted in connection with the initial placement of the warrants.

The common stock and warrants are not listed on any national securities exchange. Holdings has agreed to bear certain expenses in connection with the registration and sale of the warrants and the common stock being offered by the selling holders.

See "Risk Factors" beginning on page 13 for a discussion of the risk factors that should be considered by you.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 1999.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements" including, in particular, the statements about our plans, strategies and prospects under the headings "Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," and in the Unaudited Pro Forma Financial Information and the related notes. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this prospectus are set forth in this prospectus, including under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." All forward looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained throughout this prospectus.

INDUSTRY AND MARKET DATA

In this prospectus, we rely on and refer to information and statistics regarding the research model and biomedical products and services industries, and our market share in the sectors in which we compete. We obtained this information and statistics from various third party sources, discussions with our customers and/or our own internal estimates. We believe that these sources and estimates are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness.

SUMMARY

References to "Holdings" refers to Charles River Laboratories Holdings, Inc. References to the words "Charles River," "CRL," "Company," "we," "our," and "us" refer only to Charles River Laboratories, Inc., its predecessors, its subsidiaries, its affiliates and its joint ventures. This summary highlights information contained elsewhere in this prospectus and may not contain all of the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus carefully.

Our fiscal year ends on the Saturday closest to December 31. Unless the context indicates otherwise, whenever we refer in this prospectus to a particular fiscal year, we mean the fiscal year ending in that particular calendar year. When we refer to "pro forma" financial results, we mean the financial results of Charles River and its subsidiaries on a consolidated basis as if the Transactions (which we define on page 4) had occurred at the beginning of the relevant time period.

CHARLES RIVER LABORATORIES HOLDINGS, INC.

Holdings is a holding company and does not have any material operations or assets other than its ownership of all of the capital stock of Charles River.

Our principal executive offices are located at 251 Ballardvale Street, Wilmington, MA 01887 and our telephone number is (978) 658-6000.

CHARLES RIVER LABORATORIES, INC.

Overview

We are a global market leader in the commercial production and supply of animal research models for use in the discovery, development and testing of new pharmaceuticals. We have expanded our core capabilities in research models to become a leading supplier of related biomedical products and services in several specialized niche markets. Our research model capabilities and biomedical products and services, together with our global distribution network, allow us to meet the extensive needs of our broad customer base. Our customers consist primarily of:

- large pharmaceutical companies, including the ten largest global pharmaceutical companies based on 1998 revenues
- biotechnology, animal health, medical device and diagnostics companies
- hospitals
- academic institutions
- government agencies

Our facilities are located in 18 countries, including the United States, Canada, Japan and many European countries. On a pro forma basis, research models accounted for 62%, and biomedical products and services accounted for 38%, of net sales for the twelve-month period ended September 25, 1999. Over the same time period, we reported pro forma net sales of $230.5 million and pro forma Adjusted EBITDA of $57.0 million. Adjusted EBITDA represents EBITDA, as defined, adjusted for non-recurring, non-cash and cash items, as appropriate, which is more fully described on page 12. EBITDA, as defined, represents operating income plus depreciation and amortization. Adjusted EBITDA is presented because we believe it is a meaningful indicator of Charles River's operating performance, and it is the measure by which certain of the covenants under the new credit facility are

computed. EBITDA, as defined, and Adjusted EBITDA are not intended to represent cash flows for the period, nor are they presented as an alternative to operating income or as an indicator of operating performance. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles ("GAAP") in the United States and are not indicative of operating income or cash flow from operations as determined under GAAP. Our method of computation may not be comparable to other similarly titled measures of other companies.

Research Models. We have a leading position in the global market for research models, which primarily consists of purpose-bred rats and mice. The use of research models is often a critical part of scientific discovery in the life sciences and is required by FDA guidelines as well as foreign regulatory agencies for new drug approval processes. Our business is primarily involved in the early stages of drug discovery and development, commonly referred to as the pre-clinical stage of drug development. During this stage, promising new drug candidates are evaluated for their efficacy and safety through testing in research models. Data from the pre-clinical stage is submitted to the applicable regulatory agency for review in order for the drug to obtain approval to advance to the human testing stage, commonly known as clinical studies. We principally produce and sell rats, mice, other rodents and primates with highly defined health and genetic backgrounds, primarily for use in pre-clinical research. Our research models include special disease rodent models, such as mice with impaired immune systems, which are increasingly demanded by biomedical researchers for specialized research and discovery. We focus on maintaining reliable biosecurity, which includes stringent guidelines to ensure contamination-free research models. As a result, we provide consistent product availability and offer a wide variety of healthy, genetically defined and specifically targeted research models. We further differentiate our research models by providing extensive technical service and support, including scientific oversight from a team of more than 70 full-time, dedicated professionals specializing in laboratory animal medicine, pathology and virology as well as molecular biology, primatology and genetics.

Biomedical Products and Services. Our biomedical products and services are principally focused on meeting the research needs of large pharmaceutical companies as well as biotechnology, animal health, medical device and diagnostics companies. We are a leading supplier of endotoxin testing kits that detect fever producing toxins in injectable drugs and devices and are one of only two FDA validated in vitro alternatives to an animal test. In addition, we are one of the world's largest producers of specific pathogen free fertile chicken eggs which we refer to as "SPF eggs", which are principally used to produce poultry vaccines. Our other biomedical products and services, many of which are related to technologies developed in our research model business, include:

- transgenic animal production
- medical device testing
- contract research services
- comprehensive health monitoring programs, including DNA testing, of animal colonies
- testing services for human protein drug candidates
- facility management services

Competitive Strengths

Long-Standing Relationships with an Extensive Customer Base. Our customers consist primarily of large pharmaceutical companies, including the ten largest global pharmaceutical companies based on 1998 revenues, as well as biotechnology, animal health, medical device and diagnostics companies and hospitals, academic institutions and government agencies. We have many long-term, stable relationships with our customers as evidenced by the fact that all of our top 20 customers in 1989 remain our customers today. We have further strengthened our customer relationships by offering related biomedical products and services to our research model customers. Our

customer base is also diversified with no individual customer accounting for more than 3% of net sales in 1998 and the top 30 customers representing approximately 30% of total net sales.

Critical Component of Pharmaceutical Research. The research models we supply are essential to the new drug discovery and development process. FDA guidelines and certain foreign regulatory agencies for many years have required that new drug candidates be tested on two separate animal species in the pre-clinical stage. According to the Pharmaceutical Research and Manufacturers of America, total research and development spending in the United States by research-based pharmaceutical companies was $17 billion in 1998. While pharmaceutical companies generally invest large sums of money in developing new drugs, the purchase of research models typically represents an immaterial portion of the cost to commercialize a new drug. As a result, most customers are principally focused on the quality of the research model which is critical for achieving accurate and reproducible study results and facilitating timely FDA approval of new drug candidates. For these reasons, our reputation for high quality models and consistent product availability enables us to maintain and expand our customer relationships.

Leading Market Position. We believe that our worldwide infrastructure, global staff of nearly 100 scientific professionals, 50 years of operating history and reputation for high quality products have established us as a global market leader in the commercial production and supply of research models. We maintain our leadership position through our well-established customer relationships, extensive high quality product offerings and ability to provide complementary services. Our market leadership in research models has allowed us to capitalize on the significant research and development spending by large pharmaceutical companies, and more recently on outsourcing trends by our customers.

Global Presence. We are a global provider of research models, with 49 facilities in the United States, Canada, Japan and many European countries. On a pro forma basis, our international business contributed approximately 36% of our net sales for the twelve-month period ended September 25, 1999. We believe that as our customers continue to expand globally, they are likely to prefer to deal with a select number of suppliers who have the ability to offer them a wide range of products and services worldwide and in a timely manner. In addition, our customers benefit from our global presence because it reduces potential exposure to biosecurity risks and minimizes regulatory restrictions and costs relating to transporting research models over long distances. We provide our customers with uniform and consistent research models, regardless of the location of their research study.

Experienced and Motivated Management Team. Our senior management team has extensive experience in supplying the biomedical research industry, and an average of 17 years of experience with Charles River. Our senior management team, led by our chief executive officer, James C. Foster, has successfully grown our business, secured our current strong market positions, integrated eight strategic acquisitions since 1992 and positioned us for growth. Our senior management team has broadened our pure research model focus to also include being a leading supplier of biomedical products and services in several specialized niche markets. As a result of the recapitalization of our business, our management team indirectly holds 6.1% of the equity of Charles River, and expects to have the option to acquire additional equity of Charles River through a customary equity incentive plan.

Business Strategy

Increase Sales in Research Models. We believe we can continue to increase our market share in this segment by introducing new research models, providing exceptional technical service and support, optimizing our existing price structure and product mix and maintaining reliable biosecurity. In general, we have been able to increase our prices at rates that are above the rate of inflation in the United States by maintaining high quality and specialized products, enhancing service and improving availability. We also have been focused on periodically adding higher value research models to our portfolio. These higher value research models tend to be premium priced, targeted towards specific disease conditions and provide us with an enhanced product mix that contributes to moderate but sustained growth in the research model business. We expect to continue to expand this segment, both through sustained growth in demand for already introduced models and the introduction of new models.

Expand Value-Added Biomedical Products and Services. Our biomedical products and services segment has been our fastest growing segment over the past several years. We believe we can continue to grow this business by capitalizing on outsourcing trends, building upon our existing capabilities and increasing our global sales.

Capitalize on Outsourcing Trends. Most of our biomedical products and services have been developed in response to the increasing outsourcing trends within the pharmaceutical industry. We believe this shift toward increased outsourcing began in response to the pharmaceutical companies' growing capabilities in identifying potential new drug compounds and the resulting resource constraints placed on pharmaceutical research infrastructures by non-core activities. By outsourcing their non-core activities to us, our customers can focus on proprietary drug development and streamline their drug development process. In response, we have expanded our offerings to include many pre-clinical research activities undertaken by our customers.

Build Upon Our Existing Capabilities. As a result of our strong position in research models, our global presence and our professional expertise, we have the unique capability to offer related biomedical products and services to many of our customers. We intend to build upon this expertise to capture more outsourcing business opportunities by using our existing infrastructure, reputation for quality and extensive customer contacts. We believe there are numerous other opportunities for increasing our share of high value pre-clinical research services and products.

Increase Our Global Sales. Our current biomedical products and services customer base is primarily composed of our domestic research model customers. We intend to continue to cross-sell our biomedical products and services to our existing international research model customers as well as seek new international customers for this segment. We believe that we can rapidly increase our global presence in this area by leveraging our existing international customer relationships and infrastructure.

Undertake Strategic Acquisitions and Alliances. We have a history of acquiring and successfully integrating small companies in both our research model and our biomedical products and services businesses. We expect that strategic acquisitions will continue to provide an additional source of long-term growth. In addition, we believe that our association with Global Health Care Partners, LLC, one of our equity investors, will assist us in identifying attractive acquisition candidates while expanding our existing business. Global Health Care Partners, which is comprised of several experienced healthcare executives, has a strategic partnership with DLJ Merchant Banking Partners II, L.P. to invest in healthcare related businesses. The founding partners of Global Health Care Partners who are represented on the Charles River board include Henry Wendt, former Chairman of SmithKline Beecham Corporation, Robert Cawthorn, former Chairman and CEO of Rhone-Poulenc Rorer Inc. and Douglas Rogers, founder of Kidder, Peabody's Health Care Group.

THE TRANSACTIONS

We collectively refer to the recapitalization and the Sierra acquisition, which we describe below, as the "Transactions."

The Recapitalization

On September 29, 1999, we were acquired by certain affiliates of DLJ Merchant Banking Partners II, L.P., management and other investors while certain subsidiaries of Bausch & Lomb Incorporated retained a portion of their equity investment in us, for total consideration of $456.2 million. As a result, DLJ Merchant Banking Partners II, L.P. and some of its affiliates, who we refer to collectively as the "DLJMB Funds", indirectly own 71.9% and subsidiaries of Bausch & Lomb Incorporated, who we refer to collectively as the "Rollover Shareholders", own 12.5% of Holdings. We are a wholly owned subsidiary of Holdings. The recapitalization was financed with:

- a portion of the proceeds from an offering of units, which consisted of notes and the warrants to purchase shares of common stock of Holdings

- $105.6 million in equity investment, consisting of $92.4 million in cash by the DLJMB Funds, management, and other investors and equity retained by the Rollover Shareholders with a fair value of $13.2 million

- a portion of the borrowings of approximately $162.0 million under our new senior secured credit facility

- senior discount debentures with other warrants issued by Holdings to the DLJMB Funds and other investors for $37.6 million

- a subordinated discount note issued by Holdings to the Rollover Shareholders for $43.0 million

We collectively refer to the Recapitalization and all related financing as the "Recapitalization."

The Sierra Acquisition

Concurrently with the Recapitalization, we acquired SBI Holdings, Inc. ("Sierra") for an initial purchase price of $24.0 million, of which approximately $6.0 million was used to repay Sierra's existing debt. We funded the acquisition of Sierra with:

- available cash

- a portion of the net proceeds from the units

- a portion of the borrowings under our new credit facility

Sierra is a pre-clinical biomedical services company with expertise in drug safety and efficacy assessment studies using research models. We believe that the acquisition of Sierra will contribute to our growing presence in the pre-clinical testing services business.

We collectively refer to the acquisition of Sierra and all related financings as the "Sierra Acquisition."

SUMMARY DESCRIPTION OF THE WARRANTS

The warrants were issued as part of units in a private placement pursuant to an offering memorandum and exemption from the registration requirements of the Securities Act of 1933. Each unit consisted of $1,000 principal amount of 13 1/2% senior subordinated notes due 2009 ("notes") and one warrant to purchase 3.942 shares of common stock, par value $.01 per share.

Warrants	150,000 warrants which will entitle the holders to purchase an aggregate of 591,366 shares of the common stock of Holdings, representing approximately 5.0% of Holdings common stock on a fully diluted basis, assuming exercise of all outstanding warrants.
Exercise	Each warrant will entitle the holder, subject to certain conditions, to purchase 3.942 shares of the common stock of Holdings at an exercise price of $10.00 per share, subject to adjustment under certain circumstances. The warrants will be exercisable at any time on or after October 1, 2001, and prior to the expiration of the warrants. The exercise price and number of shares of common stock of Holdings issuable upon exercise of the warrants will be subject to adjustment from time to time upon the occurrence of certain changes with respect to the common stock of Holdings, including: o certain distributions of shares of common stock of Holdings o issuances of options or convertible securities o dividends and distributions o certain changes in options and convertible securities of Holdings A warrant does not entitle its holder to receive any dividends paid on shares of the common stock of Holdings.
Expiration	October 1, 2009.

You should refer to the section entitled "Risk Factors" for an explanation of certain risks of investing in this offering.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND CHARLES RIVER LABORATORIES, INC.
SUMMARY HISTORICAL AND UNAUDITED PRO FORMA
COMBINED FINANCIAL DATA

The table below presents summary historical and unaudited pro forma combined financial data and other data for Holdings and Charles River. For the historical periods presented below, Holdings had no asset, liabilities or operations. The summary combined financial data for the fiscal years ended December 28, 1996, December 27, 1997 and December 26, 1998 are derived from the combined financial statements of Holdings and Charles River and the notes thereto included elsewhere in this prospectus. The summary historical combined unaudited financial data as of September 25, 1999 and for the nine months ended September 26, 1998 and September 25, 1999 are derived from the unaudited combined financial statements of Holdings and Charles River and the notes thereto included elsewhere in this prospectus. In the opinion of management, Holdings' and Charles River's unaudited combined financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial condition and results of operations for these periods. The summary unaudited pro forma combined financial data are derived from the Holdings and Charles River Unaudited Pro Forma Condensed Combined Financial Data appearing elsewhere in this prospectus. The summary unaudited pro forma combined financial data do not purport to be indicative of the results that actually would have been obtained had the Transactions been completed as of such dates and are not intended to be a projection of Holdings' and Charles River's combined future results of operations or financial position. You should read the information contained in this table in conjunction with "Use of Proceeds," "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," Holdings and Charles River "Unaudited Pro Forma Condensed Combined Financial Data" and Holdings' and Charles River's combined financial statements and the notes thereto contained elsewhere in this prospectus.

	Fiscal Year(1)			Nine Months Ended		Pro Forma	
						Fiscal Year Ended	Nine Months Ended
	1996	1997	1998	September 26, 1998	September 25, 1999	1998	September 25, 1999
	(dollars in thousands)						
Income Statement Data:							
Net sales	$ 155,604	$ 170,713	$ 193,301	$ 145,519	$ 161,096	$ 216,638	$ 177,130
Cost of products sold and services provided	97,777	111,460	122,547	91,041	97,230	135,897	106,819
Selling, general and administrative expenses	28,327	30,451	34,142	25,202	29,414	41,565	35,023
Amortization of goodwill and other intangibles	610	834	1,287	1,036	1,114	2,585	2,006
Restructuring charges	4,748	5,892	--	--	--	--	--
Operating income	24,142	22,076	35,325	28,240	33,338	36,591	33,282
Other Data:							
EBITDA, as defined(2)	$ 33,670	$ 31,779	$ 46,220	$ 36,172	$ 42,039	$ 49,607	$ 43,415
Adjusted EBITDA(2)	39,167	38,528	47,234	37,012	43,378	51,103	45,205
Adjusted EBITDA margin	25.2%	22.6%	24.4%	25.4%	26.9%	23.6%	25.5%
Depreciation and amortization	$ 9,528	$ 9,703	$ 10,895	$ 7,932	$ 8,701	$ 13,016	$ 10,133
Capital expenditures	11,572	11,872	11,909	5,834	7,426	13,307	8,398
Cash interest expense(3)						35,060	28,340
Cash flows from operating activities(4)	$ 20,545	$ 23,684	$ 36,699	$ 23,486	$ 19,552		
Cash flows from investing activities(4)	$ (11,678)	$(12,306)	$ (22,349)	$ (14,267)	$ (4,751)		
Cash flows from financing activities(4)	$ (4,068)	$(12,939)	$ (8,018)	$ (2,412)	$ (34,554)		
Selected Ratios:							
Ratio of earnings to fixed charges(5)	18.8x	16.5x	25.8x	26.1x	33.7x	0.8x	0.9x
Ratio of Adjusted EBITDA to cash interest expense						1.5x	1.6x

	As of September 25, 1999	
	Historical	Pro Forma
	(dollars in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 3,457	$ 3,678
Working capital	20,596	31,870
Total assets	210,371	327,824
Total debt(6)	1,033	382,770
Total stockholder's equity	148,965	(115,197)

- ---

(1) Our fiscal year consists of twelve months ending on the Saturday closest to December 31.

(2) EBITDA, as defined, represents operating income plus depreciation and amortization. EBITDA, as defined, is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance.

Adjusted EBITDA, which represents EBITDA, as defined, adjusted for non-recurring, non-cash and cash items, as appropriate, is presented below because we believe it is a meaningful indicator of Holdings' and Charles River's operating performance and it is the measure by which certain of the covenants under the new credit facility are computed.

EBITDA, as defined, and Adjusted EBITDA are not intended to represent cash flows for the period, nor are they presented as an alternative to operating income or as an indicator of operating performance. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP in the United States and are not indicative of operating income or cash flow from operations as determined under GAAP. Our method of computation may or may not be comparable to other similarly titled measures of other companies.

The following table sets forth a reconciliation of EBITDA, as defined, to Adjusted EBITDA:

	Fiscal Year(1)			Nine Months Ended		Pro Forma	
						Fiscal Year Ended	Nine Months Ended
	1996	1997	1998	September 26, 1998	September 25, 1999	1998	September 25, 1999
	(dollars in thousands)						
EBITDA, as defined	$ 33,670	$ 31,779	$ 46,220	$ 36,172	$ 42,039	$ 49,607	$ 43,415
Restructuring and other charges	4,748	5,892	--	--	400	--	400
Dividends received from equity investments	725	773	681	681	815	681	815
Charles River non-cash compensation(a)	24	84	333	159	124	333	124
Seirra non-cash compensation(a)	--	--	--	--	--	262	--
Non-recurring transaction expenses(b)	--	--	--	--	--	220	451
Adjusted EBITDA	39,167	38,528	47,234	37,012	43,378	51,103	45,205

- ---

(a) Amount represents non-cash compensation expense recorded by Charles River and Sierra as a result of options under their respective option plans being issued at below fair market value.

(b) Represents expenses incurred by Sierra related to its acquisition of HTI Bio-Services, Inc., and to its acquisition by Charles River; these amounts are considered non-recurring.

(3) Cash interest expense represents total interest expense less amortization of deferred financing costs and other non-cash interest charges.

(4) Cash flow information is not presented with respect to the unaudited pro forma data because a statement of cash flows is not required by Article 11 of SEC Regulation S-X.

(5) For purposes of calculating the ratio of earnings to fixed charges, "earnings" consist of income before income taxes, minority interests and earnings from equity investments less minority interests plus earnings from equity investments plus fixed charges. "Fixed charges" consist of interest expense on all indebtedness, amortization of deferred financing costs and one-third of rental expense from operating leases that we believe is a reasonable approximation of the interest

component of rental expense. On a pro forma basis for the fiscal year ended December 25, 1998 and the nine months ended September 25, 1999, fixed charges exceeded earnings by $5,382 and $3,870, respectively.

(6) Total debt includes all debt and capital lease obligations, including current portions.

CHARLES RIVER LABORATORIES, INC.
SUMMARY HISTORICAL AND UNAUDITED PRO FORMA
CONSOLIDATED FINANCIAL DATA

The table below presents summary historical and unaudited pro forma consolidated financial data and other data for Charles River. The summary historical consolidated financial data for the fiscal years ended December 28, 1996, December 27, 1997 and December 26, 1998 are derived from our consolidated financial statements and the notes thereto included elsewhere in this prospectus. The summary unaudited financial data as of September 25, 1999 and for the nine months ended September 26, 1998 and September 25, 1999 are derived from our unaudited consolidated financial statements and the notes to those statements.In the opinion of management, our unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial condition and results of operations for these periods. The summary unaudited pro forma consolidated financial data are derived from the Unaudited Pro Forma Condensed Consolidated Financial Data appearing elsewhere in this prospectus. The summary unaudited pro forma consolidated financial data do not purport to be indicative of the results that actually would have been obtained had the Transactions been completed as of such dates and are not intended to be a projection of our future results of operations or financial position. You should read the information contained in this table in conjunction with "Use of Proceeds," "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Consolidated Financial Data" and our consolidated financial statements and the notes thereto contained elsewhere in this prospectus.

	Fiscal Year(1)			Nine Months Ended		Pro Forma		
						Fiscal Year Ended	Nine Months Ended	Twelve Months Ended
	1996	1997	1998	September 26, 1998	September 25, 1999	1998	September 25, 1999	September 25, 1999
	(dollars in thousands)							
Income Statement Data:								
Net sales	$ 155,604	$ 170,713	$ 193,301	$ 145,519	$ 161,096	$ 216,638	$ 177,130	$ 230,496
Cost of products sold and services provided	97,777	111,460	122,547	91,041	97,230	135,897	106,819	141,370
Selling, general and administrative expenses	28,327	30,451	34,142	25,202	29,414	41,215	34,760	45,738
Amortization of goodwill and other intangibles	610	834	1,287	1,036	1,114	2,585	2,006	2,547
Restructuring charges	4,748	5,892	--	--	--	--	--	--
Operating income	24,142	22,076	35,325	28,240	33,338	36,941	33,545	40,841
Other Data:								
EBITDA, as defined(2)	$ 33,670	$ 31,779	$ 46,220	$ 36,172	$ 42,039	$ 49,957	$ 43,678	$ 54,585
Adjusted EBITDA(2)	39,167	38,528	47,234	37,012	43,378	51,453	45,468	57,031
Adjusted EBITDA margin	25.2%	22.6%	24.4%	25.4%	26.9%	23.8%	25.7%	24.7%
Depreciation and amortization	$ 9,528	$ 9,703	$ 10,895	$ 7,932	$ 8,701	$ 13,016	$ 10,133	$ 13,744
Capital expenditures	11,572	11,872	11,909	5,834	7,426	13,307	8,398	14,967
Cash interest expense(3)						35,013	28,330	37,134
Cash flows from operating activities (4)	$ 20,545	$ 23,684	$ 36,699	$ 23,486	$ 19,552			
Cash flows from investing activities (4)	$ (11,678)	$ (12,306)	$ (22,349)	$ (14,267)	$ (4,751)			
Cash flows from financing activities (4)	$ (4,068)	$ (12,939)	$ (8,018)	$ (2,412)	$ (34,554)			
Selected Ratios:								
Ratio of earnings to fixed charges(5)	18.8x	16.5x	25.8x	26.1x	33.7x	1.0x	1.2x	1.1x
Ratio of Adjusted EBITDA to cash interest expense						1.5x	1.6x	1.5x
Ratio of total pro forma debt to Adjusted EBITDA								5.5x

	As of September 25, 1999	
	Historical	Pro Forma
	(dollars in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 3,457	$ 3,678
Working capital	20,596	31,870
Total assets	210,371	327,824
Total debt(6)	1,033	311,128
Total stockholder's equity	148,965	(30,357)

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

(1) Charles River's fiscal year consists of twelve months ending on the Saturday closest to December 31.

(2) EBITDA, as defined, represents operating income plus depreciation and amortization. EBITDA, as defined, is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance.

Adjusted EBITDA, which represents EBITDA, as defined, adjusted for non-recurring, non-cash and cash items, as appropriate, is presented below because we believe it is a meaningful indicator of Charles River's operating performance and it is the measure by which certain of the covenants under the new credit facility are computed.

EBITDA, as defined, and Adjusted EBITDA are not intended to represent cash flows for the period, nor are they presented as an alternative to operating income or as an indicator of operating performance. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP in the United States and are not indicative of operating income or cash flow from operations as determined under GAAP. Our method of computation may or may not be comparable to other similarly titled measures of other companies. The following table sets forth a reconciliation of EBITDA, as defined, to Adjusted EBITDA:

The following table sets forth a reconciliation of EBITDA, as defined, to Adjusted EBITDA:

	Fiscal Year(1)			Nine Months Ended		Pro Forma		
	1996	1997	1998	September 26, 1998	September 25, 1999	Fiscal Year Ended 1998	Nine Months Ended September 25, 1999	Twelve Months Ended September 25, 1999
	(dollars in thousands)							
EBITDA, as defined(2)	$ 33,670	$ 31,779	$ 46,220	$ 36,172	$ 42,039	$ 49,957	$ 43,678	$ 54,585
Adjusted EBITDA(2)	4,748	5,892	--	--	400	--	400	400
Dividends received from equity investments	725	773	681	681	815	681	815	815
Charles River non-cash compensation(a)	24	84	333	159	124	333	124	298
Sierra non-cash compensation(a)	--	--	--	--	--	262	--	262
Non-recurring transaction expenses(b)	--	--	--	--	--	220	451	671
Adjusted EBITDA	$ 39,167	$ 38,528	$ 47,234	$ 37,012	$ 43,378	$ 51,453	$ 45,468	$ 57,031

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

(a) Amount represents non-cash compensation expense recorded by Charles River and Sierra as a result of options under their respective option plans being issued at below fair market value.

(b) Represents expenses incurred by Sierra related to its acquisition of HTI Bio-Services, Inc., and to its acquisition by Charles River; these amounts are considered non-recurring.

(3) Cash interest expense represents total interest expense less amortization of deferred financing costs and other non-cash interest charges.

(4) Cash flows information is not presented with respect to the unaudited pro forma data because a statement of cash flows is not required by Article 11 of SEC Regulation S-X.

(5) For purposes of calculating the ratio of earnings to fixed charges, "earnings" consist of income before income taxes, minority interests and earnings from equity investments less minority interests plus earnings from equity investments plus

fixed charges. "Fixed charges" consist of interest expense on all indebtedness, amortization of deferred financing costs and one-third of rental expense from operating leases that we believe is a reasonable approximation of the interest component of rental expense.

(6) Total debt includes all debt and capital lease obligations, including current portions.

RISK FACTORS

In addition to the other matters described in this prospectus, you should carefully consider the risk factors set forth below.

Risks relating to our debt

We have a significant amount of debt

On a pro forma basis, after giving effect to the Transactions, as of September 25, 1999, Charles River and Holdings had (a) total combined indebtedness of approximately $382.8 million; and (b) approximately $28 million of borrowings available under our new credit facility, subject to customary conditions. In addition, subject to the restrictions in our new credit facility and the indenture governing the notes, we may incur significant additional indebtedness, which may be secured, from time to time.

The level of our indebtedness could have important consequences, including:

- limiting cash flow available for general corporate purposes, including acquisitions, because a substantial portion of our cash flow from operations must be dedicated to servicing our debt
- limiting our ability to obtain additional debt financing in the future for working capital, capital expenditures or acquisitions
- limiting our flexibility in reacting to competitive and other changes in our industry and economic conditions generally

We may not be able to service our debt

Our ability to pay or to refinance our indebtedness will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control.

We anticipate that our operating cash flow, together with money we can borrow under our new credit facility, will be sufficient to meet anticipated future operating expenses, to fund capital expenditures and to service our debt as it becomes due. If we were still unable to meet our debt service obligations, we could attempt to restructure or refinance our indebtedness or seek additional equity capital. We cannot assure you that we will be able to accomplish those actions on satisfactory terms, if at all.

In addition, subject to the restrictions and limitations contained in our debt agreements, we may incur significant additional indebtedness, which could adversely affect our operating cash flows and our ability to service indebtedness.

Restrictive covenants in our indenture and new credit facility may adversely affect us

The indenture governing the notes contains various covenants that limit our ability to engage in certain transactions. These covenants limit, among other things, our ability, and the ability of some of our subsidiaries, to:

- borrow money
- create liens
- engage in sale-leaseback transactions

- pay dividends on stock or repurchase stock
- make certain investments
- engage in transactions with affiliates or
- sell certain assets or merge with or into other companies

In addition, our new credit facility contains other and more restrictive covenants and prohibits us from prepaying our subordinated indebtedness, including the notes. Our new credit facility also requires us to maintain specified financial ratios and satisfy certain other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet those tests. A breach of any of these covenants could result in a default under our new credit facility and/or the notes. Upon the occurrence of an event of default under our new credit facility, which includes a cross default to indebtedness of Holdings, the lenders could elect to declare all amounts outstanding under our new credit facility to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure that indebtedness. We pledged substantially all of our assets, other than assets of our foreign subsidiaries, as security under our new credit facility.

Risks relating to our business

Biosecurity breaches or "contaminations" can damage our inventory and result n decrease in sales

On a pro forma basis, research models accounted for 62% of our net sales for the twelve-month period ended September 25, 1999. We breed research models that are free of certain agents, such as viruses and bacteria, which when present can distort or otherwise compromise the quality of research results. We also produce fertile chicken eggs that must be free of certain avian contaminants in order to be used in poultry and human vaccine production. A breach in biosecurity within any one of over 150 barrier breeding rooms or 50 poultry houses could result in the introduction of an otherwise excluded agent into that room's animal or bird population. These breaches can arise from several factors or conditions, including:

- a supervisor's or animal care technician's failure to oversee or follow operating protocols,
- compromised breed stock, or
- from an erosion in a "clean room's" equipment or structure

A biosecurity breach typically results in the "recycling" or cleaning up of the contaminated room, which in turn results in inventory loss, clean-up and start-up costs, and can reduce sales as a result of lost customer orders and credits for prior shipments. Biosecurity breaches are unanticipated and difficult to predict. We experienced several material contaminations in 1996 and a few significant contaminations in 1997 that adversely impacted our 1996 and 1997 financial results. We experienced no significant contaminations in 1998. Future contaminations may harm our reputation for providing high quality products. In the event of a known contamination, we immediately notify our customers. While avoidance of biosecurity breaches in our research model and SPF egg facilities around the world is our highest operational priority, with several worldwide programs in place, we cannot assure you that we will not experience future barrier room or poultry house contaminations that will adversely impact our operations and financial results.

We are dependent on certain industries; consolidations in the pharmaceutical industry may result in less demand for our business

Our sales are highly dependent on research and development expenditures by the pharmaceutical and, to a lesser extent, biotechnology industries. Our operations could be materially and adversely affected by general economic downturns in our clients' industries, or any decrease in research and development expenditures.

Over the past several years, the pharmaceutical industry has undergone a period of significant consolidations, particularly in Europe, a trend that many industry experts expect to continue. After recent consolidations, certain customers combined or otherwise reduced their research and development operations, resulting in fewer animal research activities. Due to these consolidations, we have experienced both temporary disruptions and permanent reductions in purchases of our research models by some of our customers. Consolidations may also lead to reduced demand as our customers eliminate redundant research activities. Future consolidations in the pharmaceutical industry could result in additional disruptions and reductions in purchasing and consequently adversely affect our results of operations.

The outsourcing trend in the pharmaceutical industry may decrease, which could affect our growth

Some of our biomedical products and services businesses have grown significantly as a result of the increase over the past several years in outsourcing of non-clinical research support activities by pharmaceutical companies. While industry analysts expect the outsourcing trend to continue for the next several years, a substantial decrease in outsourcing activity in the pre-clinical sector could result in a diminished growth rate in the sales of one or more of our expected higher growth businesses.

Displacement technologies may be developed, validated and increasingly used in biomedical research, and as a result could reduce demand for some of our products

For many years, groups within the scientific and research community have attempted to develop models, methods and systems that would replace or supplement the use of living animals as test subjects in biomedical research. While several techniques have been developed that have scientific merit, especially in the area of cosmetics and household product testing (markets in which we are not active), few alternative test methods have been validated and successfully deployed in the discovery and development of effective and safe treatments for human and animal disease conditions. The principal validated in vitro or non-animal test system is the LAL, or endotoxin testing system, a technology which we acquired and have aggressively marketed as an alternative to an animal test. We are also part of a strategic alliance involving software that is predictive of systemic responses to certain biologically active molecular configurations. While we would expect to participate in some fashion with any in vitro method as it becomes validated as a research model alternative or adjunct in our markets, we cannot assure you that these methods will be available to us or that we will be successful in commercializing these methods. Even if we are successful, net sales from these methods may not offset reduced research model net sales, which would adversely affect our results of operations.

In our SPF egg business, researchers have developed recombinant technologies that could displace certain avian vaccine applications for SPF eggs. At this time, we do not believe that these technologies can compete with SPF eggs from a cost or performance standpoint, but we cannot assure you that recombinant technologies will not improve in the future until they become a commercially viable alternative to SPF eggs.

In our endotoxin testing business, researchers are in the early stages of developing a potential recombinant alternative to the naturally occurring LAL product. We intend to collaborate with an academic research group with early stage proprietary technology. While we do not expect the recombinant technology to be a viable commercial alternative to LAL, due to cost and performance deficiencies, we cannot assure you that a technology displacement derived in vitro will not be developed.

Such alternative research methods would decrease the need for research models, and we may not be able to develop new products effectively or in a timely manner to replace any lost sales.

Animal rights issues could have a material adverse effect on our primate and overall business

Increased social focus on animal testing could adversely affect our business. Although our primate business constitutes a small part of our overall business, it has from time to time been subjected to animal rights media attention and on-site protests, especially at our small import facility located in England. In addition, animal rights activists have also focused on Sierra's business, which involves large animals. The protests and demonstrations by animal rights activists may lead our customers, many of whom are concerned with public perception, to decide to decrease their business with us. In addition, threats to our facility located in England have been made by animal rights activists, which may result in property damages, or may cause us to incur expenses in protecting our employees and our facility and subject us to liabilities. Our core research models of rats, mice and other rodents have not historically been the subject of such protests. However, developments and movements in the area of animal rights, including protests related to rats, mice and other rodents, could adversely affect our business.

Some of our businesses are dependent on a few sources of animal suppliers and supply

Our primate import business is dependent on animals both captured and bred on the island of Mauritius. These animals are unique in that they are naturally free of herpes B virus, which is important to our customers. While we have a long-term supply agreement with the leading provider of these animals, and supply has not been disrupted since we commenced importing these animals a decade ago, we cannot assure you that temporary or permanent obstacles to their continued supply might not arise, including export or import restrictions or embargos, government or economic instability or severe weather conditions in Mauritius. Sierra also depends on a supply agreement with a provider in China, and any disruption of this supply may have a material adverse effect on its business.

Our endotoxin testing business is dependent on the plentiful availability of horseshoe crabs, the blood of which is used to produce the test material. We cannot assure you that there will not be regulatory or other restrictions imposed on the use of horseshoe crabs in the future.

If we are not able to obtain these animals from our existing sources, we may not be able to find an alternative source on commercially reasonable terms, or delivery to our customers may be delayed.

Our supply of animal feed may be interrupted by the bankruptcy of our commercial supplier

Our commercial supplier of animal feed for our United States research model business has filed for reorganization under the U.S. Bankruptcy Code; however, we do not expect this to interrupt our supply of animal feed. In addition, we believe an alternative or secondary source of animal feed could be secured if necessary on terms comparable with our current supplier, although we cannot assure you that we will be able to secure an alternative or secondary source on comparable commercial terms.

Our operations in foreign countries are subject to risks

Approximately 46%, 41%, 40% and 35% of our net sales for 1996, 1997, 1998 and the nine months ended September 25, 1999 were derived from our operations outside the United States. In addition, approximately 36% of our pro forma net sales for the twelve-month period ended September 25, 1999 were derived from operations outside the United States. Our operations and financial results could be significantly affected by factors such as changes in foreign currency rates, uncertainties related to regional economic circumstances and the costs of complying with a wide variety of international and United States regulatory requirements.

Because the sales and expenses of our foreign operations are generally denominated in local currencies, exchange rate fluctuations between local currencies and the United States dollar will subject us to currency translation risk with respect to the reported results of our foreign operations. We cannot assure you that these fluctuations would not have an adverse effect on our results of operations. We currently do not hedge against the risk of exchange rate fluctuations.

We face significant competition in our business

We have different competitors in each of our business areas. We primarily compete against smaller, limited- service providers in our research models business and numerous other companies of varying sizes in our biomedical products and services business. A few of our competitors in our biomedical products and services business may have greater capital, technical and other resources than we do. Expansion by our competitors into other areas in which we operate could affect our competitive position. We generally compete on the basis of quality, reputation, and availability, which is supported by our international presence with strategically located facilities. We cannot assure you that we will be able to compete favorably in these areas in the future.

We are dependent on key personnel

Our success depends to a significant extent on the continued services of our senior management and other members of management. We could be adversely affected if any of these persons were unwilling or unable to continue in our employ.

Certain of our biomedical products and services businesses, most notably the Special Animal Services and biosafety testing businesses, are particularly dependent on the retention and recruitment of key personnel with highly specialized technical backgrounds. We cannot assure you that we will be able to continue to successfully recruit and retain key scientific staff necessary to support superior levels of service in our higher growth businesses, especially during a period of tight labor markets.

If we are not successful in selecting and integrating the businesses we acquire, we may be adversely affected

Since December 31, 1996, we have completed four acquisitions and will continue to review future acquisition opportunities in the ordinary course of our business. We cannot assure you that acquisition candidates will continue to be available on terms and conditions acceptable to us. Acquisitions involve numerous risks, including, among other things, difficulties and expenses incurred in connection with the acquisitions and subsequent assimilation of the operations and services or products of the acquired companies, the difficulty of operating new businesses, the diversion of management's attention from other business concerns and the potential loss of key employees of the acquired company. Acquisitions of foreign companies also may involve the additional risks of assimilating differences in foreign business practices and overcoming language barriers. In the event that the operations of an acquired business do not live up to expectations, we may be required to restructure the acquired business. We cannot assure you that our past and any future acquisitions, including the Sierra Acquisition, will be successfully integrated into our operations.

We are controlled by our principal shareholders whose interests may differ from your interests

Circumstances may occur in which the interests of our principal shareholders could be in conflict with your interests. In addition, these shareholders may have an interest in pursuing transactions that, in their judgment, enhance the value of their equity investment in our company, even though such transactions may involve risks that you may not want to assume as a holder of the warrants or common stock of Holdings.

Most of our outstanding shares of common stock are directly or indirectly held by the DLJMB Funds. As a result of their stock ownership, the DLJMB Funds control us and indirectly have the power to elect most of our directors, appoint new management and approve any action requiring the approval of the holders of common stock, including adopting amendments to our certificate of incorporation and approving recapitalizations or sales of all or substantially all of our assets. The directors elected by the DLJMB Funds will have the ability to control decisions affecting our capital structure, including the issuance of additional capital stock, the implementation of stock repurchase programs and the declaration of dividends.

The general partners of each of the DLJMB Funds are affiliates or employees of Donaldson, Lufkin & Jenrette, Inc. Donaldson, Lufkin & Jenrette Securities Corporation, which was the initial purchaser of the units, is an affiliate

of Donaldson, Lufkin & Jenrette, Inc., as is DLJ Capital Funding, Inc., which is the lead arranger, syndication agent and a lender under our new credit facility.

Our historical financial information may not be representative of our results as a separate company

The historical financial information we have included in this prospectus may not reflect what our results of operations, financial position and cash flows would have been had we been a separate, stand-alone company during the periods presented or what our results of operations, financial position and cash flows will be in the future. Various adjustments and allocations were made to the historical financial statements in this prospectus because Bausch &Lomb Incorporated did not account for us as a single stand-alone business for all periods presented. We cannot assure you that the adjustments and allocations we have made in preparing our historical and pro forma consolidated financial statements appropriately reflect our operations during the periods presented as if we had operated as a stand-alone company.

We must comply with many federal, state and local rules and regulations

Our business is affected by FDA regulations and similar foreign regulations

Much of our business depends on the comprehensive government regulation of the drug development process of our customers. In the United States, from time to time legislation is introduced in Congress to substantially modify regulations administered by the FDA governing the drug approval process. In Europe, the general trend has been toward establishing common standards for clinical testing of new drugs, leading to changes in the various requirements currently imposed by each country. Changes in regulation in the United States or elsewhere, including a relaxation in the scope of regulatory requirements or the introduction of simplified drug approval procedures, as well as anticipated regulation, could materially and adversely affect the demand for our services and products.

Our endotoxin testing business is regulated as a medical device manufacturer under FDA regulations. We received a "warning letter" from the FDA earlier this year, citing quality control and certain other operational deficiencies at our Charleston, South Carolina facility which the agency considered to be in violation of the laws or regulations enforced by the FDA. While the FDA has allowed our operation to continue to manufacture and sell the LAL product line produced at the Charleston facility, we must make certain prescribed changes to our production and quality control systems in order to maintain our license to manufacture at that facility. We expect that we will be able to meet all of the FDA's requirements in the near future, and have already made considerable progress in addressing the non-compliance issues, but we cannot assure you that the FDA will not conclude that our corrective actions are inadequate. If the FDA finds that we have not corrected the deficiencies noted in the warning letter, the agency could, among other things, issue another warning letter, request that we enter into a consent decree, prohibit new product introductions, institute a product recall, prohibit us from shipping products until all deficiencies are corrected to its satisfaction or temporarily revoke our manufacturing license, any of which could have a material adverse effect on our results of operations.

Our business may be affected by changes in the Animal Welfare Act and related regulations

Certain of our business activities are currently regulated by the Animal Welfare Act, which governs the treatment of certain animals intended for use in research. Much of our United States small animal research model business, which is predominantly rats and mice, is not subject to regulation under the Animal Welfare Act although we comply with licensing and registration requirement standards set by the USDA for handling animals, including breeding, maintenance and transportation of our animals. Birds, including the chickens used in our United States SPF egg business, are also not subject to Animal Welfare Act regulations. However, the USDA, which enforces the Animal Welfare Act, is presently considering changing the regulations issued pursuant to the Animal Welfare Act, in light of judicial action, to include rats, mice and birds within its coverage. The Animal Welfare Act imposes a wide variety of specific regulations on producers and users of animal subjects, most notably cage size, shipping conditions and environmental enrichment methods. Should the USDA decide to include rats, mice and birds, especially chickens, in its regulations, we could be required to alter our production operation for these models,

including adding production capacity, new equipment and additional employees. While we believe that application of the Animal Welfare Act to our rats, mice and SPF egg businesses in the United States will not result in loss of net sales, margin or market share, since all producers and users will be subject to the same regulations, we cannot assure you that the USDA's actions will not adversely affect our operations. In addition, although we do not anticipate the addition of rats, mice and birds to the Animal Welfare Act to require significant expenditures, we cannot assure you that the Animal Welfare Act, when amended, will not be more stringent than we expect or that any future amendments to the Animal Welfare Act or any other laws or regulations will not require significant expenditures.

In addition, some states have their own regulations, including general anti-cruelty legislation, which establish certain standards in handling animals. To the extent that we provide products and services overseas, we also have to comply with foreign laws, such as the European Convention for the Protection of Animals During International Transport and other anti-cruelty laws. The Council of Europe is presently considering proposals to more stringently regulate animal research.

Noncompliance with such laws and regulations described above can result in significant civil and criminal penalties.

We have been engaged in legal disputes over environmental compliance at our Florida Keys primate business for many years

We have for two decades raised primates on two islands we purchased for this purpose in the Florida Keys. Federal, state and local environmental and wildlife authorities, as well as private environmental advocacy groups, have challenged the continuing legality of this operation, citing damage to a subsequently protected plant species, mangroves, resulting from the free range conditions in which the primates have been maintained. To settle our disputes, we have agreed to move the primates off the islands and thereafter transfer the real property to the government. We have also agreed to refoliate the islands at our cost, restoring them to their conditions prior to our arrival. While we believe the refoliation process can be efficiently completed within a reasonable period, we cannot assure you that the refoliation process will be successful, or that there will not be any further disputes with environmental authorities relating to this obligation in which restitution costs, damages and penalties might be assessed.

Our business may be affected by healthcare reform

The healthcare industry is subject to changing political, economic and regulatory influences that may affect the pharmaceutical and biotechnology industries. Adoption and implementation of government healthcare reform, most notably price controls on new drugs, may adversely affect research and development expenditures by pharmaceutical and biotechnology companies, resulting in a decrease of the business opportunities available to us. Many foreign governments have also reviewed or undertaken healthcare reform, and we cannot predict the impact that any pending or future healthcare reform proposals may have on our business in foreign countries.

Our business may be disrupted by year 2000 problems

Historically, many computerized systems have used two digits rather than four to define the applicable year. Computer equipment and software and devices with imbedded technology that are time-sensitive may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failure or miscalculations causing disruptions of operations. This problem is generally referred to as the "Year 2000 issue."

We are currently engaged in a comprehensive project to upgrade our computer software to make it Year 2000 compliant and we expect to be able to modify or replace all affected systems in a manner which will minimize any detrimental effects on operations. However, if such modifications and replacements are not made, or are not completed in a timely manner, the year 2000 issue may have a material adverse effect on our business, results of operations and financial condition. To date, we have spent approximately $1.5 million on year 2000 projects and future expenditures are not expected to be significant. There can be no assurances that the actual costs required to

become year 2000 compliant will not exceed our estimates. In addition, we are uncertain as to the extent our customers and vendors may be affected by the Year 2000 issues and failure by any of our customers/vendors, suppliers or other third parties with whom we do business to be year 2000 compliant could have a material adverse effect on our operations.

If we cannot obtain consents and approvals from third parties required as a result of the change in control of our company, we may be adversely affected

A substantial number of our material agreements, including supply agreements, license agreements, joint venture agreements and service agreements contain provisions that require consents and/or approvals from third parties, including government entities, in case of a change in control of our company. In addition, a substantial number of our leases contain provisions prohibiting such change in control or permitting the landlord to terminate the lease upon a change in control. The Recapitalization constituted a change of control as defined in those agreements. We have received the necessary consents and/or approvals from third parties to our material agreements, except those from government entities. Consents from government entities generally require post-transaction disclosure which is in process, and we expect to receive such consents. We cannot assure you that all consents and/or approvals that are triggered by the change in control of our company will be obtained from government entities. We also cannot assure you that our inability to obtain such consents will not have a material adverse effect on our business.

There are no public trading markets for the warrants and the common stock of Holdings issuable upon conversion of the warrants

There is currently no active trading markets for the warrants and the common stock of Holdings issuable upon conversion of the warrants. As a result, quotes for such warrants and shares will likely not be readily available. Further, there can be no assurances as to the liquidity of or the ability of the holders to sell their securities, or the price at which holders would be able to sell their securities.

The trading price of the securities depends on the market for similar securities and other factors, including economic conditions and our financial condition, performance and prospects.

You may not receive dividends

Holdings has not paid dividends to date on the Holdings common stock or any other securities and does not anticipate paying any dividends on the Holdings common stock or any other securities in the foreseeable future. Holdings is a holding company that is dependent on distributions from its subsidiaries to meet its cash requirements. The terms of the indenture governing notes issued by Charles River and the new credit facility will restrict the ability of Charles River to make distributions to Holdings and, consequently, will restrict the ability of Holdings to pay dividends on the Holdings common stock or service its indebtedness. In addition, holders of the warrants will not have the right to receive any dividends so long as their warrants are unexercised.

THE TRANSACTIONS

The Recapitalization

We entered into a recapitalization agreement dated as of July 25, 1999 with Bausch & Lomb Incorporated ("B&L"), the Rollover Shareholders, Holdings, DLJMB and CRL Acquisition LLC, a wholly owned subsidiary of DLJMB. The recapitalization agreement provided for, among other things:

- the contribution of all assets and liabilities (except as described below) relating to our business by the Rollover Shareholders to us in exchange for all of our capital stock
- the exchange by the Rollover Shareholders of their shares of our capital stock for an equivalent ownership of shares of Holdings, so that Holdings will own 100% of our capital stock
- the Rollover Shareholders retained certain assets including:
  - substantially all of our cash and cash equivalents as of the day preceding the closing date
  - all receivables owed by the Rollover Shareholders or their affiliates
- the Rollover Shareholders retained certain liabilities including:
  - all indebtedness for borrowed money outstanding immediately prior to the closing date
  - all payables and other obligations owed to the Rollover Shareholders or any of their affiliates
  - all tax liabilities relating to pre-closing periods
- the formation by CRL Acquisition LLC of a wholly owned subsidiary ("Acquisition Subco"). CRL Acquisition LLC and Acquisition Subco were organized by DLJMB for the purpose of consummating the Recapitalization. The DLJMB Funds, management and other investors who previously purchased units contributed equity of $92.4 million in cash to CRL Acquisition LLC in exchange for all of the membership interests in CRL Acquisition LLC, and CRL Acquisition LLC then contributed equity of $92.4 million in cash to Acquisition Subco in exchange for all of the capital stock of Acquisition Subco
- the merger of Acquisition Subco with and into Holdings, with Holdings being the surviving entity
- the redemption by Holdings of 87.5% of its capital stock from the Rollover Shareholders for $400.0 million in cash and a subordinated discount note for $43.0 million issued by Holdings to the Rollover Shareholders; the Rollover Shareholders retained 12.5% of their equity investment with a fair market value of $13.2 million

As a result of the Recapitalization, the DLJMB Funds, management and certain other investors indirectly own (through CRL Acquisition LLC) 87.5% of the capital stock of Holdings and the Rollover Shareholders own 12.5% of the capital stock of Holdings.

The Sierra Acquisition

We acquired Sierra for an initial purchase price of $24.0 million, of which approximately $6 million was used to repay Sierra's existing debt. In addition, we have agreed to pay:

- up to $2.0 million in contingent purchase price if certain financial objectives are reached by December 31, 2000

- up to $10.0 million in performance-based bonus payments if certain financial objectives are reached over the next five years, with no payment in any individual year to exceed $2.7 million

- $3.0 million in retention and non-competition payments contingent upon the continuing employment of certain key scientific and management personnel through June 30, 2001

The Financing

We consummated the Recapitalization and the Sierra Acquisition concurrently (the "effective time"). In order to fund the consideration for the Transactions and pay related fees and expenses:

- we issued and sold units pursuant to an offering memorandum in the aggregate principal amount of $150.0 million

- we obtained $105.6 million in equity investment, consisting of $92.4 million in cash by the DLJMB Funds, management, and other investors and equity retained by the Rollover Shareholders with a fair value of $13.2 million

- we entered into a new $190.0 million senior secured credit facility, consisting of $160.0 million of term loan availability and $30.0 million of revolving loan availability with a group of financial institutions led by DLJ Capital Funding. At the effective time, we borrowed all of the term loans and $2.0 million of the revolving credit facility. We may use the remaining borrowing availability under the new credit facility for general corporate purposes, subject to certain conditions, including the absence of any material adverse change

- Holdings issued senior discount debentures with other warrants to the DLJMB Funds and other investors for $37.6 million

- Holdings issued a subordinated discount note to the Rollover Shareholders for $43.0 million

Concurrently with the effective time:

- we dividended $270.0 million less fees and expenses, which included a portion of the amount received pursuant to the units previously offered and under our new credit facility, to Holdings

- the Rollover Shareholders received cash in the amount of $400.0 million and a subordinated discount note for $43.0 million in exchange for 87.5% of their shares of capital stock of Holdings; the Rollover Shareholders retained 12.5% of their equity investment with a fair market value of $13.2 million

We funded the Sierra Acquisition with:

- available cash

- a portion of the net proceeds from the units

- a portion of the borrowings under our new credit facility

The following table sets forth the sources and uses of funds for the Transactions on a pro forma basis.

	As of September 25, 1999 (dollars in thousands)
Sources:	
Available cash	$ 2,508
Borrowings under our new credit facility:	
Revolving credit facility(1)	2,000
Term loans(2)	160,000
Units(3)	150,000
Senior discount debentures with warrants of Holdings(4)	37,613
Subordinated discount note of Holdings(5)	43,000
Equity investment by DLJMB Funds, management and other investors	92,387
Rollover Shareholders' equity	13,198
Total sources	$ 500,706
Uses:	
Recapitalization consideration	$ 443,000
Sierra acquisition consideration(6)	24,000
Rollover Shareholders' equity	13,198
Debt issuance costs	13,237
Loans to management	920
Transaction fees and expenses(7)	6,351
Total uses	$ 500,706

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

(1) We have availability of $28.0 million under our new revolving credit facility, subject to customary borrowing conditions. See "Description of New Credit Facility."

(2) Includes a senior secured Term Loan A facility of $40.0 million and a senior secured Term Loan B facility of $120.0 million.

(3) Represents $150.0 million of units previously offered.

(4) Investment by the DLJMB Funds.

(5) Investment by the Rollover Shareholders.

(6) Approximately $6 million was used to repay Sierra's existing debt.

(7) Includes financial advisory and other fees, and legal, accounting and other professional fees. See "Certain Relationships and Related Transactions."

USE OF PROCEEDS

Our net proceeds from the offering of the units, after deducting the expenses of the Transactions, including discounts and commissions to the initial purchaser, were approximately $143.2 million. We dividended $270.0 million less certain fees and expenses, consisting of a portion of the net proceeds from the offering together with a portion of the $162.0 million of initial borrowings under our new credit facility to Holdings. Holdings used the proceeds from this dividend, together with its new equity investment by the DLJMB Funds, management and other investors, proceeds from the issuance of its senior discount debentures with other warrants and its subordinated discount note, to fund the Recapitalization and to pay certain fees and expenses related to the Recapitalization. We used the remaining proceeds to fund the Sierra Acquisition and pay certain related fees and expenses. See "The Transactions."

All of the warrants offered hereby are being sold by the warrantholders. Holdings will not receive any proceeds from the sale of the warrants or common stock of Holdings issued upon the exercise of the warrants, other than the payment of the exercise price of the warrants.

DIVIDEND POLICY

Holdings has not paid dividends to date on the Holdings common stock or any other securities and does not anticipate paying any dividends on the Holdings common stock or any other securities in the foreseeable future. Holdings is a holding company that is dependent on distributions from its subsidiaries to meet its cash requirements. The terms of the indenture governing notes issued by Charles River and the new credit facility will restrict the ability of Charles River to make distributions to Holdings and, consequently, will restrict the ability of Holdings to pay dividends on the Holdings common stock or service its indebtedness. In addition, holders of the warrants will not have the right to receive any dividends so long as their warrants are unexercised.

CAPITALIZATION

The following table presents Holdings and Charles River's combined cash and cash equivalents and capitalization as of September 25, 1999 (i) on a historical basis and (ii) as adjusted to give pro forma effect to the Transactions. This table should be read in conjunction with "The Transactions," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated financial statements and notes thereto included elsewhere in this prospectus. See "Unaudited Pro Forma Condensed Consolidated Financial Data."

	As of September 25, 1999	
	Historical	Pro Forma
	(dollars in thousands)	
Cash and cash equivalents	$ 3,457	$ 3,678
Debt:		
New credit facility(1):		
Revolving credit facility	$ --	$2,000
Term loans(2)	--	160,000
Senior subordinated notes(3)	--	147,872
Senior discount debentures with warramts	--	28,642
Subordinated discount notes	--	43,000
Capital lease obligations and other long-term debt	1,033	1,256
Total debt	1,033	311,128
Redeemable Common Stock	--	13,198
Shareholder's equity:		
Common stock	1	1
Additional paid-in capital	17,836	196,184
Retained earnings	142,422	(299,168)
Loans to officers	--	(920)
Accumulated other comprehensive income	(11,294)	(11,294)
Total shareholder's equity	148,965	(15,197)
Total capitalization	$149,998	$280,771

- ---

(1) We have availability of $28.0 million under our new revolving credit facility, subject to customary borrowing conditions. See "Description of New Credit Facility."

(2) Includes a senior secured Term Loan A facility of $40.0 million and a senior secured Term Loan B facility of $120.0 million.

(3) Represents $147.9 million of senior subordinated notes previously offered.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

For the historical periods presented below, Holdings had no assets, liabilities or operations. Therefore, the following table presents Charles River's selected historical consolidated financial data and other data as of and for the fiscal years ended December 31, 1994, December 30, 1995, December 28, 1996, December 27, 1997 and December 26, 1998 and as of and for the nine months ended September 26, 1998 and September 25, 1999. The selected historical consolidated financial data as of and for the three fiscal years ended December 26, 1998 were derived from our consolidated financial statements and the notes to those statements. The selected historical consolidated financial data as of and for the fiscal years ended December 31, 1994 and December 30, 1995 and as of and for the periods ended September 26, 1998 and September 25, 1999 were derived from our unaudited consolidated financial statements and the notes to those statements. In the opinion of management, our unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial condition and results of operations for these periods. The information contained in this table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto contained elsewhere in this prospectus.

	Fiscal Year(1)					Nine Months Ended	
	1994	1995	1996	1997	1998	September 26, 1998	September 25, 1999
	(dollars in thousands)						
Income Statement Data:							
Net sales	$135,747	$141,041	$155,604	$170,713	$193,301	$145,519	$161,096
Cost of products sold and services provided	85,092	86,404	97,777	111,460	122,547	91,041	97,230
Selling, general and administrative expenses	25,824	27,976	28,327	30,451	34,142	25,202	29,414
Amortization of goodwill and other intangibles	437	558	610	834	1,287	1,036	1,114
Restructuring charges	4,788	--	4,748	5,892	--	--	--
Operating income	19,606	26,103	24,142	22,076	35,325	28,240	33,338
Other income	--	--	--	--	--	--	1,441
Interest income	149	634	654	865	986	659	496
Interest expense	(464)	(768)	(491)	(501)	(421)	(311)	(207)
Gain/(loss) from foreign currency, net	39	(68)	84	(221)	(58)	(127)	(143)
Income before income taxes, minority interests and earnings from equity investments	19,330	25,901	24,389	22,219	35,832	28,461	34,925
Provision for income taxes	7,995	10,759	10,889	8,499	14,123	11,280	16,903
Income before minority interests and earnings from equity investments	11,335	15,142	13,500	13,720	21,709	17,181	18,022
Minority interests	--	(13)	(5)	(10)	(10)	(8)	(10)
Earnings from equity investments	1,492	1,885	1,750	1,630	1,679	1,286	1,940
Net income	$12,827	$17,014	$15,245	$15,340	$23,378	$18,459	$19,952

	Fiscal Year(1)					Nine Months Ended	
	1994	1995	1996	1997	1998	September 26, 1998	September 25, 1999
	(dollars in thousands)						
Other Data:							
Depreciation and amortization	$9,635	$9,717	$9,528	$9,703	$10,895	$7,932	$8,701
Capital expenditures	5,727	10,239	11,572	11,872	11,909	5,834	7,426
Ratio of earnings to fixed charges(2)	21.9x	18.9x	18.8x	16.5x	25.8x	26.1x	33.7x
Balance Sheet Data (at end of period):							
Cash and cash equivalents	$9,584	$15,336	$19,657	$17,915	$24,811	$25,184	$3,457
Working capital	23,366	35,901	45,204	41,746	37,422	48,457	20,596
Total assets	164,680	184,271	196,981	196,211	233,410	222,092	210,371
Total debt(3)	4,142	4,626	1,645	1,363	1,582	1,462	1,033
Total shareholder's equity	126,000	142,212	153,818	149,364	168,259	165,324	148,965

- ---

(1) Our fiscal year consists of twelve months ending on the Saturday closest to December 31.

(2) For purposes of computing the ratio of earnings to fixed charges, "earnings" consist of income before income taxes, minority interests and earnings from equity investments less minority interests plus earnings from equity investments plus fixed charges. "Fixed charges" consist of interest expense on all indebtedness, amortization of deferred financing costs and one-third of rental expense from operating leases that we believe is a reasonable approximation of the interest component of rental expense.

(3) Total debt includes all debt and capital lease obligations, including current portions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and our unaudited pro forma condensed consolidated financial statements, including the notes thereto, included elsewhere in this prospectus.

This discussion contains forward-looking statements which involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in "Risk Factors."

HOLDINGS

Holdings is a holding company and does not have any material operations or assets other than its ownership of all of the capital stock of Charles River.

CHARLES RIVER

Overview

We are a global market leader in the commercial production and supply of animal research models for use in the discovery, development and testing of new pharmaceuticals. We have expanded our core capabilities in research models to become a leading supplier of related biomedical products and services in several specialized niche markets. Our research model capabilities and biomedical products and services, together with our global distribution network, allow us to meet the extensive needs of our broad customer base. Our customers consist primarily of large pharmaceutical companies, including the ten largest global pharmaceutical companies based on 1998 revenues, as well as biotechnology, animal health, medical device and diagnostic companies and hospitals, academic institutions and government agencies. Our facilities are located in 18 countries, including the United States, Canada, Japan and many European countries.

We operate in two segments for financial reporting purposes--research models and biomedical products and services. On a pro forma basis, research models accounted for 62%, and biomedical products and services accounted for 38%, of net sales for the twelve-month period ended September 25, 1999. Over the same period, Charles River and Holdings reported pro forma net sales of $230.5 million and pro forma combined Adjusted EBITDA of $57.0 million. Adjusted EBITDA represents EBITDA, as defined, adjusted for non-recurring, non-cash and cash items, as appropriate, which are more fully described on page 12. EBITDA, as defined, represents operating income plus depreciation and amortization. Adjusted EBITDA is presented because we believe it is a meaningful indicator of Charles River's operating performance, and it is the measure by which certain of the covenants under the new credit facility are computed. EBITDA, as defined, and Adjusted EBITDA are not intended to represent cash flows for the period, nor are they presented as an alternative to operating income or as an indicator of operating performance. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP in the United States and are not indicative of operating income or cash flow from operations as determined under GAAP. Our method of computation may not be comparable to other similarly titled measures of other companies.

Sierra, which we recently acquired, is a pre-clinical biomedical services company with expertise in drug safety and efficacy assessment studies using research models. Sierra offers its services to biotechnology, pharmaceutical and medical device companies that are principally focused on conducting studies needed in the early stages of drug development, especially those that require highly specialized scientific capabilities. Sierra has expertise in conducting critical developmental studies on potential new drugs and devices using research models, including short-term evaluations of potential new treatment for human or animal disease conditions.

Net Sales. We recognize net sales when a product is shipped or as services are rendered. Over the past three years, unit volume of small animal research models has increased modestly in North America and has decreased modestly in Europe. During the same period, sales in both North America and Europe have increased, principally as a result of price increases and a shift in mix towards higher priced research models. In recent years, we have increased our focus on the sale of specialty research models, such as special disease models, which have contributed to additional sales growth.

Our customers typically place orders for research models with less than a week's lead time. Meeting such demand requires efficient inventory management and strong customer service support. We improved inventory availability in the last two years through better forecasting and production mix, and most importantly, improved biosecurity, thereby reducing the possibility of contaminations.

Biomedical products and services have grown at a compounded rate of 31% from 1996 to 1998 and accounted for 30% of our sales in 1998, compared to 22% in 1996. Our growth in this business demonstrates our ability to capitalize on our core research model technology and enter into related product development activities undertaken by our customers.

Pricing. We maintain published list prices for all of our research models, biomedical products and certain of our services. We also have pricing agreements with our customers which provide certain discounts, usually based on volume. Many of our services are based on customized orders and are priced accordingly. While pricing has been competitive, certain of our products are priced at a premium due to the higher quality, better availability, and superior customer support that our customers associate with our products.

Biosecurity. Biosecurity is our highest operational priority. Prior breaches of biosecurity have adversely affected our results of operations, and we cannot assure you that future breaches would not materially affect our results of operations. A biosecurity breach typically results in additional expenses from the need to "recycle" or clean up the contaminated room, which in turn results in inventory loss, clean-up and start-up costs, and can reduce net sales as a result of lost customer orders and credits for prior shipments. We experienced several significant contaminations in 1996 and a few significant contaminations in 1997, both in our barrier rooms for research models and in our poultry houses for SPF eggs. As a result, our net sales in 1996 and 1997 were adversely affected by our inability to fulfill customer orders and our expenses were increased during those periods by the costs associated with cleaning up the contaminations. Since December 31, 1996, we have made over $6.0 million of capital expenditures designed to strengthen our biosecurity, primarily by upgrading our production facilities. In addition, we have made significant changes to our operating procedures for barrier rooms and poultry houses designed to further minimize the risks of contamination, including, for example, increasing the frequency of replacing masks and gowns, and most importantly, increasing awareness and training among our employees. These improvements to our operating procedures increased annual ongoing biosecurity related expenses by approximately $0.5 million in 1998. While we cannot assure you that we will not experience future significant barrier room or poultry house contaminations in the future, these changes have contributed to our absence of significant contaminations during 1998 and the first nine months of 1999.

Acquisitions. Since December 31, 1996, we have successfully acquired and integrated four companies, which contributed $6.3 million in sales in 1998, or 3.3% of total sales. We acquired Sierra for an initial purchase price of $24.0 million, of which approximately $6 million was used to repay Sierra's existing debt. In addition, we have agreed to pay (a) up to $2.0 million in contingent purchase price if certain financial objectives are reached by December 31, 2000, (b) up to $10.0 million in performance-based bonus payments if certain financial objectives are reached over the next five years, with no payment in any individual year to exceed $2.7 million, and (c) $3.0 million in retention and non-competition payments contingent upon the continuing employment of certain key scientific and managerial personnel through June 30, 2001.

The $2.0 million in contingent purchase price will, if paid, increase goodwill and/or other identifiable intangibles by the same amount and not affect our results of operations except through the subsequent related amortization expense and any interest expense related to any borrowings necessary to finance such payment. The $10.0 million in performance-based bonus payments, will, if paid, be expensed during the period in which it becomes reasonably certain that such financial objectives will be achieved. The $3.0 million in retention and non-competition payments will be

expensed over the next two years. The contingent purchase price and performance-based bonus payments are not reflected in the pro forma financial data included elsewhere herein because they are not considered reasonably estimable; the retention and non-competition payments are not included in the pro forma financial data as they are considered non-recurring.

Joint Ventures. We have two unconsolidated joint ventures which are accounted for under the equity method. Our largest is Charles River Japan, which we own 50%/50% with Ajinimoto Co., Inc., and is an extension of our research model business. Our royalty agreement provides us with 3% of the sales of locally produced research models. We also receive dividends based on our pro-rata share of 50% of net income. Dividends received from Charles River Japan were $0.7 million, $0.8 million and $0.7 million in 1996, 1997 and 1998, respectively. In addition, dividends for 1999 in the amount of $0.8 million have been received. Our other unconsolidated joint venture is Charles River Mexico, an extension of our SPF eggs business, which is not significant to our operations.

Restructuring Program. During 1996 and 1997, we implemented two restructuring programs in conjunction with B&L which were designed to: reduce capacity and consolidate facilities in the SPF eggs and small research models product lines; reduce staff costs in the United States and Europe; relocate our primate breeding operation in the Florida Keys to new locations and refoliate the related islands in response to a June 1997 court order; and close and consolidate several small product lines. In connection with the 1997 restructuring program, we entered into certain severance arrangements that call for payments over an extended period of time. Further, due to complications associated with our plan to relocate our primates from the Florida Keys to Miami, Florida, the relocation has taken longer than anticipated to complete. Specifically, we were particularly sensitive to moving the Florida Keys primates in a controlled and unrushed manner, in order to minimize mortality and breeding disruption. We believe that the restructuring programs have allowed us to significantly improve operations in 1998 and the first nine months of 1999.

Allocation of Costs from Bausch & Lomb. Historically, B&L charged us for certain direct expenses, including insurance, information technology and other miscellaneous expenses, based upon actual charges incurred on our behalf. However, these charges and estimates are not necessarily indicative of the costs and expenses which would have resulted had we incurred these costs as a stand-alone entity. The actual amounts of expenses we incur in future periods may vary significantly from these allocations and estimates. We expect to incur other incremental expenses as a stand-alone company. See "Unaudited Pro Forma Condensed Consolidated Financial Data."

The Transactions. The Recapitalization, which was consummated on September 29, 1999, was accounted for as a leveraged recapitalization, which will have no impact on the historical basis of our assets and liabilities. The Sierra Acquisition was accounted for under the purchase method of accounting with the purchase price allocated to the assets and liabilities of Sierra based on an estimate of their fair value, with the remainder, if any, being allocated to goodwill. On a pro forma basis, we incurred various costs of approximately $19.6 million (pre-tax) in connection with consummating the Transactions. The portion of these costs that represents deferred financing costs will be capitalized and amortized over the life of the related financing. A portion of the expenses related to the Recapitalization will be charged to retained earnings while the portion related to the Sierra Acquisition will be included in the purchase price.

Deferred Tax Assets. In conjunction with the Recapitalization, we will make an election under section 338(h)(10) of the Internal Revenue Code of 1986, as amended. Such election results in a step-up in the tax basis of the underlying assets. The resulting net deferred tax asset of $88.1 million is expected to be realized over 15 years through future tax deductions which are expected to reduce future tax payments. See Note (e) to the Unaudited Pro Forma Condensed Consolidated Balance Sheet included in the Unaudited Pro Forma Condensed Consolidated Financial Data.

Results of Operations

The following table summarizes historical results of operations as a percentage of net sales for the periods shown:

	Fiscal Year Ended			Nine Months Ended	
	December 28, 1996	December 27, 1997	December 26, 1998	September 26, 1998	September 25, 1999
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%

Costs of products sold and service provided.....	62.8	65.3	63.4	62.6	60.4
Selling, general and administrative expenses.....	18.2	17.8	17.7	17.3	18.3
Amortization of goodwill and other intangibles...	0.4	0.5	0.7	0.7	0.7
Restructuring charges.....	3.1	3.5	--	--	--
Operating income.....	15.5	12.9	18.2	19.4	20.6
Net income.....	9.8%	9.0%	12.1%	12.7%	12.4%

Nine Months ended September 25, 1999 Compared to Nine Months ended September 26, 1998

Net Sales. Net sales for the first nine months of 1999 were $161.1 million, an increase of $15.6 million, or 10.7%, from $145.5 million in the first nine months of 1998.

Research Models. Net sales of research models for the first nine months of 1999 were $109.2 million, an increase of $6.0 million, or 5.8%, from $103.2 million for the first nine months of 1998. Sales increased due to the increase in small animal research model sales in North America and Europe, resulting from improved pricing, a more favorable product mix and an increase in unit volume. We also experienced growth in our primate import and conditioning business, mainly due to pricing.

Biomedical Products and Services. Net sales of biomedical products and services for the first nine months of 1999 were $51.9 million, an increase of $9.6 million, or 22.7%, from $42.3 million for the first nine months of 1998. At the beginning of the second quarter of 1998, we acquired two new businesses that contributed $2.8 million of this sales growth. The remaining increase was due to significant sales increases of Special Animal Services and Endotoxin testing kits, and sales from our facility management contracts, primarily due to better customer awareness of our outsourcing solutions.

Cost of Products Sold and Services Provided. Cost of products sold and services provided for the first nine months of 1999 was $97.2 million, an increase of $6.2 million, or 6.8%, from $91.0 million for the first nine months of 1998.

Research Models. Cost of products sold and services provided for research models for the first nine months of 1999 was $65.4 million, an increase of $1.7 million, or 2.7%, compared to $63.7 million for the first nine months of 1998. Cost of products sold and services provided for the first nine months of 1999 was 59.9% of net sales compared to 61.7% of net sales for the first nine months of 1998. Cost of products sold and services provided increased at a lower rate than net sales due to the more favorable product mix and better pricing, as well as improved capacity utilization.

Biomedical Products and Services. Cost of products sold and services provided for biomedical products and services for the first nine months of 1999 was $31.8 million, an increase of $4.5 million, or 16.5%, compared to $27.3 million for the first nine months of 1998. Cost of products sold and services provided for the first nine months of 1999 was 61.3% of net sales compared to 64.5% of net sales for the first nine months of 1998. Cost of products sold and services provided increased at a lower rate than net sales, due to improved utilization in our SPF egg business, and a favorable sales mix in our Special Animal Services and biosafety testing businesses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the first nine months of 1999 were $29.4 million, an increase of $4.2 million, or 16.7% from $25.2 million for the first nine months of 1998. Selling, general and administrative expenses for the first nine months of 1999 were 18.2% of net sales, compared to 17.3% of net sales for the first nine months of 1998. Selling, general and administrative expenses also included research and development expense of $0.4 million for the first nine months of 1999 compared to $0.8 million for the same period in 1998.

Research Models. Selling, general and administrative expenses for research models for the first nine months of 1999 were $15.7 million, an increase of $2.5 million, or 18.9%, compared to $13.2 million, for the first nine months of 1998. Selling, general and administrative expenses for the first nine months of 1999 were 14.4% of net sales, compared to 12.8% for the first nine months of 1998. The increase was attributable to additional worldwide marketing efforts, additional salespeople in the United States and the impact of selling efforts in Europe for ESD, a business acquired at the end of 1998.

Biomedical Products and Services. Selling, general and administrative expenses for biomedical products and services for the first nine months of 1999 were $7.5 million, an increase of $0.9 million, or 13.6%, compared to $6.6 million for the first nine months of 1998. Selling, general and administrative expenses for the first nine months of 1999 decreased to 14.5% of net sales, compared to 15.6% of net sales for the first nine months of 1998, due to the significant increase in sales.

Unallocated Corporate Overhead. Unallocated corporate overhead, which consists of various corporate expenses, was $6.2 million for the first nine months of 1999, an increase of $0.8 million, or 14.8%, compared to $5.4 million for the first nine months of 1998. The increase resulted from a number of items, the most significant of which related to the write down of a small investment in one of our joint ventures, which is undergoing significant financial difficulties.

Amortization of Goodwill and Other Intangibles. Amortization of goodwill and other intangibles for the first nine months of 1999 was $1.1 million, an increase of $0.1 million, or 10.0%, from $1.0 million for the first nine months of 1998. The increase was due to the effect of three recent acquisitions, two in April 1998 and one in December 1998.

Restructuring Charges. There were no restructuring charges during the nine months ended September 25, 1999 and September 26, 1998. During the nine months ended September 25, 1999, we charged $0.8 million of previously reserved for costs against the recorded restructuring reserves. The remaining reserves, which primarily relate to continuing severance payments and relocation and refoliation costs, are expected to be fully utilized by the end of 1999.

Operating Income. Operating income for the first nine months of 1999 was $33.3 million, an increase of $5.1 million, or 18.1%, from $28.2 million in the first nine months of 1998. Operating income for the first nine months of 1999 was 20.7% of net sales, compared to 19.4% of net sales for the first nine months of 1998. Operating income increased in total and as a percentage of net sales for the reasons described below.

Research Models. Operating income from sales of research models for the first nine months of 1999 was $28.0 million, an increase of $1.7 million, or 6.5%, from $26.3 million in the first nine months of 1998. Operating income from sales of research models for the first nine months of 1999 was 25.5% of net sales, unchanged from the first nine months of 1998.

Biomedical Products and Services. Operating income from sales of biomedical products and services for the first nine months of 1999 was $11.5 million, an increase of $4.2 million, or 57.5%, from $7.3 million in the first nine months of 1998. Operating income from sales of biomedical products and services for the first nine months of 1999 increased to 22.2% of net sales, compared to 17.3% of net sales for the first nine months of 1998, due to improvements in pricing, sales mix and cost savings achieved.

Other Income. During the third quarter of 1999, we recorded a $1.4 million gain on the sale of two small facilities, one located in Florida, and the other located in the Netherlands.

Income Taxes. The effective tax rate of 48.4% for the first nine months of 1999 as compared to 39.6% for the first nine months of 1998, reflects the remittance of cash dividends of $20.7 million from our foreign subsidiaries which, in turn, were remitted to B&L. The related amounts were previously considered permanently reinvested in the foreign jurisdictions for U.S. income tax reporting purposes, therefore, we were required to provide additional taxes upon their repatriation to the U.S. In addition, during the nine months ended September 25, 1999, an election was made by B&L to treat certain foreign entities as branches for United States income tax purposes. As a result, all previously untaxed accumulated earnings of such entities became immediately subject to tax in the United States. The receipt of the cash

dividends from the foreign subsidiaries and the foreign tax elections made resulted in incremental United States taxes of $2.0 million, net of foreign tax credits, during the nine months ended September 25, 1999.

Net Income. Net income for the first nine months of 1999 was $20.0 million, an increase of $1.5 million, or 8.1%, from $18.5 million in the first nine months of 1998. The increase was attributable to the factors described above.

Fiscal 1998 Compared to Fiscal 1997

Net Sales. Net sales in 1998 were $193.3 million, an increase of $22.6 million, or 13.2%, from $170.7 million in 1997.

Research Models. Net sales of research models in 1998 were $134.6 million, an increase of $9.4 million, or 7.5%, from $125.2 million in 1997. Sales increased due to the increase in small animal research model sales in North America, resulting from improved pricing and a more favorable product mix. In addition, in 1998 we were not affected by the significant contaminations which negatively impacted sales in 1997. Overall, unit volumes remained relatively flat, with modest increases in North America offset by modest declines in Europe. Our net sales in our primate import and conditioning business also increased as a result of expansion in our boarding and service business.

Biomedical Products and Services. Net sales of biomedical products and services in 1998 were $58.7 million, an increase of $13.2 million, or 29.0%, from $45.5 million in 1997. During 1998 we acquired three businesses that contributed $6.1 million of our sales growth. The remaining increase was due to increased sales across all of our product lines, and in particular our Special Animal Services and Endotoxin testing businesses.

Cost of Products Sold and Services Provided. Cost of products sold and services provided in 1998 was $122.5 million, an increase of $11.0 million, or 9.9%, from $111.5 million in 1997.

Research Models. Cost of products sold and services provided for research models for 1998 was $85.8 million, an increase of $3.3 million, or 4.0%, compared to $82.5 million in 1997. Cost of products sold and services provided for 1998 was 63.7% of net sales compared to 65.9% for 1997. Cost of products sold and services provided increased for 1998 compared to 1997, but at a slower rate than net sales due principally to better product mix and pricing as well as greater economies of scale and improved production efficiencies.

Biomedical Products and Services. Cost of products sold and services provided for biomedical products and services for 1998 was $36.7 million, an increase of $7.7 million, or 26.6%, compared to $29.0 million in 1997. Cost of products sold and services provided was 62.5% of net sales in 1998 compared to 63.7% in 1997. Cost of products sold and services provided increased for 1998 compared to 1997, but at a slower rate than net sales due principally to cost savings.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in 1998 were $34.1 million, an increase of $3.6 million, or 11.8%, from $30.5 million in 1997. Selling, general and administrative expenses in 1998 were 17.6% of net sales compared to 17.9% of net sales in 1997. These expenses increased mainly in line with sales. Selling, general and administrative expenses also included research and development expense of $1.4 million in 1998, which was the same amount as in 1997.

Research Models. Selling, general and administrative expenses for research models for 1998 were $18.1 million, a decrease of $1.5 million, or 7.7%, compared to $19.6 million, for 1997. Selling, general and administrative expenses for 1998 decreased to 13.4% of net sales, compared to 15.7% for 1997 due primarily to the significant increase in sales.

Biomedical Products and Services. Selling, general and administrative expenses for biomedical products and services for 1998 were $9.7 million, an increase of $2.8 million, or 40.6%, compared to $6.9 million for 1997. Selling, general and administrative expenses for 1998 were 16.5% of net sales, compared to 15.2% of net sales for 1997. The increase was principally attributable to the acquisition of two small businesses in April 1998.

Unallocated Corporate Overhead. Unallocated corporate overhead was $6.3 million for 1998, an increase of $2.3 million, or 57.5%, compared to $4.0 million in 1998. The increase was due to an increase in our supplemental retirement program costs, along with an increase in management bonuses for 1998.

Amortization of Goodwill and Other Intangibles. Amortization of goodwill and other intangibles in 1998 was $1.3 million, an increase of $0.5 million, or 62.5%, from $0.8 million in 1998. The increase was due to the acquisition of two small service businesses in April 1998.

Restructuring Charges. There were no restructuring charges in 1998 compared to $5.9 million in 1997 associated with the restructuring program discussed above. During 1998, we charged $1.6 million of previously reserved for costs against the previously recorded restructuring reserves.

Operating Income. Operating income in 1998 was $35.3 million, an increase of $13.2 million, or 59.7%, from $22.1 million in 1997. Operating income in 1998 was 18.3% of net sales compared to 12.9% of net sales in 1997.

Research Models. Operating income from research models in 1998 was $30.5 million, an increase of $10.9 million, or 55.6%, from $19.6 million in 1997. Operating income from sales of research models in 1998 increased to 22.7% of net sales, compared to 15.7% of net sales in 1997 for the reasons described above.

Biomedical Products and Services. Operating income from biomedical products and services in 1998 was $11.1 million, an increase of $4.6 million, or 70.8%, from $6.5 million in 1997. Operating income increased to 18.9% of net sales, compared to 14.3% of net sales in 1997 for the reasons described above.

Income Taxes. The effective tax rate in 1998 was 39.4% compared to 38.3% in 1997.

Net Income. Net income in 1998 was $23.4 million, an increase of $8.1 million, or 52.9%, from $15.3 million in 1997. The increase was attributable to the factors referred to above.

Fiscal 1997 Compared to Fiscal 1996

Net Sales. Net sales in 1997 were $170.7 million, an increase of $15.1 million, or 9.7%, from $155.6 million in 1996.

Research Models. Net sales of research models in 1997 were $125.2 million, an increase of $3.9 million, or 3.2%, from $121.3 million in 1996. Sales increased due to the increase in small animal research model sales in North America, primarily due to improved pricing and a favorable product mix which more than offset slight unit volume declines in Europe and flat unit volume sales in North America. The unit volume declines were partially due to a number of contaminations which occurred in 1996 and several contaminations in 1997, which mostly impacted net sales in 1997. In addition, net sales in 1997 were negatively impacted by foreign currency translations. Sales in our primate business increased after our imported primates business was reacquired at the beginning of the third quarter of 1996.

Biomedical Products and Services. Net sales of biomedical products and services in 1997 were $45.5 million, an increase of $11.2 million, or 32.7%, from $34.3 million in 1996. The increase was due to increased sales of SPF eggs, an increase in facility management contracts and the acquisition of our French distributor for Endotoxin testing kits in the beginning of the second quarter of 1996.

Cost of Products Sold and Services Provided. Cost of products sold and services provided in 1997 was $111.5 million, an increase of $13.7 million, or 14.0%, from $97.8 million in 1996.

Research Models. Cost of products sold and services provided for research models for 1997 was $82.5 million, an increase of $6.5 million, or 8.6%, compared to $76.0 million in 1996. Cost of products sold and services provided for 1997 was 65.9% of net sales compared to 62.7% for 1996. Cost of products sold and services provided increased for

1997 compared to 1996 at a greater rate than sales due principally to additional costs associated with biosecurity and the prevention of contaminations.

Biomedical Products and Services. Cost of products sold and services provided for biomedical products and services for 1997 was $29.0 million, an increase of $7.2 million, or 33.0%, compared to $21.8 million in 1996. Cost of products sold and services provided for 1997 was 63.7% of net sales in 1997 compared to 63.6% in 1996.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in 1997 were $30.5 million, an increase of $2.2 million, or 7.8%, from $28.3 million in 1996. Selling, general and administrative expenses in 1997 were 17.9% of net sales compared to 18.2% of net sales in 1996. Selling, general and administrative expenses also included research and development expense of $1.4 million in 1997, compared to $1.5 million in 1996.

Research Models. Selling, general and administrative expenses for research models for 1997 were $19.6 million, a decrease of $0.1 million, or 0.5%, compared to $19.7 million, for 1996. Selling, general and administrative expenses for 1997 were 15.7% of net sales, compared to 16.2% for 1996.

Biomedical Products and Services. Selling, general and administrative expenses for biomedical products and services for 1997 were $6.9 million, an increase of $1.5 million, or 27.8%, compared to $5.4 million for 1996. Selling, general and administrative expenses for 1997 were 15.2% of net sales, compared to 15.7% of net sales for 1996.

Unallocated Corporate Overhead. Corporate overhead was $4.0 million for 1997, an increase of $0.8 million, or 25.0%, compared to $3.2 million in 1996.

Amortization of Goodwill and Other Intangibles. Amortization of goodwill and other intangibles in 1997 was $0.8 million, an increase of $0.2 million, or 33.3%, from $0.6 million in 1996. The increase was due to the acquisition of our French distributor for Endotoxin testing kits in the beginning of the second quarter of 1996.

Restructuring Charges. Restructuring charges in 1997 were $5.9 million, an increase of $1.2 million, or 25.5%, from $4.7 million in 1996. The 1997 restructuring charges consisted of the following: plant closings and personnel reductions in our SPF egg business, severance costs and relocation costs for our purpose bred primates in the Florida Keys and related refoliation costs and staff reductions and associated severance costs in Europe and the United States. The 1996 restructuring charges consisted of the following: plant closings in the United States and Europe of the small animal business, personnel reductions at our European headquarters, administrative staff reductions at the SPF egg business, and shut-down or consolidations of several other small businesses. During 1997, we charged $3.2 million of costs against the reserves recorded in 1997. The restructuring activities provided for in 1996 were completed by the end of the year with actual charges approximating those originally provided for.

Operating Income. Operating income in 1997 was $22.1 million, a decrease of $2.0 million, or 8.3%, from $24.1 million in 1996. Operating income in 1997 was 12.9% of net sales compared to 15.5% of net sales in 1996. Operating income decreased in total and as a percentage of net sales due to the factors described above.

Research Models. Operating income from research models in 1997 was $19.6 million, a decrease of $4.5 million, or 18.7%, from $24.1 million in 1996. Operating income from sales of research models in 1997 decreased to 15.7% of net sales, compared to 19.9% of net sales in 1996 due primarily to biosecurity costs and higher restructuring charges.

Biomedical Products and Services. Operating income from biomedical products and services in 1997 was $6.5 million, an increase of $3.2 million, or 97.0%, from $3.3 million in 1996. Operating income from sales of biomedical products and services in 1997 increased to 14.3% of net sales, compared to 9.6% of net sales in 1996 due to the significant increase in sales.

Income Taxes. The effective tax rate in 1997 was 38.3%, compared to 44.6% in 1996, due to higher foreign statutory tax rates in 1996.

Net Income. Net income in 1997 was $15.3 million, an increase of $0.1 million, or 0.7%, from $15.2 million in 1996. The increase was attributable to the factors referred to above.

Liquidity and Capital Resources

Post-Transactions

Our principal sources of liquidity are cash flow from operations and borrowings under our new credit facility. Our principal uses of cash are debt service requirements as described below, capital expenditures, working capital requirements and acquisitions.

On a pro forma basis, after giving effect to the Transactions, as of September 25, 1999, Charles River and Holdings had:

- total combined indebtedness of approximately $382.8 million
- approximately $28.0 million of borrowings available under our new credit facility, subject to customary conditions

Our significant debt service obligations following the Transactions could, under certain circumstances, have material consequences to our security holders. See "Risk Factors--Risks relating to our debt."

The term loan facility under the new credit facility consists of a $40.0 million term loan A facility and a $120.0 million term loan B facility. The term loan A facility matures six years after the closing date of the facility and the term loan B facility matures eight years after the closing date of the facility.

The new credit facility also includes a $30.0 million revolving credit facility which matures six years after the closing date of the facility. The revolving credit facility may be increased by up to $25.0 million at our request, which will only be available to us under certain circumstances, subject to a successful syndication under the same terms and conditions of the $30.0 million revolving credit facility.

Loans under the term loan A facility and the revolving facility will bear interest, at our option, at the alternate base rate or the reserve adjusted LIBOR rate plus, in each case, applicable margins of 3.00% for LIBOR loans and 1.75% for base rate loans. Loans under the term loan B facility will bear interest, at our option, at the alternate base rate or the reserve adjusted LIBOR rate plus, in each case, applicable margins of 3.75% for LIBOR loans and 2.50% for base rate loans. We pay commitment fees in an amount equal to 0.50% per annum on the daily average unused portion of the revolving credit facility. Such fees are payable quarterly in arrears and upon the maturity or termination of the revolving credit facility. Beginning approximately six months after the closing date of the new credit facility, the applicable margins applicable to loans under the term loan A facility and the revolving facility and commitment fees will be determined based on the ratio (the "Leverage Ratio") of consolidated total debt to consolidated EBITDA (as defined in the new credit facility) of our company and our restricted subsidiaries (as defined in the new credit facility).

All of our future domestic restricted subsidiaries will be guarantors of the new credit facility. Our obligations under the new credit facility are or will be secured by:

- all of our stock,
- all of our existing and after-acquired personal property and all the existing and after-acquired personal property of our future domestic restricted subsidiaries, including a pledge of all of the equity interests of all our future restricted subsidiaries held by us or any of our restricted subsidiaries and no more than 65% of the equity interests of any foreign restricted subsidiary, and all intercompany debt in our favor,

- first-priority perfected liens on all of our material existing and after-acquired real property fee and leasehold interests, subject to customary permitted liens (as defined in the new credit facility), and

- a negative pledge on all of our and our subsidiaries' assets.

The new credit facility contains customary covenants and restrictions on our ability to engage in certain activities, including, but not limited to:

- limitations on other indebtedness, liens, investments and guarantees,

- restrictions on dividends and redemptions and payments on subordinated debt and

- restrictions on mergers and acquisitions, sales of assets and leases. The new credit facility also contains customary events of default and a cross-default to indebtedness of Holdings.

The notes mature in 2009. Interest on the notes is payable semi-annually in cash. The notes contain customary covenants and events of default, including covenants that limit our ability to incur debt, pay dividends and make certain investments.

We anticipate that we will spend approximately $15.0 million on a pro forma basis for capital expenditures in 1999. The new credit facility contains restrictions on our ability to make capital expenditures. Based on current estimates, management believes that the amount of capital expenditures permitted to be made under the new credit facility will be adequate to grow our business according to our business strategy and to maintain the properties and businesses of our continuing operations.

Working capital totaled $31.9 million at September 25, 1999 on a pro forma basis. Management believes that we will continue to require working capital consistent with past experience and that current levels of working capital, together with borrowings available under the new credit facility, will be sufficient to meet expected liquidity needs in the near term.

We anticipate that our operating cash flow, together with borrowings under the new credit facility, will be sufficient to meet our anticipated future operating expenses, capital expenditures and debt service obligations as they become due. However, our ability to make scheduled payments of principal of, to pay interest on or to refinance our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control. See "Risk Factors."

From time to time we will continue to explore additional financing methods and other means to lower our cost of capital, which could include stock issuance or debt financing and the application of the proceeds therefrom to the repayment of bank debt or other indebtedness. In addition, in connection with any future acquisitions, we may require additional funding which may be provided in the form of additional debt or equity financing or a combination thereof. There can be no assurance that any such additional financing will be available to us on acceptable terms.

In connection with the Transactions, Holdings issued $37.6 million aggregate principal amount of 16.27% senior discount debentures with other warrants to the DLJMB Funds and other investors. The senior discount debentures accrete from their original issue price of $37.6 million to $82.3 million by October 1, 2004. Thereafter, interest is payable in cash. The senior discount debentures mature on April 1, 2010. The senior discount debentures contain covenants and events of default substantially similar to those contained in the notes. In addition, Holdings issued to the Rollover Shareholders a subordinated discount note with an original issue price of $43.0 million. The subordinated discount note accretes at the rate of 12% prior to October 1, 2004 and thereafter at 15% to an aggregate principal amount of $175.3 million at maturity on October 1, 2010. The subordinated discount notes are subject to mandatory redemption upon a change of control at the option of the holder thereof and are subject to redemption at Holdings' option at any time.

Holdings has no source of liquidity other than dividends from Charles River. Charles River's ability to pay dividends will be subject to limitations contained in the indenture governing the notes and the new credit facility.

Historical

Nine Months Ended September 25, 1999 Compared to Nine Months Ended September 26, 1998

Cash flow from operating activities for the nine months ended September 25, 1999 was $19.6 million compared to $23.5 million for the nine months ended September 26, 1998 due to an increase in working capital.

Net cash used in investing activities, consisting primarily of capital expenditures and acquisitions, was $4.8 million for the nine months ended September 25, 1999 compared to $14.3 million for the nine months ended September 26, 1998. The investing levels primarily change from year to year as the result of spending on acquisitions. The large amount in 1998 primarily relates to the acquisition of Tektagen, Inc. Capital expenditures were $7.4 million for the nine months ended September 25, 1999, compared to $5.8 million for the nine months ended September 26, 1998. There were not any significant capital commitments at September 25, 1999. We continually monitor our capital spending in relation to current and anticipated business needs. Our operations typically do not require large capital expenditures and we anticipate that capital spending will remain relatively consistent except for requirements related to acquisitions.

Net cash used in financing activities, consisting principally of net activity with B&L, was $34.6 million for the nine months ended September 25, 1999 compared to $2.4 million for the nine months ended September 26, 1998. This large increase relates principally to B&L dividending all excess cash in Charles River Laboratories in connection with the Transactions.

Fiscal 1998 Compared to Fiscal 1997

Cash flow from operating activities in 1998 was $36.7 million compared to $23.7 million in 1997, due to an increase in net income and a decrease in working capital.

Net cash used in investing activities in 1998 was $22.3 million compared to $12.3 million in 1997. The increase in 1998 was primarily due to the acquisition of Tektagen, Inc. Capital expenditures were $11.9 million in 1998, the same as 1997. Cash paid for acquisitions was $11.1 million in 1998, compared to $1.2 million in 1997.

Net cash used in financing activities was $8.0 million in 1998 compared to $12.9 million in 1997. The decrease is due to less remittances to B&L.

Fiscal 1997 Compared to Fiscal 1996

Cash flow from operating activities in 1997 was $23.7 million compared to $20.5 million in 1996, due to a decrease in working capital.

Net cash used in investing activities in 1997 was $12.3 million compared to $11.7 million in 1996. Capital expenditures were $11.9 million in 1997, compared to $11.6 million in 1996.

Net cash used in financing activities was $12.9 million in 1997 compared to $4.1 million in 1996. The increase is due to increased remittances to B&L.

We anticipate that our operating cash flow, together with borrowings under the new credit facility, will be sufficient to meet our anticipated future operating expenses, capital expenditures and debt service obligations as they become due. However, our ability to make scheduled payments of principal of, to pay interest on or to refinance our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control. See "Risk Factors."

Year 2000 Compliance

We have been addressing the potential risks associated with the year 2000 date issue. We are following a formal program developed by B&L to assess and renovate internal information technology ("IT") and non-information technology ("non-IT") operations that are at risk, and further, to evaluate the year 2000 readiness of key third-party suppliers and recipients of products, services, materials or data. Year 2000 issues are being addressed through a combination of software replacement, system upgrades and, in limited instances, source code modifications (collectively, "renovation"). Ongoing reengineering projects have had the incidental benefit of remediating several major year 2000 issues.

The assessment phase of IT systems is substantially complete. The renovation phase is on schedule and all key IT systems are compliant as of November 1999. We expect other IT systems to be tested and compliant by mid-December 1999. For non-IT systems, we have utilized a leading production systems integration firm specializing in year 2000 assessment and remediation of manufacturing, laboratory and research and development facilities. The assessment phase was fully completed during the second quarter of 1999. At this time, all key non-IT systems have been tested and are compliant. We assessed the readiness of key suppliers and customers in early 1999. We have interacted with each major supplier or recipient of data, including face-to-face interviews with many of those considered to be critical to our company. This assessment is complete.

Our anticipated costs, comprised of both period expenses and capital expenditures, of identifying and remediating year 2000 issues on the above-described areas, are not expected to exceed $1.5 million. The majority of this work has been done by in-house personnel, which commenced in 1995. Management believes that our year 2000 program will substantially reduce the risk of a material adverse impact on future financial results caused by the year 2000 issue. Potential risks of a failure to address a year 2000 issue (whether IT, non-IT, or external) that could have a materially detrimental impact to us include the inability to manufacture or ship products, the inability to receive and fill orders, and problems with customers or suppliers, including the loss of electrical power or the failure of a key customer or supplier to purchase products or provide anticipated goods and services. At this stage, we have contingency plans for all our major facilities globally.

On September 29, 1999, we acquired Sierra. We are currently working with local management to implement the year 2000 compliance program of Charles River. We expect to complete all phases by the end of the fourth quarter of 1999.

BUSINESS

HOLDINGS

Holdings is a holding company and does not have any material operations or assets other than its ownership of all of the capital stock of Charles River.

CHARLES RIVER

Overview

We are a global market leader in the commercial production and supply of animal research models for use in the discovery, development and testing of new pharmaceuticals. We have expanded our core capabilities in research models to become a leading supplier of related biomedical products and services in several specialized niche markets. Our research model capabilities and biomedical products and services, together with our global distribution network, allow us to meet the extensive needs of our broad customer base. Our customers consist primarily of:

- large pharmaceutical companies, including the ten largest global pharmaceutical companies based on 1998 revenues
- biotechnology, animal health, medical device and diagnostics companies
- hospitals
- academic institutions
- government agencies

Our facilities are located in 18 countries, including the United States, Canada, Japan and many European countries. On a pro forma basis, research models accounted for 62%, and biomedical products and services accounted for 38%, of net sales for the twelve-month period ended September 25, 1999. Over the same time period, Charles River and Holdings reported pro forma net sales of $230.5 million and pro forma Adjusted EBITDA of $57.0 million. Adjusted EBITDA represents EBITDA, as defined, adjusted for non-recurring, non-cash and cash items, as appropriate, which are more fully described on page 12. EBITDA, as defined, represents operating income plus depreciation and amortization. Adjusted EBITDA is presented because we believe it is a meaningful indicator of Charles River's operating performance, and it is the measure by which certain of the covenants under the new credit facility are computed. EBITDA, as defined, and Adjusted EBITDA are not intended to represent cash flows for the period, nor are they presented as an alternative to operating income or as an indicator of operating performance. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP in the United States and are not indicative of operating income or cash flow from operations as determined under GAAP. Our method of computation may not be comparable to other similarly titled measures of other companies.

Research Models. We have a leading position in the global market for research models, which primarily consists of purpose-bred rats and mice. The use of research models is often a critical part of scientific discovery in the life sciences and is required by FDA guidelines as well as foreign regulatory agencies for new drug approval processes. Our business is primarily involved in the early stages of drug discovery and development, commonly referred to as the pre-clinical stage of drug development. During this stage, promising new drug candidates are evaluated for their efficacy and safety through testing in research models. Data from the pre-clinical stage is submitted to the applicable regulatory agency for review in order for the drug to obtain approval to advance to the human testing stage, commonly known as clinical studies. We principally produce and sell rats, mice, other rodents and primates with highly defined health and genetic backgrounds, primarily for use in pre-clinical research. Our research models include special disease rodent models, such as mice with impaired immune systems, which are increasingly demanded by biomedical researchers for specialized

research and discovery. We focus on maintaining reliable biosecurity, which includes stringent guidelines to ensure contamination-free research models. As a result, we provide consistent product availability and offer a wide variety of healthy, genetically defined and specifically targeted research models. We further differentiate our research models by providing extensive technical service and support, including scientific oversight from a team of more than 70 full-time, dedicated professionals (DVMs, MDs and PhDs) specializing in laboratory animal medicine, pathology and virology as well as molecular biology, primatology and genetics.

Biomedical Products and Services. Our biomedical products and services are principally focused on meeting the research needs of large pharmaceutical companies as well as biotechnology, animal health, medical device and diagnostics companies. We are a leading supplier of endotoxin testing kits that detect fever producing toxins in injectable drugs and devices and are one of only two FDA validated in vitro alternatives to an animal test. In addition, we are one of the world's largest producers of SPF fertile chicken eggs, which are principally used to produce poultry vaccines. Our other biomedical products and services, many of which are related to technologies developed in our research model business, include:

- transgenic animal production
- medical device testing
- contract research services
- comprehensive health monitoring programs, including DNA testing, of animal colonies
- testing services for human protein drug candidates
- facility management services

Competitive Strengths

Long-Standing Relationships with an Extensive Customer Base. Our customers consist primarily of large pharmaceutical companies, including the ten largest global pharmaceutical companies based on 1998 revenues, as well as biotechnology, animal health, medical device and diagnostics companies and hospitals, academic institutions and government agencies. We have many long-term, stable relationships with our customers as evidenced by the fact that all of our top 20 customers in 1989 remain our customers today. We have further strengthened our customer relationships by offering related biomedical products and services to our research model customers. Our customer base is also diversified with no individual customer accounting for more than 3% of net sales in 1998 and the top 30 customers representing approximately 30% of total net sales.

Critical Component of Pharmaceutical Research. The research models we supply are essential to the new drug discovery and development process. FDA guidelines and certain foreign regulatory agencies for many years have required that new drug candidates be tested on two separate animal species in the pre-clinical stage. According to the Pharmaceutical Research and Manufacturers of America, total research and development spending in the United States by research-based pharmaceutical companies was $17 billion in 1998. While pharmaceutical companies generally invest large sums of money in developing new drugs, the purchase of research models typically represents an immaterial portion of the cost to commercialize a new drug. As a result, most customers are principally focused on the quality of the research model which is critical for achieving accurate and reproducible study results and facilitating timely FDA approval of new drug candidates. For these reasons, our reputation for high quality models and consistent product availability enable us to maintain and expand our customer relationships.

Leading Market Position. We believe that our worldwide infrastructure, global staff of nearly 100 scientific professionals, 50 years of operating history and reputation for high quality products have established us as a global market leader in the commercial production and supply of research models. We maintain our leadership position through our well-established customer relationships, extensive high quality product offerings and our ability to provide

complementary services. Our market leadership in research models has allowed us to capitalize on the significant research and development spending by large pharmaceutical companies, and more recently on outsourcing trends by our customers.

Global Presence. We are a global provider of research models, with 49 facilities in the United States, Canada, Japan and many European countries. On a pro forma basis, our international business contributed approximately 36% of our net sales for the twelve-month period ended September 25, 1999. We believe that as our customers continue to expand globally, they are likely to prefer to deal with a select number of suppliers who have the ability to offer them a wide range of products and services worldwide and in a timely manner. In addition, our customers benefit from our global presence because it reduces potential exposure to biosecurity risks and, minimizes regulatory restrictions and costs relating to transporting research models over long distances. We provide our customers with uniform and consistent research models regardless of the location of their research study.

Experienced and Motivated Management Team. Our senior management team has extensive experience in supplying the biomedical research industry, and an average of 17 years of experience with Charles River. Our senior management team, led by our chief executive officer, James C. Foster, has successfully grown our business, secured our current strong market positions, integrated eight strategic acquisitions since 1992 and positioned us for growth. Our senior management team has broadened our pure research model focus to also include being a leading supplier of biomedical products and services in several specialized niche markets. As a result of the recapitalization of our business, our management team indirectly holds 6.1% of the equity of Charles River, and expects to have the option to acquire additional equity of Charles River through a customary equity incentive plan.

Business Strategy

Increase Sales in Research Models. We believe we can continue to increase our market share in this segment by introducing new research models, providing exceptional technical service and support, optimizing our existing price structure and product mix and maintaining reliable biosecurity. In general, we have been able to increase our prices at rates that are above the rate of inflation in the United States by maintaining high quality and specialized products, enhancing service and improving availability. We also have been focused on periodically adding higher value research models to our portfolio. These higher value research models tend to be premium priced, targeted towards specific disease conditions and provide us with an enhanced product mix that contributes to moderate but sustained growth in the research model business. We expect to continue to expand this segment, both through sustained growth in demand for already introduced models and the introduction of new models.

Expand Value-Added Biomedical Products and Services. Our biomedical products and services segment has been our fastest growing segment over the past several years. We believe we can continue to grow this business by capitalizing on outsourcing trends, building upon our existing capabilities and increasing our global sales.

Capitalize on Outsourcing Trends. Most of our biomedical products and services have been developed in response to the increasing outsourcing trends within the pharmaceutical industry. We believe this shift toward increased outsourcing began in response to the pharmaceutical companies' growing capabilities in identifying potential new drug compounds and the resulting resource constraints placed on pharmaceutical research infrastructures by non-core activities. By outsourcing their non-core activities to us, our customers can focus on proprietary drug development and streamline their drug development process. In response, we have expanded our offerings to include many pre-clinical research activities undertaken by our customers.

Build Upon Our Existing Capabilities. As a result of our strong position in research models, our global presence and our professional expertise, we have the unique capability to offer related biomedical products and services to many of our customers. We intend to build upon this expertise to capture more outsourcing business opportunities by using our existing infrastructure, reputation for quality and extensive customer contacts. We believe there are numerous other opportunities for increasing our share of high value pre-clinical research services and products.

Increase Our Global Sales. Our current biomedical products and services customer base is primarily composed of our domestic research model customers. We intend to continue to cross-sell our biomedical products and services to our existing international research model customers as well as seek new international customers for this segment. We believe that we can rapidly increase our global presence in this area by leveraging our existing international customer relationships and infrastructure.

Undertake Strategic Acquisitions and Alliances. We have a history of acquiring and successfully integrating small companies in both our research model and our biomedical products and services businesses. We expect that strategic acquisitions will continue to provide an additional source of long-term growth. In addition, we believe that our association with GHCP, one of our equity investors, will assist us in identifying attractive acquisition candidates while expanding our existing business. GHCP, which is comprised of several experienced healthcare executives, has a strategic partnership with DLJMB to invest in healthcare related businesses. The founding partners of GHCP who are represented on the Charles River board include Henry Wendt, former Chairman of SmithKline Beecham Corporation, Robert Cawthorn, former Chairman and CEO of Rhone-Poulenc Rorer Inc. and Douglas Rogers, founder of Kidder, Peabody's Health Care Group.

Business Segments

Our business is divided into two segments, research models and related biomedical products and services.

Research Models

The research model business is our core business and accounted for 70% of our 1998 sales. The business is principally comprised of small animals (rats, mice and other rodents), and primates.

Small Animal Models

Our largest product line is the small animal models group, which consists primarily of the production and sale of large numbers of purpose-bred rats and mice to researchers. We believe we are a commercial leader in this business, supplying rodents for research since 1947. We began as a supplier of outbred rats, with genetic characteristics representative of a random population, and over the years added other small animal species and strains to our product mix. We have also added inbred animals, which have essentially identical genes, hybrid animals, which are the offspring of two different inbred parents, spontaneous mutant animals, which contain a naturally occurring genetic mutation (such as immune deficiency) and transgenic animals, which contain genetic material transferred from another source. We believe we offer one of the largest selections of small animal models and provide our customers with high volume and high quality production. Our rats, mice and other rodent species (e.g., guinea pigs, hamsters) have been and continue to be some of the most extensively used research models in the world, largely as a result of our continuous commitment to innovation and quality in the breeding process. We provide our small animal models to numerous customers around the world, including pharmaceutical and biotechnology companies and hospitals and universities.

The most common use of our small animal models is for the screening, discovery and testing of new drug candidates. For example, in order for a pharmaceutical company to file a complete submission for FDA approval of a new drug, it must provide evidence of safe and effective testing on two species of animal models, one small and one large, before moving into the clinic for testing on humans. Animal testing is used in order to identify, define, characterize and assess the safety of new drug candidates. Outbred, and increasingly, inbred mice are often the model of choice in early discovery and development work, while outbred rats are frequently used in safety assessment studies. Our models are also used in basic life science research within universities, hospitals and other research institutions. Unlike drug discovery, these uses are generally not specifically mandated by regulatory agencies such as the FDA, but instead are governed by the terms of government grants, institutional protocols as well as the scientific inquiry and peer review publication processes.

Primates

We provide primates to the research community, principally for use in drug development and testing studies. Primates are often used as the required large animal species in FDA or similar regulated testing protocols. We believe that the use of primates has been moderately increasing recently, as they are often the preferred model for testing the growing number of new drug candidates derived from human proteins, such as drugs developed in AIDS research.

Our largest primate business is located in Houston, where we import, quarantine, condition, hold and sell primates exported to us by our supplier in Mauritius. We believe that these primates are unique, in that they are naturally free of herpes B virus, a common virus present in the species which is transmissible to humans in a highly toxic form. We have a long-term supply contract under which our supplier provides us with a reliable stream of purpose-bred and feral animals. The contract expires in December 31, 2005 but is automatically renewed for an additional five-year period unless it is breached. We also have a primate import and quarantine facility in the United Kingdom.

Biomedical Products and Services

Biomedical products and services include our newer, higher growth businesses, such as: SPF eggs; endotoxin testing; special animal services; diagnostics; biosafety testing; facility management; and medical device testing.

SPF Eggs

Fertile SPF chicken embryos within eggs are often used by animal health companies as a living "bioreactor," or self-contained manufacturing vehicle, to grow large quantities of live or killed avian viruses. These viruses are then used as the raw material in poultry vaccines. We are a leading supplier to the major global manufacturers of poultry vaccines, researchers and other users. We also provide specially raised SPF eggs for some human vaccines. We have entered into an agreement with a company that is in the FDA approval process for a nasal spray flu vaccine for human use that, if commercially successful, may significantly increase our existing SPF eggs business.

We have a worldwide presence that includes several SPF eggs production facilities in the United States, as well as facilities in Germany and in Australia. We have a joint venture in Mexico and a franchise in India. We also operate a specialized avian laboratory in Storrs, Connecticut which provides support services to our customers.

Endotoxin Testing

We are a market leader in the endotoxin testing business, which is used to test quality control samples of injectable drugs and devices, their components and the processes under which they are manufactured, for the presence of endotoxin. Endotoxins are fever producing pathogens or toxic compounds that are highly toxic to humans when sufficient quantities are introduced into the body. Quality control testing for endotoxin contamination by our customers is a mandatory FDA requirement for injectable drugs and devices, and the manufacture of the test kits and reagents is regulated by the FDA as a medical device. Endotoxin testing uses a processed extract from the blood of the horseshoe crab, known as limulus amebocyte lysate, or "LAL." The LAL test is the first and one of the only FDA validated in vitro alternatives to an animal model test, specifically the rabbit pyrogen test. The process of extracting blood is not harmful to the crabs, which are subsequently returned to their natural ocean environment. We produce and distribute test kits and reagents to pharmaceutical and biotechnology medical device and product companies on a global basis.

Special Animal Services

Special Animal Services, or SAS, provides services for our customers to help them maintain, improve, breed and test animals purchased or created by them for biomedical research activities. Our special animal services business includes: transgenic breeding, model characterization and scale-up, genetic testing and characterization, quarantine, embryo cryopreservation, embryo transfer, rederivation, and health and genetic monitoring. We provide these services to more than 100 customers around the world, from pharmaceutical and biotechnology companies to hospitals and universities, and maintain more than 150 different lines of research models. Our Contract Research Services business is

a discrete unit within the SAS business that provides more advanced or specialized research model studies. These projects not only capitalize on our strong historical research model capabilities, but also exploit more recently developed capabilities in protocol development, animal micro-surgery, dosing techniques, drug efficacy testing and data management and analysis. We initiated SAS five years ago in response to our customers' outsourcing needs. The business is managed and staffed by a senior team that was trained and developed internally. This business leverages the technologies and relationships associated with our research model business.

Diagnostics

Diagnostics is an internally developed business that was built upon the scientific foundation created by the diagnostic laboratory needs of our research model business. We now provide commercial laboratory services to monitor and analyze the health and genetics of our customers' research models used in their research protocols. We may serve as the customer's sole source testing laboratory, or as a back-up source supporting some internal capability. Our diagnostics business is principally located in Wilmington, Massachusetts and Troy, New York.

Biosafety Testing

We recently entered the evolving business generally known as "biosafety testing." This is a specialized area of nonclinical quality control testing that is frequently outsourced by both pharmaceutical and biotechnology companies. The testing services we provide allow the customer to determine if the human protein drug candidates, or the process for manufacturing those products, are essentially "pure," or free of residual biological materials. The bulk of this testing work is required by the FDA, either for obtaining new drug approval or maintaining a licensed manufacturing capability. Our scientific staff consults with customers in the areas of process development, validation, manufacturing scale-up, and biological tests. Our biosafety business is located in Malvern, Pennsylvania.

Facility Management

Facility management involves managing the animal care function and facilities on behalf of government, academic, pharmaceutical and biotechnology companies. This business builds upon our core capabilities as a leading provider of high quality research models. We now manage all or a part of the animal care facilities of several commercial, government and academic institutions in both the United States and Europe.

Medical Device Testing

We have capabilities in medical device testing that are complementary to our research model business, especially in the large and growing cardiovascular field, using large research models. This business also provides services in support of animal and human health research, most notably in the area of new drug and vaccine development and experimental xenotransplantation of whole organs and tissues from swine to humans. Our medical device testing business is located in Southbridge, Massachusetts.

Sierra

Sierra, which we recently acquired, is a pre-clinical biomedical services company with expertise in drug safety and efficacy assessment studies using research models. Sierra offers its services to biotechnology, pharmaceutical and medical device companies that are principally focused on conducting studies needed in the early stages of drug development, especially those that require highly specialized scientific capabilities. Sierra has expertise in conducting critical developmental studies on potential new drugs and devices using research models, including short-term evaluations of potential new treatment for human or animal disease conditions.

Customers

Our customers consist primarily of large pharmaceutical companies, including the ten largest pharmaceutical companies based on 1998 revenues, as well as biotechnology, animal health, medical device and diagnostic companies and hospitals, academic institutions and government agencies. We have many long-term, stable relationships with our customers as evidenced by the fact that all of our top 20 customers in 1989 remain our customers today.

During 1998, in both the research models and biomedical products and services businesses, approximately two-thirds of our sales were to pharmaceutical and biotechnology companies, and the balance to hospitals, universities and the government.

Sales, Marketing and Customer Support

We sell our products and services principally through a direct sales force. As of September 25, 1999, we have approximately 51 employees engaged in field sales, of which 30 are in the United States, 12 are in Europe and 9 are with our joint venture company in Japan. The direct sales force is supplemented by a network of international distributors for certain of our biomedical product and services businesses.

Our internal marketing groups support the field sales staff, while developing and implementing programs to create close working relationships with customers in the biomedical research industry. Our web site, www.criver.com, is an effective marketing tool, and has become recognized as a valuable resource in the laboratory animal field by a broad spectrum of industry leaders. Our website is not incorporated by reference in this prospectus.

We maintain both a customer service and technical assistance department, which services our customers' routine and more specialized needs. We frequently assist our customers in solving problems related to animal husbandry, health and genetics, biosecurity, protocol development and other areas in which our internal expertise is recognized as a valuable customer resource.

Research and Development

We do not maintain a fully dedicated research and development staff. Rather, this work is done on an individual project basis or through a university or other forms of collaborations. Our annual dedicated research and development spending was $1.5 million in 1996, $1.4 million in 1997, $1.4 million in 1998 and $0.4 million for the nine months ended September 25, 1999. Our approach to developing new products or services is to extend our base technologies into new applications and fields, and to license or acquire technologies to serve as a platform for the development of new businesses that service our existing customer base. Our research and development focus is principally on developing projects that improve our productivity or processes.

Industry Support and Animal Welfare

Among the shared values of our employees is a concern for and commitment to animal welfare. We have been in the forefront of animal welfare improvements in our industry, and continue to demonstrate our commitment with special recognition programs for employees who demonstrate an extraordinary commitment in this critical area of our business.

We support a wide variety of organizations and individuals working to further animal welfare as well as the interests of the biomedical research community. We fund internships in laboratory animal medicine, provide financial support to non-profit institutions that educate the public about the benefits of animal research, and provide awards and prizes to outstanding leaders in the laboratory animal medicine field. Our primate import business dedicates a portion of its net sales, through a royalty, to support similar programs and initiatives.

Employees

As of September 25, 1999, we have approximately 2,430 employees, including nearly 100 professionals with advanced degrees (DVMs, PhDs and MDs). Our employees are not unionized in the United States, though we are unionized in certain European locales, consistent with local custom for our industry. We believe that we have a good relationship with our employees.

Competition

Our strategy is to be the leader in each of the markets in which we participate. Our competitors are generally different in each of our business areas.

In our research models business segment, we have three smaller competitors in the United States, several smaller ones in Europe, and two in Japan. Of our main United States competitors, two are privately held businesses and the third is a government financed non-profit institution. We believe that none of our competitors for research models has our comparable global reach, financial strength, breadth of product offering or pharmaceutical industry relationships.

We have several competitors in our biomedical products and services business segment. A few of our competitors in our biomedical products and services business are larger than we are; however, many are smaller and more regionalized. Expansion by our competitors in other areas in which we operate could affect our competitive position. Of all of our businesses, we have the smallest relative share in the biosafety testing market, where the market leader is a well established company.

We generally compete on the basis of quality, reputation, and availability, which is supported by our international presence with strategically located facilities.

Environmental Matters; Legal Proceedings

Our operations and properties are subject to extensive foreign and federal, state and local environmental protection and health and safety laws and regulations. These laws and regulations govern, among other things, the generation, storage, handling, use and transportation of hazardous materials and the handling and disposal of hazardous and biohazardous waste generated at our facilities. Under such laws and regulations, we are required to obtain permits from governmental authorities for certain operations. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators. Under certain environmental laws and regulations, we could also be held responsible for all of the costs relating to any contamination at our past or present facilities and at third party waste disposal sites.

Although we believe that our costs of complying with current and future environmental laws, and our liabilities arising from past or future releases of, or exposure to, hazardous substances will not materially adversely affect our business, results of operations or financial condition, we cannot assure you that they will not do so.

We have for many years been engaged in disputes with federal, state and local authorities and private environmental groups regarding damage to mangrove plants resulting from our maintaining a free range primate breeding operation on two islands we purchased in the Florida Keys. To settle our disputes, we have agreed to move the primates off the islands, and thereafter transfer the real property to the government. We have also agreed to refoliate the islands at our cost, restoring them to their conditions prior to our arrival. Despite our best efforts, we have not been able to successfully replant the lost mangroves, principally due to the presence of a free range animal population and storms. We believe that we will finally resolve these disputes by successfully refoliating the islands over the next three years.

We are not a party to any other material legal proceedings, other than ordinary routine litigation incidental to our business which is not otherwise material to our business or financial condition.

Regulatory Matters

Certain of our business activities are currently regulated by the AWA, which governs the treatment of certain animals intended for use in research. Much of our United States small animal research model business, which is predominantly rats and mice, is not subject to regulation under the AWA although we comply with licensing and registration requirement standards set by the USDA for handling animals, including breeding, maintenance and transportation of our animals. Birds, including the chickens used in our United States SPF egg business, are also not subject to AWA regulations. However, the USDA, which enforces the AWA, is presently considering changing the regulations issued pursuant to the AWA, in light of judicial action, to include rats, mice and birds within its coverage. The AWA imposes a wide variety of specific regulations on producers and users of animal subjects, most notably cage size, shipping conditions and environmental enrichment methods. Our animal production facilities in the United States are accredited by a highly regarded member association known as AAALAC, which maintains standards that often exceed those of the USDA.

Our biomedical products and services businesses are also generally regulated by the USDA, and in the case of our endotoxin testing business, the FDA. Our manufacture of test kits and reagents for endotoxin testing is subject to regulation by the FDA, under the authority of the Federal Food, Drug, and Cosmetic Act. We are required to register with the FDA as a device manufacturer and are subject to inspection on a routine basis for compliance with the FDA's Quality System Regulations. These regulations require that we manufacture our products and maintain our documents in a prescribed manner with respect to manufacturing, testing and control activities. We are in receipt of a "warning letter" from the FDA for quality control deficiencies with regard to our Charleston, South Carolina facility, and are attempting to address the agency's concerns. See "Risk Factors--We must comply with many federal, state and local rules and regulations."

Properties

The following charts provide summary information on our properties. The first chart lists the sites we own, and the second chart the sites we lease. Most of our material leases expire from 2000 to 2005.

Sites--Owned

Country	No. of Sites	Total Square Feet	Principal Functions
Canada	1	48,789	Office, Production, Laboratory
France	3	373,214	Office, Production, Laboratory
Germany	3	122,314	Office, Production, Laboratory
Italy	1	36,677	Office, Production, Laboratory
Japan	3	114,831	Office, Production, Laboratory
Netherlands	1	6,502	Office, Production
United Kingdom	2	67,331	Office, Production, Laboratory
USA	19	732,980	Office, Production, Laboratory
Total	33	1,502,638	

Sites--Leased

Country	No. of Sites	Total Square Feet	Principal Functions
Australia	1	16,787	Office, Production
Belgium	1	16,140	Office, Production
Czech Republic	1	23,704	Office, Production, Laboratory
Hungary	1	4,681	Office, Production, Laboratory
Spain	1	3,228	Production, Laboratory

Country	No. of Sites	Total Square Feet	Principal Functions
Sweden	1	8,070	Production
USA(1)	10	255,895	Office, Production, Laboratory
Total	16	328,505	

(1) Includes two properties leased by Sierra with a total square footage of 116,751 square feet.

MANAGEMENT

The following table sets forth the name, age and position of each person who is an executive officer, significant member of management, or director of Holdings as of the Recapitalization.

Name	Age	Position
James C. Foster	48	President, Chief Executive Officer and Director
Thomas F. Ackerman	45	Vice President and Chief Financial Officer
Dennis R. Shaughnessy	41	Vice President, Corporate Development, General Counsel and Secretary
Robert Cawthorn	63	Director
Stephen D. Chubb	55	Director
Thompson Dean	41	Director
Stephen C. McCluski	47	Director
Reid S. Perper	40	Director
Douglas E. Rogers	44	Director
William Waltrip	62	Director
Henry C. Wendt	66	Director

James C. Foster joined Charles River in 1976 as General Counsel. Over the past 23 years, Mr. Foster has held various staff and managerial positions with Charles River, culminating in Mr. Foster being named Charles River's President and Chief Operating Officer in 1991. He has served as our President and Chief Executive Officer since 1992. Mr. Foster also serves on the Board of Directors of BioTransplant, Inc.

Thomas F. Ackerman joined Charles River in 1988 with over eleven years of combined public accounting and international finance experience. He was named Controller, North America in 1992 and became our Vice President and Chief Financial Officer in 1996. He is currently responsible for overseeing Charles River's Accounting and Finance Department, as well as our Information Management & Technology Group. Prior to joining Charles River, Mr. Ackerman was an accountant at Arthur Anderson & Co.

Dennis R. Shaughnessy joined Charles River in 1988 as Corporate Counsel and was named Vice President, Business Affairs in 1991. Prior to joining Charles River, Mr. Shaughnessy was a corporate associate at Boston's Testa, Hurwitz & Thibeault and previously served in government policy positions. He assumed his current position in 1994 and is responsible for overseeing our business development initiatives on a worldwide basis, as well as handling our overall legal affairs. Mr. Shaughnessy also serves as our Corporate Secretary.

Robert Cawthorn has been a Managing Director of Global Health Care Partners, a group of DLJ Merchant Banking, Inc. since 1997. Previously, Mr. Cawthorn was Chief Executive Officer and Chairman of Rhone-Poulenc Rorer Inc. and an Executive Officer of Pfizer International and the first President of Biogen Inc. Mr. Cawthorn serves as a director of CBS Corporation and Sunoco, Inc.

Stephen D. Chubb has been Chairman, Director and Chief Executive Officer of Matritech, Inc. since its inception in 1987. Previously, Mr. Chubb served as President and Chief Executive Officer of T Cell Sciences, Inc. and as President and Chief Executive Officer of Cytogen Company.

Thompson Dean has been a Managing Partner of DLJ Merchant Banking, Inc. since November 1996. Previously, Mr. Dean was a Managing Director of DLJ Merchant Banking, Inc. and its predecessor since January 1992. Mr. Dean serves as a director of Commvault Inc., Von Hoffmann Press, Inc., Manufacturer's Services Limited, Phase Metrics, Inc., AKI Holdings Corp., Amatek Ltd., DeCrane Aircraft Holdings Inc., Insilco Holding Corporation, Formica Corporation and Mueller Group, Inc.

Stephen C. McCluski has been Senior Vice President and Chief Financial Officer of Bausch & Lomb Incorporated since 1995. Previously, Mr. McCluski served as Vice President and Controller of Bausch & Lomb Incorporated and President of Outlook Eyewear Company.

Reid S. Perper has been a Principal of DLJ Merchant Banking, Inc. since January 1996. Prior to that time, Mr. Perper had been a Vice President of DLJ Merchant Banking, Inc. since January 1993. Mr. Perper was formerly a director of IVAC Holdings, Inc. and Fiberite Holdings, Inc.

Douglas E. Rogers has been Managing Director of Global Health Care Partners, a group of DLJ Merchant Banking, Inc. since 1996. Previously, Mr. Rogers was Vice President at Kidder Peabody & Co., Senior Vice President at Lehman Brothers, and head of U.S. Investment Banking at Baring Brothers. Mr. Rogers serves as a director of Computerized Medical Systems, Inc. and Wilson Greatbatch Ltd.

William Waltrip has been director of Bausch & Lomb Incorporated since 1985, and Chairman of the Board of Directors of Technology Solutions Company since 1993. He is also a director of Teachers Insurance and Annuity Association, Thomas & Betts Corporation and Technology Solutions Company. Previously, Mr. Waltrip served as Chairman and Chief Executive Officer of Bausch & Lomb Incorporated, as Chief Executive Officer of Technology Solutions Company, as Chairman and Chief Executive Officer of Biggers Brothers, Inc., and as Chief Operating Officer of IU International Corporation. He was also previously President and Chief Executive Officer and a director of Purolator Courier Corporation.

Henry C. Wendt has been the Chairman of Global Health Care Partners, a group of DLJ Merchant Banking, Inc. since 1996. Previously, Mr. Wendt was Chairman of SmithKline Beecham Corporation and President and Chief Executive Officer of SmithKline Beckman Corp. prior to its merger with Beecham and served as founder and First Chairman of Pharmaceutical Partners for Better Health Care. Mr. Wendt serves as a director of Allergen, Inc., Atlantic Richfield Company, Computerized Medical Systems, The Egypt Investment Company, West Marine Products and Wilson Greatbatch Ltd.

EXECUTIVE COMPENSATION

The aggregate remuneration of our chief executive officer during 1998 and the four other most highly compensated executive officers whose salary and bonus exceeded $100,000 for the fiscal year ended December 26, 1998, is set forth in the following table:

Summary Compensation Table

Name and Principal Position	Annual		Long Term Compensation		All Other Compensation
	Salary	Bonus	Restricted Stock Awards(s)	Securities Underlying Options	
James C. Foster..... Director, President and Chief Executive Officer	$308,700	230,705(1)	4,500	19,000	$204,985(2)
Real H. Renaud..... Senior Vice President and General Manager, European and North American Animal Operations	212,000	99,814	--	4,200	64,834(3)
David P. Johst..... Vice President, Human Resources and Administration	146,800	69,911	--	4,200	69,871(4)
Julia D. Palm..... Vice President and General Manager, Biotech Products and Services	165,200	50,829	--	1,720	66,953(5)
Dennis R. Shaughnessey..... Vice President, Corporate Development, General Counsel and Secretary	167,800	79,898	--	4,200	82,056(6)

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

(1) Includes $12,000 in cash paid to Mr. Foster under Bausch & Lomb's Long Term Incentive Plan during 1998.

(2) Includes employer contribution under our Executive Supplemental Life Insurance Retirement Plan and EVA Long- Term Incentive Plan ($168,068) and Employee Savings Plan ($3,200), costs associated with a corporate automobile ($23,861) and corporate club dues and services ($9,856).

(3) Includes employer contribution under our Executive Supplemental Life Insurance Retirement Plan ($40,075) and Employee Savings Plan ($3,200) and costs associated with a corporate automobile ($21,559).

(4) Includes employer contribution under our Executive Supplemental Life Insurance Retirement Plan ($54,982) and Employee Savings Plan ($3,200) and costs associated with a corporate automobile ($11,689).

(5) Includes employer contribution under our Executive Supplemental Life Insurance Retirement Plan ($50,691) and Employee Savings Plan ($3,200) and costs associated with a corporate automobile ($13,062).

(6) Includes employer contribution under our Executive Supplemental Life Insurance Retirement Plan ($57,956) and Employee Savings Plan ($2,132) and costs associated with a corporate automobile ($21,968).

Stock Options

The following table presents material information regarding options to acquire shares of Bausch & Lomb's common stock granted to our named executive officers in 1998.

Option Grants in 1998 Fiscal Year

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(1)		
Name	Number of Securities Underlying Options Granted(#)	Percent of Total Options Granted to Employees in Fiscal Year(%)	Exercise or Base Price ($/Sh)	Expiration Date	0%($)	5%($)	10%($)
James C. Foster.....	19,000	1.36%	50.94	7/27/08	--	608,682	1,542,520
Real H. Renaud.....	4,200	0.30%	50.94	7/27/08	--	134,551	340,978
David P. Johst.....	4,200	0.30%	50.94	7/27/08	--	134,551	340,978
Julia D. Palm.....	1,720	0.12%	50.94	7/27/08	--	55,102	139,639
Dennis R. Shaughnessy.....	4,200	0.30%	50.94	7/27/08	--	134,551	340,978

(1) We cannot assure you that the value realized by an optionee will be at or near the amount estimated using this model. These amounts rely on assumed future stock price movements which management believes cannot be predicted with a reliable degree of accuracy. These amounts are based on the assumption that the option holders hold the options granted for their full term. The column headed "0% ($)" is included to illustrate that the options were granted at fair market value and option holders will not recognize any gain without an increase in the stock price, which increase benefits all shareholders commensurately.

The following table provides material information related to the number and value of options exercised during 1998 and the value of options held by the named executive officers at the end of 1998. On December 26, 1998, the closing sale price of Bausch & Lomb common stock on NYSE was $58 11/16 .

Aggregated Option Exercises in 1998 Fiscal Year and Fiscal Year-End Option Values

			Number of Securities Underlying Unexercised Options at Fiscal Year-End(#)		Value of Unexercised In-the-Money Options at Year End($)(2)	
Name	Shares Acquired on Exercise(#)	Value Realized ($)(1)	Exercisable	Unexercisable	Exercisable	Unexercisable
James C. Foster.....	362	10,238	73,740	37,760	1,244,664	497,373
Real H. Renaud.....	5,036	82,873	17,696	9,418	257,909	125,719
David P. Johst.....	3,144	64,194	7,370	8,407	105,561	111,026
Julia D. Palm.....	1,880	39,600	3,214	4,267	60,463	64,727
Dennis R. Shaughnessy.....	6,890	54,303	1,650	8,350	15,469	109,697

(1) Value realized represents the difference between the exercise price of the option shares and the market price of the option shares on the date the option was exercised. The value realized was determined without consideration for any issues or brokerage expenses which may have been owed.

(2) Represents the total gain which would be realized if all in-the-money options held at year end were exercised, determined by multiplying the number of shares underlying the options by the difference between the per share option exercise price and the per share fair market value on December 26, 1998.

Employee Agreements and Compensation Arrangements

We do not currently have employment agreements with any of our named executive officers.

Director Compensation

We intend to pay our independent directors $10,000 per year and $1,000 per board meeting, plus travel expenses.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

All of our common stock is held by Holdings. The following table sets forth certain information with respect to the beneficial ownership of Holdings common stock by (a) any person or group who beneficially owns more than five percent of Holdings common stock, (b) each of our directors and executive officers and (c) all directors and officers as a group.

Name of Beneficial Owner:	Percentage of Outstanding Common Stock(1)
DLJ Merchant Banking Partners II, L.P. and related investors(2)(3)..	71.9%
Bausch & Lomb Incorporated.....	12.5%
James C. Foster(4).....	2.0%
Thomas F. Ackerman(4).....	*
Dennis R. Shaughnessy(4).....	*
Robert Cawthorn(5).....	--
Stephen D. Chubb.....	--
Thompson Dean(5).....	--
Stephen C. McCluski.....	--
Reid S. Perper(5).....	--
Douglas E. Rogers(5).....	--
William Waltrip.....	--
Henry C. Wendt(5).....	--
Officers and directors as a group(4).....	6.1%

* less than 1%.

(1) Under the SEC's rules, each person or entity is deemed to be a beneficial owner with the power to vote and direct the disposition of these shares.

(2) Consists of shares held indirectly through CRL Acquisition LLC by the DLJMB Funds and the following related investors: DLJ Merchant Banking Partners II-A, L.P.; DLJ Investment Partners, L.P.; DLJ Offshore Partners II, C.V.; DLJ Capital Corp.; DLJ Diversified Partners, L.P.; DLJ Diversified Partners-A, L.P.; DLJ Millennium Partners, L.P.; DLJ Millennium Partners-A, L.P.; DLJMB Funding II, Inc.; DLJ First ESC L.P.; DLJ EAB Partners, L.P.; DLJ ESC II, L.P.; Sprout Capital VIII, L.P. and Sprout Venture Capital, L.P. See "Certain Relationships and Related Party Transactions" and "Plan of Distribution." The address of each of these investors is 277 Park Avenue, New York, New York 10172, except the address of Offshore Partners is John B. Gorsiraweg 14, Willemstad, Curacao, Netherlands Antilles.

(3) Does not include the effect of the warrants or the issuance by Holdings of senior discount debentures with other warrants to the DLJMB Funds and other investors. If such warrants were exercised, the percentage of outstanding common stock beneficially owned by DLJ Merchant Banking Partners II, L.P. and related investors would decrease by 1.0%.

(4) Consists of shares held indirectly through CRL Acquisition LLC.

(5) Messrs. Cawthorn, Dean, Perper, Rogers and Wendt are officers of DLJ Merchant Banking, Inc., an affiliate of the DLJMB Funds and the initial purchaser. Shares shown for Messrs. Cawthorn, Dean, Perper, Rogers and Wendt exclude shares shown as held by the DLJMB Funds, as to which they disclaim beneficial ownership. The address of each of these investors is 277 Park Avenue, New York, New York 10172.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Recapitalization

Financial Advisory Fees and Agreements

Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ Securities Corporation"), an affiliate of the DLJMB Funds, acted as financial advisor to us and was also the initial purchaser of the notes. We paid customary fees to DLJ Securities Corporation as compensation for its services as financial advisor and initial purchaser. DLJ Capital Funding, an affiliate of the DLJMB Funds, received customary fees and reimbursement of expenses in connection with the arrangement and syndication of the new credit facility and as a lender thereunder. The aggregate amount of all fees paid to the DLJ entities in connection with the Recapitalization and the related financing was approximately $13.2 million plus out-of-pocket-expenses.

Pursuant to the investors' agreement described below, for a period of five years from the date of the investors' agreement, DLJ Securities Corporation or any of its affiliates will be engaged as the exclusive financial and investment banking advisor of Holdings. We expect that DLJ Securities Corporation or such affiliate will receive customary fees for such services rendered and will be entitled to reimbursement for all reasonable disbursements and out-of-pocket expenses incurred in connection with such engagement. We expect that any such arrangement will include provisions for the indemnification of DLJ Securities Corporation against certain liabilities, including liabilities under the federal securities laws.

CRL Acquisition LLC Operating Agreement

CRL Acquisition LLC, DLJMB Funds, management and certain other investors entered into an operating agreement at the effective time of the Recapitalization. The operating agreement provides, among other things, that any person acquiring limited liability company units of CRL Acquisition LLC who is required by the operating agreement or by any other agreement or plan of CRL Acquisition LLC to become a party to the operating agreement will execute an agreement to be bound by the operating agreement.

The terms of the operating agreement restrict transfers of the limited liability company units of CRL Acquisition LLC by certain investors or management and certain future limited liability company unit holders parties thereto. The agreement provides for, among other things:

- the ability of the other limited liability company unit holders to participate in certain sales of units of CRL Acquisition LLC by the DLJMB Funds

- the ability of the DLJMB Funds to require the other limited liability company unit holders to sell limited liability company units of CRL Acquisition LLC in certain circumstances should the DLJMB Funds choose to sell any such units owned by them

The operating agreement also provides that DLJMB Funds has the right to appoint the three members of the board of directors of CRL Acquisition LLC, including the chairman.

Investors' Agreement

Holdings, CRL Acquisition LLC, CRL Holdings, Inc. (a subsidiary of B&L), management and certain other investors entered into an investors' agreement at the effective time of the Recapitalization. The investors' agreement provides, among other things, that any person acquiring shares of common stock of Holdings who is required by the investors' agreement or by any other agreement or plan of Holdings to become a party to the investors' agreement will execute an agreement to be bound by the investors' agreement.

The terms of the investors' agreement restrict transfers of the shares of Holdings' common stock by CRL Holdings Inc., management and certain other investors and certain future shareholders parties thereto. The agreement provides for, among other things:

- the ability of certain other shareholders to participate in certain sales of shares of Holdings by CRL Acquisition LLC or its permitted transferees

- the ability of DLJMB Funds or CRL Acquisition LLC to require the other shareholders to sell shares of Holdings in certain circumstances should the DLJMB Funds or CRL Acquisition LLC choose to sell any such shares owned by them

- certain registration rights with respect to shares of common stock of Holdings, including rights to indemnification against certain liabilities, including liabilities under the Securities Act

- the right of CRL Holdings Inc. to sell to Holdings all of the common stock of Holdings acquired by it as of the closing date of the Recapitalization and still held by it, beginning on the date that substantially all of the debt of Holdings and its subsidiaries is either repaid or refinanced and such refinanced debt permits it (such right terminates upon the occurrence of certain events, including an initial public offering, or 12 years from the closing date of the Recapitalization)

- pre-emptive rights of all the parties, other than CRL Acquisition LLC and its permitted transferees, to acquire its pre-emptive portion of Holdings common stock in certain instances when Holdings proposes to issue common stock

The investors' agreement also provides that DLJ Merchant Banking Partners II, L.P. has the right to appoint seven of the nine members of the board of directors of Holdings, including the chairman.

Transactions with Officers and Directors

In connection with the Recapitalization, certain of our officers purchased units of CRL Acquisition LLC, some of whom also borrowed funds up to a maximum aggregate amount of $1.3 million from DLJ Inc. secured by their units. James C. Foster borrowed $.3 million and each of Real H. Renaud, Thomas F. Ackerman and Dennis R. Shaughnessy borrowed approximately $0.2 million. Two weeks after the consummation of the Recapitalization, the loans matured and were repaid by the officers, partially with funds borrowed from Charles River up to a maximum aggregate amount of $.9 million. The loans from Charles River matures in ten years and interest accrues at the initial rate of the Term Loan B of the new credit facility. Each loan is secured by units in CRL Acquisition LLC held by the borrower, 25% of each loan is recourse to the borrower and all proceeds from the sale of such equity and options will be used to pay down the loan until it is repaid in full. All payments due under each loan accelerates immediately upon the termination of the borrower's employment with Charles River for any reason.

DESCRIPTION OF NEW CREDIT FACILITY

The new credit facility was provided by a syndicate of financial institutions led by DLJ Capital Funding, as sole book runner, lead arranger and syndication agent. The new credit facility includes a $40.0 million term loan A facility, a $120.0 million term loan B facility and a $30.0 million revolving credit facility, which provides for loans and under which up to $15.0 million in letters of credit may be issued. The term loan A facility matures six years after the closing date of the facility, the term loan B facility matures eight years after the closing date of the facility and the revolving facility matures six years after the closing date of the facility. The revolving credit facility is subject to a potential, but uncommitted, increase of up to $25 million at our request at any time prior to such revolving credit facility maturity date. Such increase will be available only if one or more financial institutions agrees, at the time of our request, to provide it.

Loans under the term loan A facility and the revolving facility will bear interest, at our option, at the alternate base rate or the reserve adjusted LIBOR rate plus, in each case, applicable margins of 3.00% for LIBOR loans and 1.75% for base rate loans. Loans under the term loan B facility will bear interest, at our option, at the alternate base rate or the reserve adjusted LIBOR rate plus, in each case, applicable margins of 3.75% for LIBOR loans and 2.50% for base rate loans. We pay commitment fees in an amount equal to 0.50% per annum on the daily average unused portion of the revolving credit facility. Such fees are payable quarterly in arrears and upon the maturity or termination of the revolving credit facility. Beginning approximately six months after the closing date of the new credit facility, the applicable margins applicable to loans under the term loan A facility and the revolving facility and commitment fees will be determined based on the ratio (the "Leverage Ratio") of consolidated total debt to consolidated EBITDA (as defined in the new credit facility) of us and our restricted subsidiaries (as defined in the new credit facility).

We will pay a letter of credit fee on the outstanding undrawn amounts of letters of credit issued under the new credit facility at a rate per year equal to the margin applicable to LIBOR loans under the revolving facility (in the case of standby letters of credit) or 1.25% (in the case of commercial letters of credit), which shall be shared by all lenders participating in the relevant letters of credit. In addition, we will pay an additional fee to the issuer of each letter of credit in an amount agreed between us and the issuer.

The term loan A is subject to the following amortization schedule:

Year	Term Loan Amortization(%)
1	0%
2	5
3	10
4	20
5	25
6	40

The term loan B is subject to the following amortization schedule:

Year Year	Term Loan Amortization(%)
1-7	1%
8	93

The new credit facility is subject to mandatory prepayment:

- with the net cash proceeds of the sale or other disposition of any property or assets of, or receipt of casualty proceeds by, us or any of our restricted subsidiaries, subject to certain exceptions, including an exception for reinvestment in our and our restricted subsidiaries' business,

- with 50% of the net cash proceeds received from the issuance of equity securities of Holdings, us or any of our restricted subsidiaries (subject to certain exceptions) so long as the Leverage Ratio following such payment would exceed 3.5:1,

- with the net cash proceeds received from issuances of debt securities by Holdings, us or any of our restricted subsidiaries (subject to certain exceptions) and

- with 50% of excess cash flow (as defined in the new credit facility) for each fiscal year so long as the Leverage Ratio following such payment would exceed 3.5:1.

All mandatory prepayment amounts will be applied first to the prepayment of the term loans.

All of our future domestic restricted subsidiaries will be guarantors of the new credit facility. Our obligations under the new credit facility will be secured by:

- all of our stock,

- all of our existing and after-acquired personal property and all the existing and after-acquired personal property of our future domestic restricted subsidiaries, including a pledge of all of the equity interests of all our future restricted subsidiaries held by us or any of our restricted subsidiaries and no more than 65% of the equity interests of any foreign restricted subsidiary, and all intercompany debt in our favor,

- first-priority perfected liens on all of our material existing and after-acquired real property fee and leasehold interests, subject to customary permitted liens (as defined in the new credit facility), and

- a negative pledge on all of our and our subsidiaries' assets.

The new credit facility contains customary covenants and restrictions on our ability to engage in certain activities, including, but not limited to:

- limitations on other indebtedness, liens, investments and guarantees,

- restrictions on dividends and redemptions and payments on subordinated debt and

- restrictions on mergers and acquisitions, sales of assets and leases.

The new credit facility also contains financial covenants requiring us to maintain a minimum EBITDA, minimum coverage of interest expense, minimum coverage of fixed charges and a maximum leverage ratio. The new credit facility contains customary events of default and a cross-default to indebtedness of Holdings.

Borrowings and reimbursement obligations under the new credit facility are subject to significant conditions, including compliance with certain financial ratios and the absence of any material adverse change. See "Risk Factors--Risks relating to our debt."

WARRANTHOLDERS

Below is information with respect to the number of the warrants, and shares of common stock of Holdings owned by each of the warrantholders. The warrants are being registered to permit public secondary trading of the warrants and the common stock issued upon the exercise of the warrants, and the warrantholders may offer the warrants and common stock issued upon the exercise of the warrants for resale from time to time. See "Plan of Distribution."

We have filed with the SEC a registration statement, of which this prospectus forms a part, with respect to the resale of the warrants and the issuance and resale of common stock of Holdings issued upon the exercise of the warrants from time to time, pursuant to Rule 415 under the Securities Act, in the over-the-counter market, in privately-negotiated transactions, in underwritten offerings or by a combination of such methods of sale, and have agreed to use our best efforts to keep such registration statement effective until the earlier of (i) two years following the first date on which no warrants remain outstanding and (ii) if all warrants expire unexercised, the expiration of the warrants (October 1, 2009).

The warrants and our common stock issued upon the exercise of the warrants offered by this prospectus may be offered from time to time by the persons or entities named below:

		Type and Number of Warrants Owned Prior to Offering		Ownership After Offering	
Name and Address of Holders	Number of Shares of Common Stock Owned Prior to Offering	Type and Number of Warrants	Number of Shares Issuable Upon Exercise	Number of Shares of Common Stock	Percent

None of such holders have, or within the past three years had, any position, office or other material relationship with us or any of our predecessors or affiliates.

Because the selling holders may, pursuant to this prospectus, offer all or some portion of the warrants or the common stock issuable upon conversion of the warrants, no estimate can be given as to the amount of the warrants or the common stock issuable upon conversion of the warrants that will be held by the selling holders upon termination of any such sales. In addition, the selling holders identified above may have sold, transferred or otherwise disposed of all or a portion of their warrants, since the date on which they provided the information regarding their warrants, in transactions exempt from the registration requirements of the Securities Act. See "Plan of Distribution."

Only selling holders identified above who beneficially own the securities set forth opposite each such selling holder's name in the foregoing table on the effective date of the registration statement of which this prospectus forms a part may sell such securities pursuant to the registration statement. Prior to any use of this prospectus in connection with an offering of the warrants and/or the common stock issuable upon conversion of warrants by any holder not identified above, this prospectus will be supplemented to set forth the name and number of shares beneficially owned by the selling securityholder intending to sell such warrants and/or common stock, and the number of warrants and/or shares of common stock to be offered. The prospectus supplement will also disclose whether any selling securityholder selling in connection with such prospectus supplement has held any position or office with, been employed by or otherwise has

had a material relationship with, us or any of our affiliates during the three years prior to the date of the prospectus supplement if such information has not been disclosed herein.

DESCRIPTION OF WARRANTS

The warrants (the "Warrants") were issued pursuant to a Warrant Agreement (the "Warrant Agreement") between Holdings and State Street Bank and Trust Company, as Warrant Agent (the "Warrant Agent"), a copy of which is available as set forth under the caption entitled "Where You Can Find More Information." The following summary of certain provisions of the Warrant Agreement does not purport to be complete and is qualified in its entirety by reference to the Warrant Agreement, including the definitions therein of certain terms used below.

General

Each Warrant, when exercised, will entitle the holder thereof to receive 3.942 fully paid and non-assessable shares of Holdings common stock (the "Warrant Shares"), at an exercise price of $10.00 per share, subject to adjustment (the "Exercise Price"). The Exercise Price and the number of Warrant Shares are both subject to adjustment in certain cases referred to below. The holders of the Warrants would be entitled, in the aggregate, to purchase shares of Holdings common stock representing approximately 5.0% of Holdings common stock on a fully diluted basis on the closing date (assuming exercise of all outstanding warrants). The Warrants will be exercisable at any time on or after October 1, 2001. Unless exercised, the Warrants will automatically expire at 5:00 p.m. New York City time on October 1, 2009 (the "Expiration Date").

The Warrants may be exercised by surrendering to Holdings the warrant certificates evidencing the Warrants to be exercised with the accompanying form of election to purchase properly completed and executed, together with payment of the Exercise Price. Payment of the Exercise Price may be made at the holder's election (i) by tendering notes having an aggregate principal amount at maturity, plus accrued and unpaid interest, if any, thereon, to the date of exercise equal to the Exercise Price and (ii) in cash in United States dollars by wire transfer or by certified or official bank check to the order of Holdings. Upon surrender of the warrant certificate and payment of the Exercise Price, Holdings will deliver or cause to be delivered, to or upon the written order of such holder, stock certificates representing the number of whole Warrant Shares to which the holder is entitled. If less than all of the Warrants evidenced by a warrant certificate are to be exercised, a new warrant certificate will be issued for the remaining number of Warrants. Holders of Warrants will be able to exercise their Warrants only if a registration statement relating to the Warrant Shares underlying the Warrants is then in effect, or the exercise of such Warrants is exempt from the registration requirements of the Securities Act, and such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of Warrants or other persons to whom it is proposed that Warrant Shares be issued on exercise of the Warrants reside.

No fractional Warrant Shares will be issued upon exercise of the Warrants. Holdings will pay to the holder of the Warrant at the time of exercise an amount in cash equal to the current market value of any such fractional Warrant Shares less a corresponding fraction of the Exercise Price.

The holders of the Warrants will have no right to vote on matters submitted to the stockholders of Holdings and will have no right to receive dividends. The holders of the Warrants will not be entitled to share in the assets of Holdings in the event of liquidation, dissolution or the winding up of Holdings. In the event a bankruptcy or reorganization is commenced by or against Holdings, a bankruptcy court may hold that unexercised Warrants are executory contracts which may be subject to rejection by Holdings with approval of the bankruptcy court, and the holders of the Warrants may, even if sufficient funds are available, receive nothing or a lesser amount as a result of any such bankruptcy case than they would be entitled to if they had exercised their Warrants prior to the commencement of any such case.

In the event of a taxable distribution to holders of Holdings common stock that results in an adjustment to the number of Warrant Shares or other consideration for which a Warrant may be exercised, the holders of the Warrants may, in certain circumstances, be deemed to have received a distribution subject to United States federal income tax as a dividend. See "Certain Federal Income Tax Consequences."

Adjustments

The number of Warrant Shares purchasable upon exercise of Warrants and the Exercise Price will be subject to adjustment in certain events including:

(1) the payment by Holdings of dividends and other distributions on the Holdings common stock,

(2) subdivisions, combinations and reclassifications of the Holdings common stock,

(3) the issuance to all holders of Holdings common stock of rights, options or warrants entitling them to subscribe for Holdings common stock or securities convertible into, or exchangeable or exercisable for, Holdings common stock at a price which is less than the fair market value per share (as defined) of Holdings common stock,

(4) certain distributions to all holders of Holdings common stock of any of Holdings' assets or debt securities or any rights or warrants to purchase any such securities (excluding those rights and warrants referred to in clause (3) above),

(5) the issuance of shares of Holdings common stock for consideration per share less than the then fair market value per share of Holdings common stock (excluding securities issued in transactions referred to in clauses (1) through (4) above or (6) below and subject to certain exceptions),

(6) the issuance of securities convertible into or exchangeable for Holdings common stock for a conversion or exchange price plus consideration received upon issuance less than the then fair market value per share of Holdings common stock at the time of issuance of such convertible or exchangeable security (excluding securities issued in transactions referred to in clauses (1) through (4) above), and

(7) certain other events that could have the effect of depriving holders of the Warrants of the benefit of all or a portion of the purchase rights evidenced by the Warrants.

Adjustments to the Exercise Price will be calculated to the nearest cent. No adjustment need be made for any of the foregoing transactions if holders of Warrants issued hereunder are to participate in the transaction on a basis and with notice that the board of directors determines to be fair and appropriate in light of the basis and notice and on which other holders of Holdings common stock participate in the transaction.

"Disinterested Director" means, in connection with any issuance of securities that gives rise to a determination of the fair market value thereof, each member of the board of directors of Holdings who is not an officer, employee, director or other affiliate of the party to whom Holdings is proposing to issue the securities giving rise to such determination.

"Fair Market Value" per security at any date of determination shall be (1) in connection with a sale to a party that is not an affiliate of Holdings in an arm's-length transaction (a "Non-Affiliate Sale"), the price per security at which such security is sold and (2) in connection with any sale to an affiliate of Holdings, (a) the last price per security at which such security was sold in a Non-Affiliate Sale within the three-month period preceding such date of determination or (b) if clause (a) is not applicable, the fair market value of such security determined in good faith by (i) a majority of the Board of Directors of Holdings, including a majority of the disinterested directors, and approved in a board resolution delivered to the Warrant Agent or (ii) a nationally recognized investment banking, appraisal or valuation firm, which is not an affiliate of Holdings, in each case taking into account, among all other factors deemed relevant by the Board of Directors or such investment banking, appraisal or valuation firm, the trading price and volume of such security on any national securities exchange or automated quotation system on which such security is traded.

No adjustment in the Exercise Price will be required unless such adjustment would require an increase or decrease of at least one percent (1.0%) in the Exercise Price; provided however, that any adjustment that is not made will be

carried forward and taken into account in any subsequent adjustment. In the case of certain consolidations or mergers of Holdings, or the sale of all or substantially all of the assets of Holdings to another corporation, (i) each Warrant will thereafter be exercisable for the right to receive the kind and amount of shares of stock or other securities or property to which such holder would have been entitled as a result of such consolidation, merger or sale had the Warrants been exercised immediately prior thereto and (ii) the Person formed by or surviving any such consolidation or merger (if other than the company) or to which such sale shall have been made will assume the obligations of Holdings under the Warrant Agreement.

Reservation of Shares

Holdings has authorized and reserved for issuance and will at all times reserve and keep available such number of shares of Holdings common stock as will be issuable upon the exercise of all outstanding Warrants. Such shares of Holdings common stock, when paid for and issued, will be duly and validly issued, fully paid and non-assessable, free of preemptive rights and free from all taxes, liens, charges and security interests with respect to the issuance thereof.

Amendment

From time to time, Holdings and the Warrant Agent, without the consent of the holders of the Warrants, may amend or supplement the Warrant Agreement for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the legal rights of any holder. Any amendment or supplement to the Warrant Agreement that adversely affects the legal rights of the holders of the Warrants will require the written consent of the holders of a majority of the then outstanding Warrants (excluding Warrants held by Holdings or any of its affiliates). The consent of each holder of the Warrants affected will be required for any amendment pursuant to which the Exercise Price would be increased or the number of Warrant Shares purchasable upon exercise of Warrants would be decreased (other than pursuant to adjustments provided in the Warrant Agreement).

DESCRIPTION OF CAPITAL STOCK OF HOLDINGS

General

Holdings is authorized to issue an aggregate of 40,000,000 shares of common stock, par value $.01 per share, of which 10,285,715 are outstanding (excluding 1,600,000 reserved for issuance for outstanding warrants, including the Warrants). The following is a summary of certain of the rights and privileges pertaining to Holdings common stock. For a full description of the Holdings' capital stock, reference is made to the Holdings' Certificate of Incorporation currently in effect, a copy of which is available from Holdings. See "Where You Can Find More Information."

Common Stock

Holders of Holdings common stock have no conversion, redemption or preemptive rights.

Voting Rights

The holders of Holdings common stock are entitled to one vote per share on all matters submitted for action by the shareholders. There is no provision for cumulative voting with respect to the election of directors. Accordingly, the holders of more than 50% of the shares of Holdings common stock can, if they choose to do so, elect the board of directors of Holdings and determine most matters on which stockholders are entitled to vote. Pursuant to the Investors' Agreement, the shareholders who are party to such agreement have agreed to vote their shares to cause CRL Acquisition LLC to select five of the seven Holdings' directors, including the chairman. See "Certain Relationships and Related Party Transactions--Investors' Agreement."

Dividend Rights

Holders of Holdings common stock are entitled to share equally, share for share, if dividends are declared on Holdings common stock, whether payable in cash, property or securities of Holdings.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of Holdings, after payment has been made from the funds available therefore to the holders of preferred stock, if any, for the full amount to which they are entitled, the holders of the shares of Holdings common stock are entitled to share equally, share for share, in the assets available for distribution.

Preferred Stock

Holdings has authorized 10,000,000 shares of preferred stock to be issued from time to time in one or more series, with such designations, powers, preferences, rights, qualifications, limitations and restrictions as the board of directors may determine. The shares of preferred stock of any one series shall be identical with each other in all respects except as to the dates from which dividends shall accrue or be cumulative. On all matters with respect to which holders of the preferred stock are entitled to vote as a single class, each holder of preferred stock with such voting right shall be entitled to one vote for each share held.

Section 203 of Delaware General Corporation Law

Holdings is a Delaware corporation and subject to Section 203 of the DGCL. Section 203 prevents an "interested stockholder" (defined generally as a person owning 15% or more of a corporation's outstanding voting stock) from engaging in a "business combination" with a Delaware corporation for three years following the date such person became an interested stockholder, subject to certain exceptions such as transactions done with the approval of the board of directors and of the holders of at least two-thirds of the outstanding shares of voting stock not owned by the interested stockholder. The existence of this provision would be expected to have an anti-takeover effect, including possibly

discouraging takeover attempts that might result in a premium over the market price for the shares of Holdings common stock.

DLJMB Warrants

Holdings issued senior discount debentures with other Warrants (the "DLJMB Warrants") to the DLJMB Funds and other investors for $37.6 million. Each DLJMB Warrant will entitle the holder thereof to purchase one share of Holdings common stock at an exercise price of not less than $0.01 per share subject to customary antidilution provisions (which differ in certain respects from those contained in the Warrants) and other customary terms. The DLJMB Warrants will be exercisable at any time prior to 5:00 p.m., New York City time, on April 1, 2010. The exercise of the DLJMB Warrants also will be subject to applicable federal and state securities laws.

The DLJMB Funds are entitled to certain registrations rights related to the warrants.

Transfer Agent and Registrar

The transfer agent and registrar for the Holdings common stock will be the Secretary of Holdings.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following describes the material United States federal income tax consequences of the ownership, disposition and exercise of Warrants applicable to holders of warrants. This discussion is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), administrative pronouncements, judicial decisions and existing and proposed Treasury Regulations, and interpretations of the foregoing, changes to any of which subsequent to the date of this registration statement may affect the tax consequences described herein, possibly with retroactive effect.

The following discusses only Warrants and the Warrant Shares held as capital assets within the meaning of Section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to a holder in light of his particular circumstances or to holders subject to special rules, such as certain financial institutions, tax-exempt entities, insurance companies, dealers and traders in securities or currencies and holders who hold the Warrants or Warrant Shares as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction, or persons who have ceased to be United States citizens or to be taxed as resident aliens. Persons considering the purchase of Warrants should consult their tax advisors with regard to the application of the United States federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Warrant or Warrant Share that for United States federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States or of any political subdivision thereof;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

As used herein, the term "Non-U.S. Holder" means an owner of a Warrant or Warrant Share that is, for United States federal income tax purposes,

- a nonresident alien individual;
- a foreign corporation;
- a nonresident alien fiduciary of a foreign estate or trust; or
- a foreign partnership, one or more of the members of which is a nonresident alien individual, a foreign corporation or a nonresident alien fiduciary of a foreign estate or trust.

Tax Consequences to U.S. Holders

The Warrants

A U.S. Holder will generally not recognize any gain or loss upon exercise of any Warrants (except with respect to any cash received in lieu of a fractional Warrant Share). A U.S. Holder will have an initial tax basis in the Warrant Shares received on exercise of the Warrants equal to the sum of its tax basis in the Warrants and the aggregate cash exercise price, if any, paid in respect of such exercise. A U.S. Holder's holding period in such Warrant Shares will commence on the day the Warrants are exercised.

If a Warrant expires without being exercised, a U.S. Holder will recognize a capital loss in an amount equal to its tax basis in the Warrant. Upon the sale or exchange of a Warrant, a U.S. Holder will generally recognize a capital gain or loss equal to the difference, if any, between the amount realized on such sale or exchange and the U.S. Holder's tax basis in such Warrant. Such capital gain or loss will be long-term capital gain or loss if, at the time of such sale or exchange, the Warrant has been held for more than one year.

Under Section 305 of the Code, a U.S. Holder of a Warrant may be deemed to have received a constructive distribution from Charles River, which may result in the inclusion of ordinary dividend income, in the event of certain adjustments to the number of Warrant Shares to be issued on exercise of a Warrant.

Backup Withholding and Information Reporting

Backup withholding of U.S. federal income tax at a rate of 31% may apply to dividends received with respect to Warrant Shares and the proceeds of a disposition of a Warrant or Warrant Shares to a U.S. Holder who is not an exempt recipient. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Backup withholding will apply only if the U.S. Holder

- fails to furnish its Taxpayer Identification Number ("TIN") which, in the case of an individual, is his or her Social Security Number;
- furnishes an incorrect TIN;
- is notified by the Internal Revenue Service ("IRS") that it has failed to properly report payments of dividends; or
- under certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding.

U.S. Holders should consult their tax advisors regarding their qualification for exemption from backup withholding and the procedure for obtaining such an exemption if applicable.

The amount of any backup withholding from a payment to a U.S. Holder is not an additional tax and is allowable as a credit against such U.S. Holder's United States federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is furnished to the IRS.

Tax Consequences to Non-U.S. Holders

Dividends on Warrant Shares

Dividends paid to a Non-U.S. Holder of Warrant Shares (and, after December 31, 2000, any deemed dividends resulting from certain adjustments to the number of Warrant Shares to be issued on exercise of a Warrant) generally will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless such dividends are effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the U.S. Currently, for purposes of determining whether tax is to be withheld at a 30% rate or at a reduced treaty rate, Charles River ordinarily will presume that dividends paid on or before December 31, 2000 to an address in a foreign country are paid to a resident of such country absent knowledge that such presumption is not warranted. Under Treasury Regulations effective for payments after December 31, 2000, Non-U.S. Holders will be required to satisfy certain applicable certification requirements to claim treaty benefits.

Sale, Exchange or Disposition of the Warrants or Warrant Shares

A Non-U.S. Holder of a Warrant or Warrant Shares will not be subject to United States federal income tax on gain realized on the sale, exchange or other disposition of such Warrant or Warrant Shares, unless:

- that holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition, and some other conditions are met;

- that gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States; or

- the Warrant or Warrant Share was a United States real property interest ("USRPI") as defined in Section 897(c)(1) of the Code at any time during the five year period prior to the sale or exchange or at any time during the time that the Non-U.S. Holder held such Warrant or Warrant Share, whichever time was shorter.

A Warrant or Warrant Share would be a USRPI only if, at any time during the five years prior to the sale or exchange of such Warrant or Warrant Share or at any time during the period that the Non-U.S. Holder held such Warrant or Warrant Share, whichever time was shorter, Charles River had been a "United States real property holding corporation" (USRPHC") as defined in Section 897(c)(2) of the Code. Charles River believes that it is not, has not been and will not become a USRPHC for federal income tax purposes.

Estate Tax

An individual Non-U.S. Holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in a Warrant or Warrant Shares will be required to include the value thereof in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Effectively Connected Dividend Income or Gain

Dividends with respect to Warrant Shares or gain realized on the sale, exchange or other disposition of Warrants or Warrant Shares that are effectively connected with the conduct of a trade or business in the U.S. by a Non-U.S. Holder, although exempt from withholding tax, may be subject to U.S. income tax at graduated rates as if such dividends or gain were earned by a U.S. Holder. The Non-U.S. Holder will be exempt from withholding tax if it properly certifies on IRS Form 4224, Form W-8ECI or other appropriate successor form that the income is effectively connected with the conduct of a United States trade or business. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a 30% branch profits tax (unless reduced or eliminated by an applicable treaty) on its earnings and profits for the taxable year attributable to such effectively connected income, subject to certain adjustments.

Backup Withholding and Information Reporting

Where required, Charles River will report annually to the IRS and to each Non-U.S. Holder the amount of any dividends paid to the Non-U.S. Holder. Copies of these information returns may also be made available under the provisions of a specific treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

Backup withholding (described above under "-- Tax Consequences to U.S. Holders--Backup Withholding and Information Reporting") generally will not apply to dividends paid on or before December 31, 2000 to a Non-U.S. Holder at an address outside the United States, provided Charles River or its paying agent does not have actual knowledge that the payee is a United States Person. Under Treasury Regulations effective for payments made after December 31, 2000, however, a Non-U.S. Holder will be subject to backup withholding unless applicable certification requirements are met.

Under current Treasury Regulations, payments on the sale, exchange or other disposition of a Warrant or Warrant Share made to or through a foreign office of a broker generally will not be subject to backup withholding. However, if such broker is a United States person, a controlled foreign corporation for United States federal income tax purposes, a foreign person 50 percent or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period or (generally in the case of payments made after December 31, 2000) a foreign partnership with certain connections to the United States, then information reporting (but not backup withholding) will be required unless the broker has in its records documentary evidence that the beneficial owner is not a United States person and certain other conditions are met or the beneficial owner otherwise establishes an exemption. Backup withholding may apply to any payment that such broker is required to report if the broker has actual knowledge that the payee is a United States person. Payments to or through the United States office of a broker will be subject to backup withholding and information reporting unless the holder certifies, under penalties of perjury, that it is not a United States person or otherwise establishes an exemption.

Recently promulgated Treasury Regulations, generally effective for payments after December 31, 2000, provide certain presumptions under which a Non-U.S. Holder will be subject to backup withholding and information reporting unless the holder certifies as to its non-U.S. status or otherwise establishes an exemption. In addition, the new Treasury Regulations change certain procedural requirements relating to establishing a holder's non-U.S. status.

Non-U.S. Holders of Warrants or Warrant Shares should consult their tax advisers regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available. Any amount withheld from a payment to a Non-U.S. Holder under the backup withholding rules is not an additional tax and is allowable as a credit against such holder's United States federal income tax liability, if any, or may entitle such holder to a refund, provided that the required information is furnished to the IRS.

PLAN OF DISTRIBUTION

Holdings will not receive any proceeds from this offering, other than in connection with the exercise of the warrants. The warrants and the common stock of Holdings issued upon the exercise of the warrants offered hereby may be sold by the warrantholders from time to time in transactions in the over-the-counter market, in negotiated transactions, in underwritten offerings, or a combination of such methods of sale, at fixed prices which may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. The warrantholders may effect such transactions by selling the warrants and common stock of Holding issued upon the exercise of the warrants to or through broker-dealers, and such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the warrantholders and/or the purchasers of the warrants for whom such broker-dealers may act as agents or to whom they sell as principals, or both (which compensation as to a particular broker-dealer might be in excess of customary commissions).

In order to comply with the securities laws of certain states, if applicable, the warrants and common stock will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the warrants and the common stock of Holdings may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

The warrantholders and any broker-dealers or agents that participate with the warrantholders in the distribution of the warrants or the common stock of Holdings issued upon the exercise of the warrants may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions received by them and any profit on the resale of the warrants or the common stock issued upon the exercise of the warrants purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

Each warrantholder will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, which provisions may limit the timing of purchases and sales of shares of the common stock of Holdings by the warrantholders.

The costs of the registration of the warrants will be paid by Holdings, including, without limitation, SEC filing fees and expenses of compliance with state securities or "blue sky" laws; provided, however, that the selling holders will pay all underwriting discounts and selling commissions, if any. The selling holders will be indemnified by Holdings against certain civil liabilities, including certain liabilities under the Securities Act, or will be entitled to contribution in connection therewith.

LEGAL MATTERS

The validity of the warrants and shares of common stock of Holdings issuable upon the exercise of the warrants offered hereby will be passed upon for Charles River Laboratories, Inc. and Charles River Laboratories Holdings, Inc. by Davis Polk & Wardwell, New York, New York.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements of Charles River Laboratories, Inc. and the combined financial statements of Charles River Laboratories Holdings, Inc. and Charles River Laboratories, Inc. as of December 27, 1997 and December 26, 1998 and for each of the three years in the period ended December 26, 1998 included in this prospectus have been audited by PricewaterhouseCoopers LLP as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

Holdings has filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to warrants and shares of common stock of Holdings issuable upon the exercise of the warrants. This prospectus does not contain all the information included in the registration statement and the related exhibits and schedules. You will find additional information about us, Holdings and the warrants and shares of common stock of Holdings issuable upon the exercise of the warrants in the registration statement. The registration statement and the related exhibits and schedules may be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the public reference facilities of the SEC's Regional Offices: New York Regional Office, Seven World Trade Center, Suite 1300, New York, New York 10048; and Chicago Regional Office, Citicorp Center, 500 West Madison Street, Chicago, Illinois 60661. Copies of this material may also be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. You can obtain information on the operation of the public reference facilities by calling 1-800-SEC-0330. The SEC also maintains a site on the World Wide Web (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, including Charles River and Holdings, that file electronically with the SEC. Statements made in this prospectus about legal documents may not necessarily be complete and you should read the documents which are filed as exhibits or schedules to the registration statement or otherwise filed with the SEC.

We are required under the warrant agreement to furnish the warrantholders with all quarterly and annual financial information that would be required to be contained in a filing with the SEC on forms 10-Q and 10-K if Holdings were required to file such Forms, including, without limitation, (a) "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by Holdings's certified independent accountants, and (b) all current reports that would be required to be filed with the SEC on Form 8-K if Holdings were required to file such reports, in each case, within the time periods specified in the SEC's rules and regulations.]

INDEX TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

INTRODUCTION TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

On September 29, 1999, Charles River Laboratories, Inc. (the "Company" or "Charles River") consummated a recapitalization transaction pursuant to a recapitalization agreement dated July 25, 1999 (the "Recapitalization Agreement") with Bausch & Lomb Incorporated ("B&L"), certain subsidiaries of B&L (such subsidiaries and B&L are referred to, collectively, as the "Rollover Shareholders"), Endosafe, Inc. (renamed Charles River Laboratories Holdings, Inc., referred to as "Holdings") and CRL Acquisition LLC, a subsidiary of DLJ Merchant Banking Partners II, L.P. ("DLJMB"). Prior to the consummation of the Recapitalization, the Company became a wholly owned subsidiary of Holdings. Holdings has no operations other than those related to Charles River. Holdings was recapitalized in a transaction providing aggregate consideration of $456.2 million, consisting of $400.0 million in cash, a subordinated discount note for $43.0 million to be issued by Holdings to the Rollover Shareholders and equity to be retained by the Rollover Shareholders with a fair market value of $13.2 million (the "Recapitalization"). The $400.0 million cash consideration was raised through the following:

- $92.4 million cash equity investment in Holdings by DLJMB and certain of its affiliated funds (collectively, "the DLJMB Funds"), management and certain other investors
- $37.6 million senior discount debentures with warrants issued by Holdings to DLJMB and some of its affiliates and other investors
- $162.0 million senior secured credit facilities at the Company
- a portion of the net proceeds of the Company's units offered hereby

Upon the consummation of the Recapitalization, the DLJMB Funds, management and certain other investors owned 87.5% of the outstanding capital stock of Holdings and B&L owned 12.5% of the outstanding capital stock of Holdings. The Recapitalization has been accounted for as a leveraged recapitalization, which will have no impact on the historical basis of Holdings' and, accordingly Charles River's, assets and liabilities.

Simultaneously with the Recapitalization, the Company acquired SBI Holdings, Inc. ("Sierra") pursuant to a stock purchase agreement (the "Sierra Acquisition") for an initial purchase price of $24.0 million, of which approximately $6.0 million was used to repay Sierra's existing debt, which the Company funded with available cash, a portion of the net proceeds from the notes offered hereby and a portion of the borrowings under our new credit facility. In addition, the Company has agreed to pay (a) up to $2.0 million in contingent consideration if certain financial objectives are reached by December 31, 2000, (b) up to $10.0 million in performance-based bonus payments if certain financial objectives are reached over the next five years, and (c) $3.0 million in retention and non-competition payments contingent upon the continuing employment of certain key scientific and managerial personnel through June 30, 2001. The Recapitalization and the Sierra Acquisition are collectively referred to as the "Transactions." The Recapitalization and the Sierra Acquisition were consummated concurrently.

The following unaudited pro forma condensed consolidated financial data of (1) Charles River and (2) Charles River and Holdings, combined, is based upon historical consolidated financial statements of the Company and of Holdings as adjusted to give effect to the impact of the Transactions and the application of the related net proceeds therefrom as discussed under the captions "Transactions" and "Use of Proceeds." As Holdings has no operations other than those related to Charles River, the primary distinction between the Charles River and Holdings combined, unaudited pro forma condensed financial data is the different capital structure resulting from the additional financial instruments issued by Holdings. The unaudited pro forma condensed consolidated balance sheets as of September 25, 1999 give effect to the Transactions assuming that the Transactions had occurred on September 25, 1999. The unaudited pro forma condensed consolidated statements of income for the year ended December 26, 1998, the nine months ended September 26, 1998, the nine months ended September 25, 1999, and for the twelve month period ended September 25, 1999 give effect to the Transactions as if they had occurred at the beginning of the period presented. The unaudited pro forma condensed consolidated statements of income for the twelve months ended December 26, 1998 also give effect to the

Tektagen, Therion and ESD Acquisitions (the "1998 Acquisitions") as if they all had occurred at the beginning of the period presented.

The pro forma adjustments are based on estimates, available information and certain assumptions and may be revised as additional information becomes available. The unaudited pro forma condensed consolidated financial data do not purport to represent what Charles River's, or Holdings' and Charles River's combined results of operations or financial position would actually have been if the Transactions and other adjustments had occurred on the dates indicated and are not necessarily representative of Charles River or Holdings' and Charles River's combined results of operations for any future period. The unaudited pro forma condensed consolidated balance sheet and consolidated statements of income should be read in conjunction with our consolidated financial statements and the notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information appearing elsewhere in this prospectus.

CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of September 25, 1999
(dollars in thousands)

	Company Historical	Settlement with B&L(a)	Recapitalization Adjustments	Pro Forma for the Recapitalization	Sierra Historical(b)	Sierra Acquisition Adjustments	Pro Forma
Assets							
Current assets:							
Cash and cash equivalents	$ 3,457	$ 2,437	$ 21,827(c)	$ 27,721	$ 292	$(24,335)(d)	$ 3,678
Trade receivables	33,820	--	--	33,820	2,493	--	36,313
Inventories	28,577	--	--	28,577	853	--	29,430
Deferred income taxes	5,432	(5,432)	--	--	--	--	--
Due from affiliates	966	--	--	966	--	--	966
Other current assets	5,051	--	--	5,051	791	--	5,842
Total current assets	77,303	(2,995)	21,827	96,135	4 ,429	(24,335)	76,229
Property, plant and equipment, net	79,349	--	--	79,349	4,918	--	84,267
Goodwill and other intangibles, net	16,212	--	--	16,212	4,919	12,926(d)	34,057
Investments in affiliates	19,385	--	--	19,385	--	--	19,385
Deferred tax assets	5,787	(5,787)	88,060(e)	88,060	--	--	88,060
Other assets	12,335	--	13,237(c)	25,572	254	--(d)	25,826
Total assets	$ 210,371	$ (8,782)	$123,124	$324,713	$ 14,520	(11,409)	$ 327,824
Liabilities and Shareholder's Equity							
Current Liabilities:							
Current portion of long-term debt	$ 166	$ --	$ 1,200(c)	$ 1,366	$ 1,729	$ (1,729)(d)	$ 1,366
Current portion of capital lease obligations	167	--	--	167	105	--	272
Accounts payable	5,992	--	--	5,992	1,134	--	7,126
Accrued compensation	11,015	--	--	11,015	569	--	11,584
Accrued ESLIRP	5,845	--	--	5,845	--	--	5,845
Accrued restructuring	354	--	--	354	--	--	354
Deferred income	4,550	--	--	4,550	--	--	4,550
Accrued liabilities	12,410	--	--	12,410	852	--	13,262
Accrued income taxes	16,208	(16,208)	--	--	--	--	--
Total current liabilities	56,707	(16,208)	1,200	41,699	4,389	(1,729)	44,359
Long-term debt	--	--	308,672(c)	308,672	4,240	(4,240)(d)	308,672
Long-term capital lease obligations	700	--	--	700	118	--	818
Other long-term liabilities	3,706	--	--	3,706	333	--	4,039
Total liabilities	61,113	(16,208)	309,872	354,777	9,080	(5,969)	357,888
Minority interests	293	--	--	293	--	--	293
Shareholder's equity							
Common stock	1	--	--	1	--	--	1
Capital in excess of par value	17,836	--	88,060(e)	105,896	4,667	(4,667)(d)	105,896
Retained earnings (accumulated deficit)	142,422	7,426	(273,888)(c)	(124,040)	4,057	(4,057)(d)	(124,040)
Treasury stock, at cost	--	--	--	--	(3,284)	3,284 (d)	--

	Company Historical	Settlement with B&L(a)	Recapitalization Adjustments	Pro Forma for the Recapitalization	Sierra Historical(b)	Acquisition Adjustments	Pro Forma
Treasury stock, at cost..	--	--	--	--	(3,284)	3,284 (d)	--
Loans to officers.....			(920)	(920)			(920)
Accumulated other comprehensive income (accumulated deficit).....	(11,294)	--	--	(11,294)	--	--	(11,294)
Total shareholder's equity	148,965	7,426	(186,748)	(30,357)	5,440	(5,440)	(30,357)
Total liabilities and shareholder's equity	$ 210,371	$ (8,782)	$123,124	$324,713	$ 14,520	$(11,409	$ 327,824

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

(a) Represents assets and liabilities of Charles River as of September 25, 1999 that, according to the terms of the Recapitalization Agreement, were distributed to or assumed by B&L in conjunction with the closing of the Recapitalization and, accordingly, are not part of the ongoing operations of Charles River. In addition, the adjustment includes a cash settlement paid by B&L to Charles River in accordance with the terms of the Recapitalization Agreement.

(b) Reflects Sierra's historical unaudited consolidated balance sheet at September 25, 1999.

(c) Holdings was recapitalized as described under the caption "Transactions." The Company's portion of the sources and uses of cash required to consummate the Transactions as of September 25, 1999 follow:

Sources:	
Available cash	$ 2,173
New credit facility	
Revolving credit facility	2,000
Term loans	160,000
Units(1)	150,000
Total cash sources	$ 314,173
Uses:	
Distribution to Holdings	$ 270,000
Cash consideration for Sierra acquisition(1)	24,000
Debt issuance costs	13,237
Estimated transaction fees and expenses(2)	6,016
Loans to officer	920
Total cash uses	$ 314,173

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

(1) The fair value of the related warrants was estimated at $2,128.

(2) Consists of bridge facility commitment, legal and other professional fees. Does not include fees associated with the Sierra Acquisition (see note (d) below).

(d) Reflects the Sierra Acquisition adjustments. Goodwill represents the excess purchase price paid over the estimated fair value of net identifiable assets acquired and is amortized over fifteen years using the straight-line method. The sources and uses of cash which were required to consummate the Sierra Acquisition on September 29, 1999 follow:

Sources:	
Available cash	$ 24,335

Total cash sources	$ 24,335
Uses:	
Sierra acquisition consideration(1)	$ 24,000
Estimated transaction fees and expenses(2)	335
Total cash uses	$ 24,335

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

(1) Approximately $6,000 will be used to repay Sierra's existing debt.

(2) Consists of legal and other professional fees.

In conjunction with the Sierra Acquisition, the Company has agreed to pay additional consideration of up to $2,000 if Sierra achieves certain financial targets by December 31, 2000. This additional consideration, if any, will be recorded as additional goodwill at the time the contingency is resolved.

(e) The adjustment reflects the increase in the deferred tax assets of the Company due to the Section 338(h)(10) election made in conjunction with the Recapitalization. Such election results in a step-up in the tax basis of the underlying assets. The resulting net deferred tax asset of approximately $88,060 is expected to be realized over 15 years through future tax deductions which are expected to reduce future tax payments. In connection with the establishment of this net deferred tax asset, management has recorded a valuation allowance of $7,770, primarily related to its realizability with respect to state income taxes. Management has recorded this net deferred tax asset based on its belief that it is more likely than not that it will be realized. This belief is based upon a review of all available evidence, including historical operating results, projections of future taxable income, and tax planning strategies.

CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
(dollars in thousands)

	For the Year Ended December 26, 1998(a)						
	Company Historical	1998 Acquisitions(b)	Recapitalization Adjustments	Pro Forma for the Recapitalization and the 1998 Acquisitions	Sierra Historical(c)	Sierra Adjustments	Pro Forma
Net sales	$193,301	$3,457	$ --	$196,758	$19,880	$ --	$216,638
Cost of products sold and services provided	122,547	2,716	--	125,263	10,634	--	135,897
Selling, general and administrative expenses	34,142	805	41(d)	34,988	6,227	--	41,215
Amortization of goodwill and other intangibles	1,287	116(e)	--	1,403	256	926(e)	2,585
Operating income	35,325	(180)	(41)	35,104	2,763	(926)	36,941
Interest income	986	--	(986)(f)	--	--	--	--
Interest expense	(421)	(23)	(36,279)(g)	(36,723)	(762)	762(h)	(36,723)
Loss from foreign currency, net	(58)	--	--	(58)	--	--	(58)
Income (loss) before income taxes, minority interests and earnings from equity investments	35,832	(203)	(37,306)	(1,677)	2,001	(164)	160
Provision (benefit) for income taxes	14,123	150	(14,670)(i)	(397)	820	305(j)	728
Income (loss) before minority interests and earnings from equity investments	21,709	(353)	(22,636)	(1,280)	1,181	(469)	(568)
Minority interests	(10)	--	--	(10)	--	--	(10)
Earnings from equity investments	1,679	2	--	1,681	--	--	1,681
Net income (loss)	$ 23,378	$ (351)	$ (22,636)	$ 391	$ 1,181	$ (469)	$ 1,103

CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
(dollars in thousands)

	For the Nine Months Ended September 26, 1998(a)						
	Company Historical	1998 Acquisitions(b)	Recapitalization Adjustments	Pro Forma for the Recapitalization and the 1998 Acquisitions	Sierra Historical(c)	Sierra Adjustments	Pro Forma
Net sales	$145,519	$2,984	$ --	$148,503	$14,769	$ --	$163,272
Cost of products sold and services provided	91,041	2,436	--	93,477	7,869	--	101,346
Selling, general and administrative expenses	25,202	723	47(d)	25,972	4,265	--	30,237
Amortization of goodwill and other intangibles	1,036	116(e)	--	1,152	192	700 (e)	2,044
Restructuring charges	--	--	--	--	--	--	--
Operating income	28,240	(291)	(47)	27,902	2,443	(700)	29,645
Interest income	659	--	(659)(f)	--	--	--	--
Interest expense	(311)	(23)	(27,210)(g)	(27,544)	(513)	513 (h)	(27,544)
Loss from foreign currency, net	(127)	--	--	(127)	--	--	(127)
Income (loss) before income taxes, minority interests and earnings from equity investments	28,461	(314)	(27,916)	231	1,930	(187)	--
Provision (benefit) for income taxes	11,280	105	(10,985)(i)	400	791	205 (j)	1,396
Income (loss) before minority interests and earnings from equity investments	17,181	(419)	(16,931)	(169)	1,139	(392)	578
Minority interests	(8)	--		(8)	--	--	(8)
Earnings from equity investments	1,286	2	--	1,288	--	--	1,288
Net income (loss)	$ 18,459	$ (417)	$(16,931)	$ 1,111	$ 1,139	$ (392)	$ 1,858

CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
(dollars in thousands)

	For the Nine Months Ended September 25, 1999(a)					
	Company Historical	Recapitalization Adjustments	Pro Forma Recapitalization	Sierra Historical(c)	Sierra Adjustments	Pro Forma for Recapitalization & Sierra Acquisition
Net sales	$161,096	$ --	$161,096	$ 16,034	$ --	$ 177,130
Cost of products sold and services provided	97,230	--	97,230	9,589	--	106,819
Selling, general and administrative expenses	29,414	(18)(d)	29,396	5,364	--	34,760
Amortization of goodwill and other intangibles	1,114	--	1,114	192	700 (e)	2,006
Restructuring charges	--	--	--	--	--	--
Operating income	33,338	18	33,356	889	(700)	33,545
Other income	1,441	--	1,441	--	--	1,441
Interest income	496	(496)(f)	--	--	--	--
Interest expense	(207)	(29,373)(g)	(29,580)	(321)	321 (h)	(29,580)
Loss from foreign currency, net	(143)	--	(143)	--	--	(143)
Income (loss) before income taxes, minority interests and earnings from equity investments	34,925	(29,851)	5,074	568	(379)	5,263
Provision (benefit) for income taxes	16,903	(11,940)(i)	4,963	233	128 (j)	5,324
Income (loss) before minority interests and earnings from equity investments	18,022	(17,910)	112	335	(507)	(61)
Minority interests	(10)	--	(10)	--	--	(10)
Earnings from equity investments	1,940	--	1,940	--	--	1,940
Net income (loss)	$19,952	$(17,910)	$ 2,042	$ 335	$ (507)	$ 1,869

CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
(dollars in thousands)

	For the Twelve Months Ended September 25, 1999(m)						
	Company Historical	1998 Acquisitions (b) ESD	Recappitalization Adjustments	Pro Forma Recapitalization	Sierra Historical(c)	Sierra Adjustments	Pro Forma for Recapitalization & Sierra Acquisition(k)
Net sales	$208,878	$ 473	$ --	$209,351	$ 21,145	$ --	$ 230,496
Cost of products sold and services provided	128,736	280	--	129,016	12,354	--	141,370
Selling, general and administrative expenses	38,354	82	(24)(d)	38,412	7,326	--	45,738
Amortization of goodwill and other intangibles	1,365	--	--	1,365	256	926 (e)	2,547
Operating income	40,423	111	24	40,558	1,209	(926)	40,841
Other income	1,441	--	--	1,441	--	--	1,441
Interest income	823	--	(823)(f)	--	--	--	--
Interest expense	(317)	--	(38,442)(g)	(38,759)	(570)	570 (b)	(38,759)
Loss from foreign currency, net	(74)	--	--	(74)	--	--	(74)
Income (loss) before income taxes, minority interests and earnings from equity investments	42,296	111	(39,241)	3,166	639	(356)	3,449
Provision (benefit) for income taxes	19,746	45	(15,625)(i)	4,166	262	228 (j)	4,656
Income (loss) before minority interests and earnings from equity investments	22,550	66	(23,616)	(1,000)	377	(584)	(1,207)
Minority interests	(12)	--	--	(12)	--	--	(12)
Earnings from equity investments	2,333	--	--	2,333	--	--	2,333
Net income (loss)	$24,871	$ 66	$(23,616)	$1,321	$ 377	$ (584)	$ 1,114

CHARLES RIVER LABORATORIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands)

(a) Charles River's fiscal year consists of a twelve month period ending on the Saturday closest to December 31; the Company's nine month periods consist of the nine months ending on the Saturday closest to September 30.

(b) Represents the financial results for the companies acquired during 1998 for the periods not included in the Company Historical column as follows: Tektagen (from January 1, 1998 until March 31, 1998), Therion (from January 1, 1998 until March 31, 1998) and ESD (from January 1, 1998 until November 30, 1998). The tables below detail these results for the year ended December 26, 1998 and the nine months ended September 26, 1998:

	For the Year Ended December 26, 1998				
	Tektagen	Therion	ESD	Adjustments	Total
Net sales	$ 917	$310	$2,230	$ --	$ 3,457
Cost of products sold and services provided	977	89	1,650	--	2,716
Selling, general and administrative expenses	407	85	313	--	805
Amortization of goodwill and other intangibles	--	--	--	116(e)	116(e)
Operating income	(467)	136	267	(116)	(180)
Interest income	--	--	--	--	--
Interest expense	(23)	--	--	--	(23)
(Loss) gain from foreign currency, net	--	--	--	--	--
(Loss) income before income taxes, minority interests and earnings from equity investments	(490)	136	267	(116)	(230)
Provision (benefit) for income taxes	--	43	107	--	150
(Loss) income before minority interests and earnings from equity investments	(490)	93	160	(116)	(353)
Minority interests	--	--	--	--	--
Earnings from equity investments	--	2	--	--	2
Net (loss) income	$(490)	$ 95	$ 160	$ (116)	$ (351)

	For the Nine Months Ended September 26, 1998				
	Tektagen	Therion	ESD	Adjustments	Total
Net sales	$ 917	$310	$1,757	$ --	$ 2,984
Cost of products sold and services provided	977	89	1,370	--	2,436
Selling, general and administrative expenses	407	85	231	--	723
Amortization of goodwill and other intangibles	--	--	--	116(e)	116(e)
Operating income	(467)	136	156	(116)	(291)
Interest income	--	--	--	--	--
Interest expense	(23)	--	--	--	(23)
Loss from foreign currency, net	--	--	--	--	--

	For the Nine Months Ended September 26, 1998				
	Tektagen	Therion	ESD	Adjustments	Total
(Loss) income before income taxes, minority interests and earnings from equity investments	(490)	136	156	(116)	(314)
Provision (benefit) for income taxes	--	43	62	--	105
(Loss) income before minority interests and earnings from equity investments	(490)	93	94	(116)	(419)
Earnings from equity investments	--	2	--	--	2
Minority interests	--	--	--	--	--
Net (loss) income	$(490)	$ 95	$ 94	$ (116)	$ (417)

(c) Represents the historical unaudited consolidated financial results of Sierra. These results have been adjusted to reflect the results of operations for HTI Bio-Services, Inc., a company Sierra acquired in January 1999 for the periods not included in the Sierra historical results. The results also reflect related pro forma adjustments to goodwill amortization, interest and tax expense.

As part of the Sierra Acquisition, the Company has agreed to pay up to $10,000 in performance-based bonus payments if certain financial objectives are reached over the next five years. At the time these contingencies are resolved, the bonuses, if any, will be recorded as compensation expense. As these amounts are not reasonably estimable, the expense related to those bonus payments has not been included in the pro forma financial statements.

Also in conjunction with the Sierra Acquisition, the Company will enter into employment agreements with certain Sierra employees that contain retention and non-competition payments totaling $3,000 to be paid upon their continuing employment with the Company at December 31, 1999 and June 30, 2001. The expense related to these payments has not been included in the pro forma financial statements as they are considered non-recurring. At the time these contingencies are resolved, the payments, if any, will be recorded as compensation expense.

(d) To record the elimination of certain B&L allocated or specifically identified corporate costs to be replaced by management's estimate of the stand alone costs. The Company historically operated autonomously from B&L; therefore, the level of corporate charges was minimal. Management's estimates of stand alone costs include additional professional fees and other general and administrative expenses as shown below:

	Year Ended December 26, 1998	Nine Months Ended September 26, 1998	Nine Months Ended September 25, 1999	Twelve Months Ended September 25, 1999
Allocated or identified corporate costs:				
Professional services	$ 12	$ 13	$ 17	$ 16
Insurance	2,552	1,894	1,820	2,478
Other general and administrative	60	46	181	195
Total	2,624	1,953	2,018	2,689
Management's estimated stand alone costs:				
Professional services(1)	500	375	375	500
Insurance	1,940	1,455	1,455	1,940
Other general and administrative	225	170	170	225
Total	2,665	2,000	2,000	2,665
Net increase (decrease) in expenses	$ 41	$ 47	$ (18)	$ (24)

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

(1) Include legal, financial and tax accounting and other professional expenses.

(e) Reflects the incremental expense required to reflect amortization of goodwill generated in the 1998 Acquisitions and the Sierra Acquisition based on an estimated useful life of 15 years.

(f) Reflects the elimination of interest income generated from cash and cash equivalents that, according to the terms of the Recapitalization Agreement, will not be a part of the ongoing operations of Charles River.

(g) To adjust historical interest expense for that portion related to liabilities that, according to the Recapitalization Agreement, will be assumed by B&L and will therefore not be part of the ongoing operations of Charles River as well as adjustment to the unaudited pro forma consolidated interest expense as a result of the Transactions:

	Year Ended December 26, 1998	Nine Months Ended September 6, 19998	Nine Months Ended September 25, 1999	Twelve Months Ended September 25, 1999
Increase in interest expense				
Notes offered hereby(1)	$ 20,203	$ 15,152	$ 17,222	$ 22,273
Term loans(2)	14,500	10,875	10,875	14,500
Revolver(3)	310	233	233	310
Amortization of deferred financing costs(4)	1,523	1,142	1,142	1,523
Total(5)	36,536	27,402	29,472	38,606
Elimination of historical interest expense	(257)	(192)	(99)	(164)
Net increase in interest expense	$ 36,279	$ 27,210	$ 29,373	$ 38,442

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

(1) Interest expense was calculated at an effective interest rate of 13.66%.

(2) Interest expense was calculated at an effective blended interest rate of 9.06%, which is based upon a base rate or LIBOR plus a margin and is reset every six months.

(3) Represents interest expense calculated at 8.50% plus fees on the unused portion of 0.50%.

(4) Represents annual amortization expense utilizing a weighted average maturity on all borrowings of 8.70 years.

(5) A 0.125% increase or decrease in the effective weighted average interest rate for the senior credit facilities would change pro forma interest expense by $203, $152 and $152 for the fiscal year ended December 26, 1998 and the nine months ended September 26, 1998 and September 25, 1999, respectively.

(h) To eliminate Sierra's historical interest expense related to debt that, according to the terms of the Sierra stock purchase agreement, will be repaid.

(i) Represents the income tax adjustment required to result in a pro forma income tax provision based on: the direct tax effects of the pro forma adjustments described above.

(j) Represents the income tax adjustment required to result in a pro forma income tax provision based on: the direct tax effects of the pro forma adjustments described above.

(k) Information for the twelve months ended September 25, 1999 represents the sum of the unaudited pro forma fiscal year ended December 26, 1998 and the unaudited pro forma nine months ended September 25, 1999, less the unaudited pro forma nine months ended September 26, 1998.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of September 25, 1999
(dollars in thousands)

	Company Historical	Settlement with B&L(a)	Recappitalization Adjustments	Pro Forma for the Recapitalization	Sierra Historical(b)	Sierra Acquisition Adjustments	Pro Forma
Assets							
Current assets:							
Cash and cash equivalents	$ 3,457	$ 2,437	$ 21,827 (c)	$ 27,721	$ 292	$(24,335)(d)	$ 3,678
Trade receivables.	33,820	--	--	33,820	2,493	--	36,313
Inventories.	28,577	--	--	28,577	853	--	29,430
Deferred income taxes	5,432	(5,432)	--	--	--	--	--
Due from affiliates	966	--	--	966	--	--	966
Other current assets	5,051	--	--	5,051	791	--	5,842
Total current assets	77,303	(2,995)	21,827	96,135	4,429	(24,335)	76,229
Property, plant and equipment, net.	79,349	--	--	79,349	4,918	--	84,267
Goodwill and other intangibles, net.	16,212	--	--	16,212	4,919	12,926 (d)	34,057
Investments in affiliates.	19,385	--	--	19,385	--	--	19,385
Deferred tax assets.	5,787	(5,787)	88,060 (e)	88,060	--	--	88,060
Other assets.	12,335	--	13,237 (c)	25,572	254	-- (d)	25,826
Total assets.	$210,371	$(8,782)	$123,124	$324,713	$14,520	(11,409)	$327,824
Liabilities and Shareholder's Equity							
Current Liabilities:							
Current portion of long-term debt.	$ 166	$ --	$ 1,200 (c)	$ 1,366	$ 1,729	$ (1,729)(d)	$ 1,366
Current portion of capital lease obligations.	167	--	--	167	105	--	272
Accounts payable.	5,992	--	--	5,992	1,134	--	7,126
Accrued compensation.	11,015	--	--	11,015	569	--	11,584
Accrued ESLIRP.	5,845	--	--	5,845	--	--	5,845
Accrued restructuring.	354	--	--	354	--	--	354
Deferred income.	4,550	--	--	4,550	--	--	4,550
Accrued liabilities.	12,410	--	--	12,410	852	--	13,262
Accrued income taxes.	16,208	(16,208)	--	--	--	--	--
Total current liabilities	56,707	(16,208)	1,200	41,699	4,389	(1,729)	44,359
Long-term debt.	--	--	380,314 (c)	380,314	4,240	(4,240)(d)	380,314
Long-term capital lease obligations.	700	--	--	700	118	--	818
Other long-term liabilities.	3,706	--	--	3,706	333	--	4,039
Total liabilities.	61,113	(16,208)	381,514	426,419	9,080	(5,969)	429,530
Minority interests.	293	--	--	293	--	--	293
Redeemable common stock.	--	--	13,198 (f)	13,198	--	--	13,198
Shareholder's equity							
Common stock.	1	--	--	1	--	--	1
Capital in excess of par value.	17,836	--	178,348 (e)(f)	196,184	4,667	(4,667)(d)	196,184

	Company Historical	Settlement with B&L(a)	Recappitali-zation Adjustments	Pro Forma for the Recapitali-zation	Sierra Historical(b)	Acquisition Adjustments	Pro Forma
Retained earnings (accumulated deficit)..	142,422	7,426	(449,016)(c)	(299,168)	4,057	(4,057)(d)	(299,168)
Treasury stock, at cost	--	--	--	--	(3,284)	3,284 (d)	--
Loans to officers.....			(920)	(920)			(920)
Accumulated other comprehensive income (accumulated deposit)..	(11,294)	--	--	(11,294)	--	--	(11,294)
Total shareholder's equity.....	148,965	7,426	(271,588)	(115,197)	5,440	(5,440)	(115,197)
Total liabilities and shareholder's equity....	$210,371	$(8,782)	$123,124	$324,713	$14,520	$(11,409)	$327,824

(a) Represents assets and liabilities of Holdings as of September 25, 1999 that, according to the terms of the Recapitalization Agreement, were distributed to or assumed by B&L in conjunction with the closing of the Recapitalization and, accordingly, are not part of the ongoing operations of Holdings. In addition, the adjustment includes a cash settlement paid by B&L to Holdings in accordance with the terms of the Recapitalization Agreement.

(b) Reflects Sierra's historical unaudited consolidated balance sheet at September 25, 1999.

(c) Holdings was recapitalized as described under the caption "Transactions." The sources and uses of cash required to consummate the Transactions as of September 25, 1999 follow:

Sources:	
Available cash.....	$ 2,173
New credit facility	
Revolving credit facility.....	2,000
Term loans.....	160,000
Units(1).....	150,000
Senior discount debentures with warrants(2).....	37,613
Subordinated discount note.....	43,000
Rollover Shareholders' equity.....	13,198
DLJMB Funds, management and other investor equity.....	92,387
Total cash sources.....	$500,371
Uses:	
Recapitalization consideration.....	$443,000
Rollover Shareholders' equity.....	13,198
Cash consideration for Sierra acquisition(1).....	24,000
Debt issuance costs.....	13,237
Estimated transaction fees and expenses(2).....	6,016
Loans to officer.....	920
Total cash uses.....	$500,371

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

(1) The fair value of the related warrants was estimated at $2,128.

(2) The fair value of the related warrants was estimated at $8,971.

(3) Consists of bridge facility commitment, legal and other professional fees. Does not include fees associated with the Sierra Acquisition (see note (d) below).

(d) Reflects the Sierra Acquisition adjustments. Goodwill represents the excess purchase price paid over the estimated fair value of net identifiable assets acquired and is amortized over fifteen years using the straight-line method. The sources and uses of cash which were required to consummate the Sierra Acquisition on September 29, 1999 follow:

Sources:	
Available cash.....	$24,335
Total cash sources.....	$24,335
Uses:	
Sierra acquisition consideration(1).....	$24,000
Estimated transaction fees and expenses(2).....	335
Total cash uses.....	$24,335

(1) Approximately $6,000 was used to repay Sierra's existing debt.

(2) Consists of legal and other professional fees.

In conjunction with the Sierra Acquisition, Holdings has agreed to pay

additional consideration of up to $2,000 if Sierra achieves certain financial targets by December 31, 2000. This additional consideration, if any, will be recorded as additional goodwill at the time the contingency is resolved.

(e) The adjustment reflects the increase in the deferred tax assets of Holdings due to the Section 338(h)(10) election made in conjunction with the Recapitalization. Such election results in a step-up in the tax basis of the underlying assets. The resulting net deferred tax asset of approximately $88,060 is expected to be realized over 15 years through future tax deductions which are expected to reduce future tax payments. In connection with the establishment of this net deferred tax asset, management has recorded a valuation allowance of $7,770, primarily related to its realizability with respect to state income taxes. Management has recorded this net deferred tax asset based on its belief that it is more likely than not that it will be realized. This belief is based upon a review of all available evidence, including historical operating results, projections of future taxable income, and tax planning strategies.

(f) Amount represents the fair value attributable to the Rollover Shareholders' equity that has been reclassified from additional paid in capital to the mezzanine section of the balance sheet due to the existence of a put option held by the Rollover Shareholder. Such put option is only exercisable during the period, if any, beginning on the earlier of:

(i) the date on which all of the consolidated indebtedness of Holdings incurred on or prior to the effective date of the Transactions has been repaid in full, including any refinancings or replacements; or

(ii) the date on which all of the consolidated indebtedness of Holdings has been repaid in full, refinanced or replaced and such refinanced or replacement debt permits the put option to be exercised

and ending on the earlier of:

(i) the date of an initial public offering;

(ii) the date on which the DLJ-affiliated entities own less than 50% of the outstanding common stock of Holdings; or

(iii) twelve years from the effective date of the Transactions.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
(dollars in thousands)

	For the Year Ended December 26, 1998(a)						
	Company Historical	1998 Acquisition(b)	Recapitalization Adjustments	Pro Forma for the Recappitalization and the 1998 Acquisitions	Sierra Historical(c)	Sierra Adjustments	Pro Forma
Net sales	$193,301	$3,457	$ --	$196,758	$19,880	$ --	$216,638
Cost of products sold and services provided	122,547	2,716	--	125,263	10,634	--	135,897
Selling, general and administrative expenses	34,142	805	391 (d)	35,338	6,227	--	41,565
Amortization of goodwill and other intangibles	1,287	116 (e)	--	1,403	256	926 (e)	2,585
Operating income	35,325	(180)	(391)	34,754	2,763	(926)	36,591
Interest income	986	--	(986)(f)	--	--	--	--
Interest expense	(421)	(23)	(47,100)(g)	(47,544)	(762)	762 (h)	(47,544)
Loss from foreign currency, net	(58)	--	--	(58)	--	--	(58)
Income (loss) before income taxes, minority interests and earnings from equity investments	35,832	(203)	(48,477)	(12,848)	2,001	(164)	(11,011)
Provision (benefit) for income taxes	14,123	150	(18,605)(i)	(4,332)	820	305 (j)	(3,207)
Income (loss) before minority interests and earnings from equity investments	21,709	(353)	(29,872)	(8,516)	1,181	(469)	(7,804)
Minority interests	(10)	--	--	(10)	--	--	(10)
Earnings from equity investments	1,679	2	--	1,681	--	--	1,681
Net income (loss)	$ 23,378	$ (351)	$(29,872)	$ (6,845)	$ 1,181	$ (469)	$(6,133)
Pro forma loss per common share (k)							
Basic							$ (0.60)
Diluted							(0.60)
Pro forma weighted average number of common shares outstanding							
Basic							10,285,715
Diluted							10,285,715

CHARLES RIVER LABORATORIES HOLDINGS INC. AND
CHARLES RIVER LABORATORIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
(dollars in thousands)

	For the Nine Months Ended September 25, 1999(a)					
	Company Historical	Recapitali-zation	Pro Forma Recapitalization	Sierra Historical(c)	Sierra Adjustments	Pro Forma for Recapiptal1-zation & Sierra Acquisition
Net sales	161,096	$ --	$161,096	$16,034	$ --	$177,130
Cost of products sold and services provided	97,230	--	97,230	9,589	--	106,819
Selling, general and administrative expenses	29,414	245 (d)	29,659	5,364	--	35,023
Amortization of goodwill and other intangibles	1,114	--	1,114	192	700 (e)	2,006
Restructuring charges	--	--	--	--	--	--
Operating income	33,338	(245)	33,093	889	(700)	33,282
Other income	1,441	--	1,441	--	--	1,441
Interest income	496	(496) (f)	--	--	--	--
Interest expense	(207)	(38,676) (g)	(38,883)	(321)	321 (h)	(38,883)
Loss from foreign currency, net	(143)	--	(143)	--	--	(143)
Income (loss) before income taxes, minority interests and earnings from equity investments	34,925	(39,417)	(4,492)	568	(379)	(4,303)
Provision (benefit) for income taxes	16,903	(15,118)(i)	1,785	233	128 (j)	2,146
Income (loss) before minority interests and earnings from equity investments	18,022	(24,299)	(6,277)	335	(507)	(6,449)
Minority interests	(10)	--	(10)	--	--	(10)
Earnings from equity investments	1,940	--	1,940	--	--	1,940
Net income (loss)	$19,952	$(24,299)	$ (4,347)	$335	$ (507)	$ (4,519)
Pro forma loss per common share(k)						
Basic						$ (0.44)
Diluted						(0.44)
Pro forma weighted average number of common shares outstanding						
Basic						10,285,715
Diluted						10,285,715

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands)

(a) Holdings' fiscal year consists of a twelve month period ending on the Saturday closest to December 31; the Company's nine month periods consist of the nine months ending on the Saturday closest to September 30.

(b) Represents the financial results for the companies acquired during 1998 for the periods not included in the Holdings' Historical column as follows: Tektagen (from January 1, 1998 until March 31, 1998), Therion (from January 1, 1998 until March 31, 1998) and ESD (from January 1, 1998 until November 30, 1998). The tables below detail these results for the year ended December 26, 1998:

	For the Year Ended December 26, 1998				
	Tektagen	Therion	ESD	Adjustments	Total
Net sales	$ 917	$ 310	$2,230	$ --	$3,457
Cost of products sold and services provided	977	89	1,650	--	2,716
Selling, general and administrative expenses	407	85	313	--	805
Amortization of goodwill and other intangibles	--	--	--	116 (e)	116 (e)
Operating income	(467)	136	267	(116)	(180)
Interest income	--	--	--	--	--
Interest expense	(23)	--	--	--	(23)
(Loss) gain from foreign currency, net	--	--	--	--	--
(Loss) income before income taxes, minority interests and earnings from equity investments	(490)	136	267	(116)	(203)
Provision (benefit) for income taxes	--	43	107	--	150
(Loss) income before minority interests and earnings from equity investments	(490)	93	160	(116)	(353)
Minority interests	--	--	--	--	--
Earnings from equity investments	--	2	--	--	2
Net (loss) income	$(490)	$ 95	$ 160	$(116)	$ (351)

(c) Represents the historical unaudited consolidated financial results of Sierra. These results have been adjusted to reflect the results of operations for HTI Bio-Services, Inc., a company Sierra acquired in January 1999 for the periods not included in the Sierra historical results. The results also reflect related pro forma adjustments to goodwill amortization, interest and tax expense.

As part of the Sierra Acquisition, Holdings has agreed to pay up to $10,000 in performance-based bonus payments if certain financial objectives are reached over the next five years. At the time these contingencies are resolved, the bonuses, if any, will be recorded as compensation expense. As these amounts are not reasonably estimable, the expense related to those bonus payments has not been included in the pro forma financial statements.

Also in conjunction with the Sierra Acquisition, Holdings will enter into employment agreements with certain Sierra employees that contain retention and non-competition payments totaling $3,000 to be paid upon their continuing employment with Holdings at December 31, 1999 and June 30, 2001. The expense related to these payments has not been included in the pro forma financial statements as they are considered non-recurring. At the time these contingencies are resolved, the payments, if any, will be recorded as compensation expense.

(d) To record the elimination of certain B&L allocated or specifically identified corporate costs to be replaced by management's estimate of the stand alone costs. Holdings historically operated autonomously from B&L; therefore, the level of corporate charges was minimal. Management's estimates of stand alone costs include additional professional fees and other general and administrative expenses as shown below:

	Year Ended December 26, 1998	Nine Months Ended September 25, 1999
Allocated or identified corporate costs:		
Professional services	$ 12	$ 17
Insurance	2,552	1,820
Other general and administrative	60	181
Total	2,624	2,018
Management's estimated stand alone costs:		
Professional services(1)	500	375
Insurance	1,940	1,455
Financial advisor fees (2)	350	263
Other general and administrative	225	170
Total	3,015	2,263
Net increase in expenses	$ 391	$ 245

(1) Include legal, financial and tax accounting and other professional expenses.

(2) Represents financial advisor fees agreed to on a prospective basis.

(e) Reflects the incremental expense required to reflect amortization of goodwill generated in the 1998 Acquisitions and the Sierra Acquisition based on an estimated useful life of 15 years.

(f) Reflects the elimination of interest income generated from cash and cash equivalents that, according to the terms of the Recapitalization Agreement, will not be a part of the ongoing operations of Holdings.

(g) To adjust historical interest expense for that portion related to liabilities that, according to the Recapitalization Agreement, will be assumed by B&L and will therefore not be part of the ongoing operations of Holdings as well as adjustment to the unaudited pro forma consolidated interest expense as a result of the Transactions:

	Year Ended December 26, 1998	Nine Months Ended September 25, 1999
Increase in interest expense		
Units(1)	$20,203	$17,222
Term loans(2)	14,500	10,875
Senior discount debentures with warrants(3)	4,962	4,309
Subordinated discount note(4)	5,859	4,994
Revolver(5)	310	233
Amortization of deferred financing costs(6)	1,523	1,142
Total(7)	47,357	38,775
Elimination of historical interest expense	(257)	(99)
Net increase in interest expense	$47,100	$38,676

(1) Interest expense was calculated at an effective interest rate of 13.66%.

(2) Interest expense was calculated at an effective blended interest rate of 9.06%, which is based upon a base rate or LIBOR plus a margin and is reset every six months.

(3) Interest expense was calculated at an effective interest rate of 16.53%.

(4) Interest expense was calculated at an effective interest rate of 13.63%.

(5) Represents interest expense calculated at 8.50% plus fees on the unused portion of 0.50%.

(6) Represents annual amortization expense utilizing a weighted average maturity on all borrowings of 8.69 years.

(7) A 0.125% increase or decrease in the effective weighted average interest rate for the senior credit facilities would change pro forma interest expense by $292 and $219 for the fiscal year ended December 26, 1998 and the nine months September 25, 1999, respectively.

(h) To eliminate Sierra's historical interest expense related to debt that, according to the terms of the Sierra stock purchase agreement, will be repaid.

(i) Represents the income tax adjustment required to result in a pro forma income tax provision based on the direct tax effects of the pro forma adjustments described above.

(j) Represents the income tax adjustment required to result in a pro forma income tax provision based on the direct tax effects of the pro forma adjustments described above.

(k) Dilutive securities assuming exercise of the warrants were excluded from the computation of earnings per share due to the net loss.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Accountants

To the Board of Directors of
Charles River Laboratories, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in shareholder's equity and cash flows present fairly, in all material respects, the financial position of Charles River Laboratories, Inc. and its subsidiaries (the "Company") at December 26, 1998 and December 27, 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 26, 1998, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 16(b) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Boston, Massachusetts

June 30, 1999,
except as to Note 2, which is as of September 29, 1999

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands)

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Net sales	$155,604	$170,713	$193,301
Costs and expenses			
Cost of products sold and services provided	97,777	111,460	122,547
Selling, general and administrative	28,327	30,451	34,142
Amortization of goodwill and intangibles	610	834	1,287
Restructuring charges	4,748	5,892	--
Operating income	24,142	22,076	35,325
Other income (expense)			
Interest income	654	865	986
Interest expense	(491)	(501)	(421)
Gain/(loss) from foreign currency, net	84	(221)	(58)
Income before income taxes, minority interests and earnings from equity investments	24,389	22,219	35,832
Provision for income taxes	10,889	8,499	14,123
Income before minority interests and earnings from equity investments	13,500	13,720	21,709
Minority interests	(5)	(10)	(10)
Earnings from equity investment	1,750	1,630	1,679
Net income	$ 15,245	$ 15,340	$ 23,378

See Notes to Consolidated Financial Statements.

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	December 27, 1997	December 26, 1998
Assets		
Current assets		
Cash and cash equivalents	$ 17,915	$ 24,811
Trade receivables, less allowances of $688 and $898, respectively	28,280	32,466
Inventories	28,904	30,731
Deferred income taxes	4,751	5,432
Due from affiliates	1,153	982
Other current assets	2,320	2,792
Total current assets	83,323	97,214
Property, plant and equipment, net	76,889	82,690
Goodwill and other intangibles, less accumulated amortization of $4,356 and $5,591 respectively	8,621	17,705
Investments in affiliates	16,140	18,470
Other assets	11,238	17,331
Total assets	$196,211	$233,410
Liabilities and Shareholder's Equity		
Current liabilities		
Current portion of long-term debt	$ 83	$ 202
Current portion of capital lease obligations	144	188
Accounts payable	7,566	11,615
Accrued compensation	8,601	9,972
Accrued ESLIRP	4,407	5,160
Deferred income	1,339	3,419
Accrued restructuring	2,732	1,113
Accrued liabilities	8,282	13,794
Accrued income taxes	8,423	14,329
Total current liabilities	41,577	59,792
Long-term debt	170	248
Capital lease obligations	966	944
Other long-term liabilities	3,844	3,861
Total liabilities	46,557	64,845
Commitments and contingencies (Note 12)		
Minority interests	290	306
Shareholder's equity		
Common stock, par value $1 per share, 1,000 shares issued	1	1
Capital in excess of par value	17,836	17,836
Retained earnings	140,320	156,776
Accumulated other comprehensive income	(8,793)	(6,354)
Total shareholder's equity	149,364	168,259
Total liabilities and shareholder's equity	$196,211	$233,410

See Notes to Consolidated Financial Statements.

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Cash flows relating to operating activities			
Net income	$15,245	$15,340	$23,378
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9,528	9,703	10,895
Provision for doubtful accounts	81	166	181
Earnings from equity investments	(1,750)	(1,630)	(1,679)
Minority interests	5	10	10
Deferred income taxes	(5,693)	(1,363)	(3,133)
Stock compensation expense	24	84	333
Property, plant and equipment write downs	--	822	--
Changes in assets and liabilities			
Trade receivables	(1,840)	(2,232)	(1,712)
Inventories	(1,552)	(1,917)	(1,250)
Due from affiliates	(845)	(462)	538
Other current assets	133	165	(241)
Other assets	(1,787)	611	(4,990)
Accounts payable	(180)	594	2,853
Accrued compensation	(347)	674	2,090
Accrued ESLIRP	674	499	821
Deferred income	(62)	105	1,278
Accrued restructuring	--	2,732	(1,619)
Accrued liabilities	1,705	431	3,970
Accrued income taxes	6,852	(500)	5,605
Other long-term liabilities	354	(148)	(629)
Net cash provided by operating activities	20,545	23,684	36,699
Cash flows relating to investing activities			
Dividends received from equity investments	725	773	681
Capital expenditures	(11,572)	(11,872)	(11,909)
Cash paid for acquisition of businesses	(831)	(1,207)	(11,121)
Net cash used in investing activities	(11,678)	(12,306)	(22,349)
Cash flows relating to financing activities			
Long-term debt	(3,677)	162	(1,048)
Capital lease obligations	(194)	(346)	(48)
Net activity with Bausch & Lomb	(197)	(12,755)	(6,922)
Net cash used in financing activities	(4,068)	(12,939)	(8,018)
Effect of exchange rate changes on cash and cash equivalents	(478)	(181)	564
Net change in cash and cash equivalents	4,321	(1,742)	6,896
Cash and cash equivalents, beginning of year	15,336	19,657	17,915

See Notes to Consolidated Financial Statements.

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Cash and cash equivalents, end of year	$19,657	$17,915	$24,811
Supplemental cash flow information			
Cash paid for taxes	$4,821	$4,254	$4,681
Cash paid for interest	414	287	177

See Notes to Consolidated Financial Statements.

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(dollars in thousands)

	Total	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Capital In Excess of Par
Balance at December 30, 1995	$142,537	$122,687	$ 2,013	$ 1	$17,836
Components of comprehensive income:					
Net income	15,245	15,245	--	--	--
Foreign currency translation	(3,467)	--	(3,467)	--	--
Minimum pension liability adjustment	15	--	15	--	--
Total comprehensive income	11,793				
	--	--	--	--	--
Net activity with Bausch & Lomb	(197)	(197)	--	--	--
Balance at December 28, 1996	$154,133	$137,735	$(1,439)	$ 1	$17,836
Components of comprehensive income:					
Net income	15,340	15,340	--	--	--
Foreign currency translation	(6,844)	--	(6,844)	--	--
Minimum pension liability adjustment	(510)	--	(510)		--
Total comprehensive income	7,986				
	--	--	--	--	--
Net activity with Bausch & Lomb	(12,755)	(12,755)	--	--	--
Balance at December 27, 1997	$149,364	$140,320	$(8,793)	$ 1	$17,836
Components of comprehensive income:					
Net income	23,378	23,378	--	--	--
Foreign currency translation	2,839	--	2,839	--	--
Minimum pension liability adjustment	(400)	--	(400)		--
Total comprehensive income	25,817				
	--	--	--	--	--
Net activity with Bausch & Lomb	(6,922)	(6,922)	--	--	--
Balance at December 26, 1998	$168,259	$156,776	$(6,354)	$ 1	$17,836

See Notes to Consolidated Financial Statements.

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Charles River Laboratories, Inc. (the "Company") is a commercial producer and supplier of animal research models for use in the discovery, development and testing of pharmaceuticals. In addition, the Company is a supplier of biomedical products and services in several specialized niche markets. The Company is a 100% owned subsidiary of Bausch & Lomb Incorporated (Bausch & Lomb). The Company's fiscal year is the twelve month period ending the last Saturday in December.

Basis of Presentation

As of the dates and for the periods presented in these financial statements, the assets, liabilities, operations and cash flows relating to the Company are held by Bausch & Lomb and certain affiliated entities. As more fully described in Note 2, effective September 29, 1999, the Company consummated a recapitalization agreement that provides for the contribution of all such assets, liabilities and operations to an existing dormant subsidiary which was subsequently renamed CRL Holdings, Inc. These consolidated financial statements include all such assets, liabilities, operations and cash flows as of and for each of the periods presented.

Principles of Consolidation

The financial statements include all majority-owned U.S. and non-U.S. subsidiaries. Intercompany accounts, transactions and profits are eliminated. Affiliated companies over which the Company does not have the ability to exercise control are accounted for using the equity method (Note 11).

Use of Estimates

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include time deposits and highly liquid investments with remaining maturities at the purchase date of three months or less.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally on the average cost method. All inventories have been reduced to their net realizable value. Costs for primates are accumulated in inventory until certain primates are sold or declared breeders.

Property, Plant and Equipment

Property, plant and equipment, including improvements that significantly add to productive capacity or extend useful life, are recorded at cost, while maintenance and repairs are expensed as incurred. Depreciation is calculated for financial reporting purposes using the straight-line method based on the estimated useful lives of the assets as follows: building, 20 to 40 years; machinery and equipment, 2 to 20 years; and leasehold improvements, shorter of estimated useful life or the lease periods.

Intangible Assets

Intangible assets are amortized on a straight-line basis over periods ranging from eight to 20 years. Intangible assets consist primarily of goodwill, patents and non-compete agreements.

Other Assets

Other assets consist primarily of the cash surrender value of life insurance net long-term deferred tax assets and the net value of primate breeders. The value of primate breeders is amortized over 20 years. Total amortization expense for primate breeders was $378, $348 and $323 in 1996, 1997 and 1998 and is included in costs of products sold and services provided.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets and intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposal are less than its carrying amount. In such instances, the carrying value of long-lived assets is reduced to the estimated fair value, as determined using an appraisal or discounted cash flow, as appropriate.

Stock-Based Compensation Plans

As permitted under Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (FAS 123), the Company accounts for its stock-based compensation plans using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25).

Revenue Recognition

Revenues are recognized when products are shipped, services performed or upon submission of a lab report for laboratory services. Deferred income represents cash received in advance of delivery of primates from customers under contract and is recognized at time of delivery.

Fair Value of Financial Instruments

The carrying amount of the Company's significant financial instruments, which includes accounts receivable and debt, approximate their fair values at December 26, 1998 and December 27, 1997.

Income Taxes

As of December 26, 1998, the Company was not a separate taxable entity for federal, state or local income tax purposes and its results of operations were included in the consolidated Bausch & Lomb tax returns. The Company accounts for income taxes under the separate return method in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109).

Foreign Operations

The financial statements of all non-U.S. subsidiaries are translated into U.S. dollars as follows: assets and liabilities at year-end exchange rates; income, expenses and cash flows at average exchange rates; and shareholder's equity at historical exchange rates. The resulting translation adjustment is recorded as a component of accumulated other comprehensive income on the accompanying balance sheet.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade receivables from customers within the pharmaceutical and biomedical industries. As these industries have experienced significant growth and its customers are predominantly well-established and viable, the Company believes its exposure to credit risk to be minimal.

Comprehensive Income

The Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," (FAS 130) at the beginning of 1998. As it relates to the Company, comprehensive income is defined as net income plus the sum of currency translation adjustments and the change in minimum pension liability (collectively, other comprehensive income), and is presented in the Consolidated Statement of Changes in Shareholder's Equity.

Segment Reporting

During 1998, the Company adopted Statement of Financial Accounting Standards No. 131, "Disclosures About Segments of an Enterprise and Related Information" (FAS 131), which requires financial and descriptive information about an enterprise's reportable operating segments. Operating segments are components of an enterprise about which separate financial information is available and regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates in two business segments, research models and biomedical products and services.

Reclassifications

Certain amounts in prior year financial statements and related notes have been changed to conform with current year presentation.

2. Subsequent Events

On September 29, 1999 CRL Acquisition LLC, an affiliate of DLJ Merchant Banking Partners II, L.P., consummated a transaction in which it acquired 87.5% of the common stock of Charles River Laboratories, Inc. from Bausch & Lomb for approximately $443 million. This transaction was effected through Charles River Laboratories Holdings, Inc. ("Holdings"), a holding company with no operations or assets other than its ownership of 100% of the Company's outstanding stock. This transaction will be accounted for as a leveraged recapitalization, which will have no impact on the historical basis of the Company's assets and liabilities. In addition, concurrent with the transaction, the Company purchased all of the outstanding shares of common stock of SBI Holdings, Inc. ("Sierra"), a pre-clinical biomedical services company, for $24.0 million. This acquisition will be accounted for as a purchase business combination with the operating results of Sierra being included in the Company's consolidated operating results beginning on the effective date of the acquisition. These transactions are hereafter referred to as the "Acquisitions".

The Acquisitions and related transaction fees and expenses were funded as follows:

- issuance of 150,000 units, each consisting of a $1,000 principal amount of 13.5% senior subordinated note (the Series A Note Offering) and one warrant to purchase 3.942 shares of common stock of Holdings;
- borrowings by the Company of $162.0 million under a new senior secured credit facility;
- an equity investment of $92.4 million in Holdings;
- senior discount debentures with warrants issued by Holdings for $37.6 million; and
- subordinated discount note issued by Holdings to Bausch & Lomb for $43.0 million.

The Series A Note Offering (the "Notes") will mature on October 1, 2009. The Notes will not be redeemable at the issuers' option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the issuer at redemption prices set forth in the Notes. Interest on the Notes will accrue at the rate of 13.5% per annum and will be payable semi-annually in arrears on October 1 and April 1 of each year, commencing on April 1, 2000. The payment of principal and interest on the Notes will be subordinated in right to the prior payment of all Senior Debt, as defined. The senior secured credit facility includes a $40 million term loan A facility, a $120 million term loan B facility and a $30 million revolving credit facility. The term loan A facility will mature on October 1, 2005, the term loan B facility will mature on October 1, 2007 and the revolving credit facility will mature on October 1, 2005. Interest on the term loan A, term loan B and revolving credit facility will accrue at either a base rate plus 1.75% or LIBOR plus 3.0%, at the Company's option (8.5%, 9.25% and 8.5%, respectively, at September 29, 1999) per annum and will be paid quarterly in arrears commencing on December 30, 1999. A commitment fee in an amount equal to 0.50% per annum on the daily average unused portion of the revolving credit facility will be paid quarterly in arrears. Upon the occurrence of a change in control, as defined, the issuer will be obligated to make an offer to each holder of the Notes to repurchase all or any part of such holders' Notes at an offer price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest. Restrictions under the Notes include certain sales of assets, certain payments of dividends and incurrence of debt, and limitations on certain mergers and transactions with affiliates. With respect to the Notes and the senior secured credit facility, the Company will be required to maintain certain financial ratios and covenants.

3. Restructuring Charges and Asset Impairments

In June 1996 and April 1997, the Bausch & Lomb board of directors approved plans to restructure portions of the Company. As a result, pre-tax restructuring charges of $4,748 and $5,892 were recorded in 1996 and 1997, respectively. The major components of the plans are summarized in the table below:

	1996	1997
Employee separations	$ 2,283	$ 3,200
Asset writedowns	1,631	2,157
Other	834	535
	$ 4,748	$ 5,892

These restructuring efforts have reduced the Company's fixed cost structure and realigned the business to meet its strategic objectives through the closure, relocation and consolidation of breeding, distribution, sales and administrative

operations, and workforce reductions. Certain severance costs are being paid over periods greater than one year. Further, the Company is under a court order issued in June 1997 to relocate its primate operations from two islands located in the Florida Keys to Miami, Florida. Also, the Company is required to refoliate the islands due to damage caused by the primates. Due to complications arising within the plan to relocate the primates, the relocation has taken longer than anticipated to complete, as the primates needed to be moved in a controlled manner in order to minimize mortality and breeding disruption. Asset writedowns relate primarily to the closing of facilities and losses resulting from equipment dispositions. Other charges included miscellaneous costs and other commitments.

The following table sets forth the activity in the restructuring reserves through December 26, 1998:

	Restructuring Programs		
	1996	1997	Total
Restructuring provision	$4,748	--	$4,748
Cash payments	(3,117)	--	(3,117)
Asset write-downs	(1,631)	--	(1,631)
Balance, December 28, 1996	--	--	--
Restructuring provision	--	5,892	5,892
Cash payments	--	(1,725)	(1,725)
Asset write-downs	--	(1,435)	(1,435)
Balance, December 27, 1997	--	2,732	2,732
Cash payments	--	(897)	(897)
Asset write-downs	--	(722)	(722)
Balance, December 26, 1998	$ --	$1,113	$1,113

Reserves remaining at December 26, 1998 primarily represent liabilities for continuing severance payments and relocation and refoliation costs. The remaining balance of $1,113 is expected to be fully utilized by the end of 1999.

4. Supplemental Balance Sheet Information

The composition of inventories is as follows:

	December 27, 1997	December 26, 1998
Raw materials and supplies	$ 5,222	$ 4,932
Work in process	379	1,088
Finished products	23,303	24,711
Inventories	$28,904	$30,731

The composition of property, plant and equipment is as follows:

	December 27, 1997	December 26, 1998
Land	$ 7,473	$ 7,783
Buildings	82,963	90,919
Machinery and equipment	63,192	74,876
Leasehold improvements	1,033	3,063
Furniture and fixtures	1,383	1,532
Vehicles	2,864	3,006
Construction in progress	8,483	6,176
	167,391	187,355
Less accumulated depreciation	(90,502)	(104,665)
Net property, plant and equipment	$ 76,889	$ 82,690

5. Long-Term Debt

The Company has various debt instruments outstanding at its international subsidiaries aggregating $253 and $450 at December 27, 1997 and December 26, 1998, respectively, with interest rates ranging from 3% to 15.2% and maturities ranging from September 1999 through June 2003.

6. Leases

Capital Leases

The Company has one capital lease for a building and three capital leases for equipment. These leases are capitalized using interest rates considered appropriate at the inception of each lease. Following is an analysis of assets under capital lease:

	December 27, 1997	December 26, 1998
Building	$2,001	$2,001
Equipment	179	179
Accumulated depreciation	(1,213)	(1,457)
	$ 967	$ 723

Capital lease obligations amounted to $1,110 and $1,132 at December 27, 1997 and December 26, 1998, respectively, with maturities through 2003 at interest rates ranging from 8.6% to 9.3%. Future minimum lease payments under capital lease obligations at December 26, 1998 are as follows:

1999	$ 282
2000	282
2001	282
2002	282
2003	534
Total minimum lease payments	1,662
Less amount representing interest	(530)
Present value of net minimum lease payments	$ 1,132

Operating Leases

The Company has various operating leases for machinery and equipment, automobiles, office equipment, land and office space. Rent expense for all operating leases was $2,944 in 1996, $3,111 in 1997 and $3,273 in 1998. Future minimum payments by year and in the aggregate, under noncancellable operating leases with initial or remaining terms of one year or more consist of the following at December 26, 1998:

1999	$ 3,182
2000	2,932
2001	1,994
2002	1,088
2003	488
Thereafter	1,690
	$11,374

7. Income Taxes

An analysis of the components of income before income taxes and minority interests and the related provision for income taxes is presented below:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Income before equity in earnings of foreign subsidiaries, income taxes and minority interests			
U.S.	$15,422	$13,497	$22,364
Non-U.S.	8,967	8,722	13,468
	$24,389	$22,219	$35,832

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Income tax provision			
Current:			
Federal	$ 5,506	$ 6,202	$ 7,730
Foreign	4,217	2,528	6,171
State and local	1,406	1,397	1,833
Total current	11,129	10,127	15,734
Deferred:			
Federal	(496)	(1,867)	(597)
Foreign	376	498	(887)
State	(120)	(259)	(127)
Total deferred	(240)	(1,628)	(1,611)
	$10,889	$ 8,499	$14,123

Deferred taxes, detailed below, recognize the impact of temporary differences between the amounts of assets and liabilities recorded for financial statement purposes and such amounts measured in accordance with tax laws. Realization of benefit for net operating losses and foreign tax credit carryforwards, which expire between 2002 and 2011, is contingent on future taxable earnings. A valuation allowance has been recorded for foreign tax credits, which may not be realized.

	December 27, 1997		December 26, 1998	
	Assets	Liabilities	Assets	Liabilities
Current:				
Inventories	$ 588	--	$ 827	--
Restructuring accruals	1,584	--	1,006	--
Employee benefits and compensation	2,023	--	3,077	--
Other accruals	556	--	522	--
	4,751	--	5,432	--
Non-current:				
Net operating loss and credit carryforwards	1,776		2,960	
Depreciation and amortization	3,326	1,723	3,672	836
Valuation allowance on foreign tax credits	(1,776)		(1,766)	
Other	654	--	921	--
	3,980	1,723	5,787	836
	$8,731	$1,723	$11,219	$ 836

Reconciliations of the statutory U.S. federal income tax rate to effective tax rates are as follows:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Tax at statutory U.S. tax rate	35.0%	35.0%	35.0%
Foreign tax rate differences	6.0	(0.1)	1.6
Non-deductible goodwill amortization	0.3	0.4	0.6
State income taxes, net of federal tax benefit	3.4	3.3	3.1
Other	(0.6)	(0.4)	(0.8)
	44.1%	38.2%	39.5%

The Company's foreign subsidiaries have undistributed earnings at December 26, 1998. Those earnings are considered to be indefinitely reinvested and, accordingly, no provision for U.S. federal and state income taxes has been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, the Company would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable because of the complexities associated with its hypothetical calculation.

8. Employee Benefits

The Company sponsors one defined contribution plan and two defined benefit plans. The Company's defined contribution plan ("Charles River Laboratories Employee Savings Plan") qualifies under section 401(k) of the Internal Revenue Code. It covers substantially all U.S. employees and contains a provision whereby the Company matches two percent of employee contributions up to four percent. The costs associated with the defined contribution plan totaled $395, $416 and $498 in 1996, 1997, and 1998, respectively.

One of the Company-sponsored defined benefit plans (Charles River Laboratories, Inc. Pension Plan) is a qualified, non-contributory plan that also covers substantially all U.S. employees. Benefits are based on participants' final average monthly compensation and years of service. Participants' rights vest upon completion of five years of service.

Under another defined benefit plan, the Company provides certain executives with supplemental retirement benefits. This plan (Executive Supplemental Life Insurance Retirement Plan or ESLIRP) is generally unfunded and non-qualified under the provisions of the Employee Retirement Income Securities Act of 1974.

The following table provides reconciliations of the changes in benefit obligations, fair value of plan assets and funded status of the two defined benefit plans.

	Pension Benefit Plans	
	1997	1998
Reconciliation of benefit obligation		
Benefit/obligation at beginning of year	$17,570	$20,531
Service cost	804	795
Interest cost	1,413	1,588
Benefit payments	(710)	(742)
Actuarial loss	1,454	2,940
Benefit/obligation at end of year	$20,531	$25,112

	Pension Benefit Plans	
	1997	1998
Reconciliation of fair value of plan assets		
Fair value of plan assets at beginning of year	$17,394	$19,237
Actual return on plan assets	2,328	7,773
Employer contributions	225	225
Benefit payments	(710)	(742)
Fair value of plan assets at end of year	$19,237	$26,493
Funded status		
Funded status at beginning of year	$(1,294)	$ 1,380
Unrecognized transition obligation	705	564
Unrecognized prior-service cost	(31)	(27)
Unrecognized gain	(4,331)	(7,178)
Accrued benefit (cost)	$(4,951)	$(5,261)
Amounts recognized in the consolidated balance sheet		
Accrued benefit cost	$(6,945)	$(7,849)
Intangible asset	358	286
Accumulated other comprehensive income	982	1,381
Net amount recognized	$(5,605)	$(6,182)

Key weighted-average assumptions used in the measurement of the Company's benefit obligations are shown in the following table:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Discount rate	7.75%	7.5%	7%
Expected return on plan assets	10%	10%	10%
Rate of compensation increase	5.0%	4.75%	4.75%

The following table provides the components of net periodic benefit cost for the two defined benefit plans for 1996, 1997 and 1998:

	Defined Benefit Plans		
	1996	1997	1998
Components of net periodic benefit cost			
Service cost	$ 690	$ 804	$ 795
Interest cost	1,236	1,413	1,588
Expected return on plan assets	(1,463)	(1,717)	(1,901)
Amortization of transition obligation	141	141	141
Amortization of prior-service cost	(3)	(3)	(3)
Amortization of net gain	(189)	(172)	(85)
Net periodic benefit cost	$ 412	$ 466	$ 535

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plan with accumulated benefit obligations in excess of plan assets were $6,752, $6,409 and $0, respectively, as of December 27, 1997, and $8,205, $7,745 and $0, respectively, as of December 26, 1998.

The Company had an adjusted minimum pension liability of $1,636 ($982, net of tax) and $2,302 ($1,381, net of tax) as of December 27, 1997 and December 26, 1998, which represented the excess of the minimum accumulated net benefit obligation over previously recorded pension liabilities.

9. Stock Compensation Plans

Stock Options

Bausch & Lomb sponsors several stock-based compensation plans in which the Company's employees participate. Stock options vest ratably over three years and expire ten years from the grant date. The exercise price on all options issued has been equal to the fair market value of the underlying security on the date of the grant. Vesting is contingent upon continued employment with Bausch & Lomb. The total number of shares available for grant in each calendar year for all plans combined excluding incentive stock options shall be no greater than three percent of the total number of outstanding shares of common stock as of the first day of each such year. No more than six million shares are available for granting purposes as incentive stock options under Bausch & Lomb's current plan. As of December 26, 1998, 2.5 million shares remain available for such grants.

All of Bausch & Lomb's stock-based compensation plans are accounted for under the provisions of APB 25. Under APB 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

Pro forma information regarding net income is required by FAS 123, which also requires that the information be determined as if the Company has accounted for its employee stock options granted subsequent to December 31, 1994 under the fair value method of that Statement.

For purposes of this disclosure, the fair value of each fixed option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants outstanding in 1996, 1997 and 1998:

	1996	1997	1998
Risk-free interest rate	6.11%	5.66%	4.69%
Dividend yield	2.42%	2.54%	2.48%
Volatility factor	24.87%	25.17%	25.67%
Weighted average expected life (years)	5	5	4

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because Bausch & Lomb's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

Had compensation expense for the Company's portion of fixed options been determined consistent with FAS 123, the Company's net income would have been reduced to the pro forma amounts indicated below:

	Net Income	
	As Reported	Pro Forma
1998.....	$23,378	$22,859
1997.....	15,340	15,021
1996.....	15,245	15,042

A summary of the status of the Company's portion of fixed stock option plans at year end 1996, 1997 and 1998 is presented below:

	1996		1997		1998	
	Shares	Weighted Average Exercise Price (Per Share)	Shares	Weighted Average Exercise Price (Per Share)	Shares	Weighted Average Exercise Price (Per Share)
Outstanding at beginning of year..	225,584	$40.84	294,162	$39.90	326,722	$41.00
Granted.....	71,643	35.86	77,154	42.32	73,280	50.64
Exercised.....	(80)	27.40	(13,350)	30.34	(73,481)	39.45
Forfeited.....	(2,985)	43.60	(31,244)	41.99	(1,370)	41.48
Outstanding at end of year.....	294,162	39.90	326,722	41.00	325,151	43.98
Options exercisable at year end...	177,155		193,097		176,096	
Weighted-average fair value of options granted during the year...	$ 9.34		$ 10.59		$ 10.93	

The following presents additional information about the Company's fixed stock options outstanding at December 26, 1998:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices Per Share	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (Per Share)	Number Exercisable	Weighted Average Exercise Price
$26 to $35.....	52,990	6.3	$34.78	39,726	$34.60
$36 to $45.....	131,413	7.3	41.35	81,577	40.88
$46 to $55.....	140,748	7.5	49.90	54,793	48.26
$26 to $55.....	325,151	7.2	43.98	176,096	41.76

Stock Awards

Bausch & Lomb issued restricted stock awards to directors, officers and other key personnel. These awards have vesting periods up to three years with vesting criteria based upon the attainment of certain Economic-Value-Added (EVA) metrics and continued employment until applicable vesting dates. EVA is a measure of capital utilization. It is not, nor is it intended to be, a measure of operating performance in accordance with generally accepted accounting principles. Compensation expense is recorded based on the applicable vesting criteria and, for those awards with performance goals, as such goals are met. In 1996, 1997 and 1998, 2,484, 1,400 and 1,200 such awards were granted to

Company employees at weighted average market values of $35.92, $42.25 and $51.63 per share, respectively. The compensation expense relating to stock awards in 1996, 1997 and 1998 was $24, $84 and $333, respectively.

10. Business Acquisitions

The Company acquired several businesses during the three-year period ended December 26, 1998. All acquisitions have been accounted for under the purchase method of accounting. The results of operations of the acquired business are included in the consolidated financial statements from the date of acquisition.

Significant acquisitions include the following:

On March 30, 1998, the Company acquired 100% of the outstanding stock of Tektagen, Inc. ("Tektagen") for $8,000 and assumed debt equal to approximately $850. Tektagen provides quality control testing and consulting services to the biotechnology and pharmaceutical industries. The purchase price exceeded the fair value of the net assets acquired by approximately $6,600, which is being amortized on a straight line basis over 15 years. In addition, during 1998 the Company acquired an additional biomedical service business and one research model business; the impact of each is considered immaterial to the Company's financial statements taken as a whole.

On July 31, 1996, the Company reacquired the assets of two businesses it previously owned for approximately $1,100 in cash plus the forgiveness of approximately $5,800 in debt. These businesses represent substantially all of the Company's primate operations. The purchase price was allocated to the fair value of net assets acquired.

The following selected unaudited pro forma consolidated results of operations are presented as if each of the acquisitions had occurred as of the beginning of the period immediately preceding the period of acquisition after giving effect to certain adjustments for the amortization of goodwill and related income tax effects. The pro forma data is for informational purposes only and does not necessarily reflect the results of operations had the companies operated as one during the period. No effect has been given for synergies, if any, that may have been realized through the acquisitions.

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
(Amounts unaudited)			
Net sales	$161,708	$179,513	$196,973
Operating income	25,497	21,830	35,154
Net income	15,966	15,018	22,913

In addition, during 1997 and 1998 the Company made contingent payments of $640 and $681, respectively, to the former owner of an acquired business in connection with an additional purchase price commitment.

11. Joint Ventures

The Company holds investments in several joint ventures. These joint ventures are separate legal entities whose purpose is consistent with the overall operations of the Company and represent geographical expansions of existing Company markets. The financial results of two of the joint ventures are consolidated into the Company's results as the Company has the ability to exercise control over these entities. The interests of the outside joint venture partners in these two joint ventures has been recorded as minority interests totaling $290 at December 27, 1997 and $306 at December 26, 1998.

The Company also has investments in two other joint ventures that are accounted for on the equity method as the Company does not have the ability to exercise control over the operations. Charles River Japan is a 50 /50 joint venture

with Ajinomoto Co., Inc. and is an extension of the Company's research model business in Japan. Dividends received from Charles River Japan amounted to $725 in 1996, $773 in 1997, and $681 in 1998. Charles River Mexico, a joint venture which is an extension of the Company's avian business in Mexico, is not significant to the Company's operations.

Summarized financial statement information for the unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Condensed Combined Statements of Income			
Net sales	$43,978	$44,744	$39,798
Operating income	7,712	7,484	6,756
Net income	3,500	3,337	3,445

	December 27, 1997	December 26, 1998
Condensed Combined Balance Sheets		
Current assets	$18,466	$19,388
Non-current assets	34,774	36,376
	$53,240	$55,764
Current liabilities	$17,105	$13,501
Non-current liabilities	5,237	6,617
Shareholders' equity	30,898	35,646
	$53,240	$55,764

12. Commitments and Contingencies

Insurance

The Company maintains insurance for workers' compensation, auto liability and general liability. The per claim loss limits are $250, with annual aggregate loss limits of $1,500. Related accruals were $849 and $2,363 on December 27, 1997 and December 26, 1998, respectively. Separately, the Company has provided three letters of credit in favor of the insurance carriers in the amount of $825.

Litigation

Various lawsuits, claims and proceedings of a nature considered normal to its business are pending against Holdings. In the opinion of management, the outcome of such proceedings and litigation currently pending will not materially affect the Company's consolidated financial statements. The most potentially significant claim is described below.

As discussed in Note 3, the Company is currently under a court order issued in June 1997 to remove its primate operations from two islands located in the Florida Keys. The mandate asserts that the Company's operations have contributed to the defoliation of certain protected plant life. Reserves of $500 are included in the restructuring reserve

recorded in the accompanying consolidated financial statements to provide for relocation costs and any exposures in connection with the refoliation.

13. Related Party Transactions

The Company historically has operated autonomously from Bausch & Lomb. However, certain costs and expenses including insurance, information technology and other miscellaneous expenses were charged to the Company on a direct basis. Management believes these charges are based upon assumptions that are reasonable under the circumstances. However, these charges and estimates are not necessarily indicative of the costs and expenses which would have resulted had the Company incurred these costs as a separate entity. Charges of approximately $460, $470 and $250 for these items are included in costs of products sold and services rendered and selling, general and administrative expense in the accompanying consolidated statements of income for the years ended 1996, 1997 and 1998, respectively.

14. Geographic and Business Segment Information

The Company is organized into geographic regions for management reporting with operating income being the primary measure of regional profitability. Certain general and administrative expenses, including some centralized services provided by regional offices, are allocated based on business segment sales. The accounting policies used to generate geographic results are the same as the Company's overall accounting policies.

The following table presents sales and other financial information by geography for the years 1996, 1997 and 1998. Sales to unaffiliated customers represent net sales originating in entities physically located in the identified geographic area. Long-lived assets include property, plant and equipment, goodwill and intangibles, other investments and other assets.

	U.S.	France	Other Non U.S.	Consolidated
1996				
Sales to unaffiliated customers.....	$ 83,520	$28,892	$43,192	$155,604
Long-lived assets.....	65,594	12,790	18,952	96,336
1997				
Sales to unaffiliated customers.....	$100,314	$25,680	$44,719	$170,713
Long-lived assets.....	62,236	10,146	22,108	94,490
1998				
Sales to unaffiliated customers.....	$115,639	$26,177	$51,485	$193,301
Long-lived assets.....	76,289	12,751	23,745	112,785

The Company's product line segments are research models and biomedical products and services. The following table presents sales and other financial information by product line segment for the fiscal years 1996, 1997 and 1998. Sales to unaffiliated customers represent net sales originating in entities primarily engaged in either provision of research models or biomedical products and services. Long-lived assets include property, plant and equipment, goodwill and intangibles; other investments; and other assets.

	1996	1997	1998
Research models			
Net sales.....	$ 121,262	$ 125,214	$ 134,590
Operating income.....	24,080	19,583	30,517
Total assets	162,201	157,915	180,139
Depreciation and amortization	5,351	5,297	5,534

Capital expenditures	6,119	6,178	8,127
Biomedical products and services			
Net sales	$ 34,342	$ 45,499	$ 58,711
Operating income	3,264	6,496	11,117
Total assets	34,780	38,296	53,271
Depreciation and amortization.	4,177	4,406	5,361
Capital expenditures	5,453	5,694	3,782

A reconciliation of segment operating income to consolidated operating income is as follows:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Total segment operating income...	$27,344	$26,079	$41,634
Unallocated corporate overhead...	(3,202)	(4,003)	(6,309)
Consolidated operating income....	$24,142	$22,076	$35,325

A summary of identifiable long-lived assets of each business segment at year end is as follows:

	December 27, 1997	December 26, 1998
Research Models.....	$65,144	$ 73,190
Biomedical Products and Services.....	29,346	39,595
	$94,490	$112,785

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(dollars in thousands)

	Nine Months Ended	
	September 26, 1998	September 25, 1999
Net sales	$145,519	$161,096
Costs and expenses		
Cost of products sold and services provided	91,041	97,230
Selling, general and administrative	25,202	29,414
Amortization of goodwill and intangibles	1,036	1,114
Operating income	28,240	33,338
Other income (expense)		
Other income	--	1,441
Interest income	659	496
Interest expense	(311)	(207)
Loss from foreign currency, net	(127)	(143)
Income before income taxes, minority interests and earnings from equity investments	28,461	34,925
Provision for income taxes	11,280	16,903
Income before minority interests and earnings from equity investments	17,181	18,022
Minority interests	(8)	(10)
Earnings from equity investments	1,286	1,940
Net income	$ 18,459	$ 19,952

See Notes to Consolidated Financial Statements.

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED BALANCE SHEET (UNAUDITED)
(dollars in thousands)

	September 25, 1999
Assets	
Current assets	
Cash and cash equivalents	$ 3,457
Trade receivables, less allowances of $854	33,820
Inventories	28,577
Deferred income taxes	5,432
Due from affiliates	966
Other current assets	5,051
Total current assets	77,303
Property, plant and equipment, net	79,349
Goodwill and other intangibles, less accumulated amortization of $6,960	16,212
Investments in affiliates	19,385
Other assets	18,122
Total assets	$210,371
Liabilities and shareholder's equity	
Current liabilities	
Current portion of long-term debt	$ 166
Current portion of capital lease obligations	167
Accounts payable	5,992
Accrued compensation	11,015
Accrued ESLIRP	5,845
Deferred income	4,550
Accrued restructuring	354
Accrued liabilities	12,410
Accrued income taxes	16,208
Total current liabilities	56,707
Long-term debt	--
Capital lease obligations	700
Other long-term liabilities	3,706
Total liabilities	61,113
Commitments and contingencies (Note 3)	
Minority interests	293
Shareholder's equity	
Common stock, par value $1 per share, 1,000 shares issued	1
Capital in excess of par value	17,836
Retained earnings	142,422
Accumulated other comprehensive income	(11,294)
Total shareholder's equity	148,965
Total liabilities and shareholder's equity	$210,371

See Notes to Consolidated Financial Statements.

CHARLES RIVER LABORATORIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(dollars in thousands)

	Nine Months Ended	
	September 26, 1998	September 25, 1999
Cash flows relating to operating activities		
Net income	$ 18,459	$ 19,952
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,932	8,701
Provision for doubtful accounts	248	13
Gain from sale of facilities		(1,441)
Earnings from equity investments	(1,286)	(1,940)
Minority interests	8	10
Deferred income taxes	(634)	--
Stock compensation expense	159	124
Property, plant, and equipment write downs	--	324
Change in assets and liabilities		
Trade receivables	(3,298)	(3,022)
Inventories	(683)	1,232
Due from affiliates	153	(264)
Other current assets	(1,255)	(2,115)
CVS of life insurance	(3,585)	(439)
Other assets	(464)	(510)
Accounts payable	910	(4,767)
Accrued compensation	1,640	(605)
Accrued ESLIRP	519	688
Deferred income	671	1,130
Accrued restructuring	(1,425)	(759)
Accrued liabilities	1,687	1,079
Accrued income taxes	4,259	2,211
Other long-term liabilities	(529)	(50)
Net cash provided by operating activities	23,486	19,552
Cash flows relating to investing activities		
Dividends received from equity investments	681	815
Proceeds from sale of facilities	--	1,860
Capital expenditures	(5,834)	(7,426)
Cash paid for acquisition of businesses	(9,114)	0
Net cash used in investing activities	(14,267)	(4,751)
Cash flows relating to financing activities		
Long-term debt	(949)	(312)
Capital lease obligations	(94)	(90)
Net activity with Bausch & Lomb	(1,369)	(34,152)
Net cash used in financing activities	(2,412)	(34,554)
Effect of exchange rate changes on cash and cash equivalents	462	(1,601)
Net change in cash and cash equivalents	7,269	(21,354)

See Notes to Consolidated Financial Statements.

	Nine Months Ended	
	September 26, 1998	September 25, 1999
Cash and cash equivalents, beginning of year	17,915	24,811
Cash and cash equivalents, end of year	$25,184	$ 3,457
Supplemental cash flow information		
Cash paid for taxes	$ 2,202	$ 3,316
Cash paid for interest	161	207

See Notes to Consolidated Financial Statements.

CHARLES RIVER LABORATORIES, INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS -- (UNAUDITED)
(dollars in thousands)

1. Basis of Presentation

The consolidated balance sheet at September 25, 1999 and the consolidated statements of income and of cash flows for the nine months ended September 26, 1998 and September 25, 1999 are unaudited, and certain information and footnote disclosure related thereto normally included in financial statements prepared in accordance with generally accepted accounting principles, have been omitted. In the opinion of management, the accompanying unaudited consolidated financial statements were prepared following the same policies and procedures used in the preparation of the audited financial statements and reflect all adjustments (consisting of normal recurring adjustments) considered necessary to present fairly the financial position of the Company. The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year.

2. Supplemental Balance Sheet Information

The composition of inventories is as follows:

	September 25, 1999
Raw materials and supplies	$ 4,228
Work in process	988
Finished products	23,361
Net inventories	$28,577

The composition of property, plant and equipment is as follows:

	September 25, 1999
Land	$ 7,329
Buildings	89,014
Machinery and equipment	76,648
Leasehold improvements	3,746
Furniture and fixtures	1,595
Vehicles	2,843
Construction in progress	6,434
	187,609
Less accumulated depreciation	(108,260)
Net property, plant and equipment	$ 79,349

3. Commitments and Contingencies

Litigation

Various lawsuits, claims and proceedings of a nature considered normal to its business are pending against the Company. In the opinion of management, the outcome of such proceedings and litigation currently pending will not materially affect the Company's consolidated financial statements. The most potentially significant claim is described below.

3. Commitments and Contingencies (continued)

The Company is currently under a court order issued June 1997 to remove its primate operations from two islands located in the Florida Keys. The mandate asserts that the Company's operations have contributed to the defoliation of certain protected plant life. Reserves of $218 are included in the restructuring reserve recorded in the accompanying consolidated financial statements to provide for any exposures in connection with the relocation and refoliation.

4. Business Segment Information

The following table presents sales and other financial information by product line segment for the nine months ended September 26, 1998 and September 25, 1999. Sales to unaffiliated customers represent net sales originating in entities primarily engaged in either provision of research models or biomedical products and services.

	1998	1999
Research models		
Net sales	$103,205	$109,177
Operating income	26,281	27,977
Total assets	182,761	157,284
Depreciation and amortization	5,738	6,044
Capital expenditures	4,112	4,282
Biomedical products and services		
Net sales	$ 42,314	$ 51,919
Operating income	7,347	11,553
Total assets	39,331	53,087
Depreciation and amortization	2,194	2,657
Capital expenditures	1,722	3,144

A reconciliation of segment operating income to consolidated operating income is as follows:

	1998	1999
Total segment operating income	$33,628	$39,530
Unallocated corporate overhead	(5,388)	(6,192)
Consolidated operating income	$28,240	$33,338

5. Comprehensive Income

The components of comprehensive income for the nine-month periods ended September 26, 1998 and September 25, 1999 are set forth below:

	1998	1999
Net income	$18,459	$19,952
Foreign currency translation	20	(4,940)
Comprehensive income	$18,479	$15,012

6. Other Income

During the nine months ended September 25, 1999, the Company recorded a gain of $1.4 million on the sale of certain facilities located in Florida and The Netherlands.

7. Restructuring Reserve

During the nine months ended September 25, 1999, the Company charged approximately $759 against the restructuring reserve for costs previously reserved for. As of September 25, 1999, the remaining restructuring reserve amounted to $354, comprised primarily of scheduled severance payments and relocation and refoliation costs. Such payments will be substantially complete by the end of the year.

8. Subsequent Events

On September 29, 1999 CRL Acquisition LLC, an affiliate of DLJ Merchant Banking Partners II, L.P., consummated a transaction in which it acquired 87.5% of the common stock of Charles River Laboratories, Inc. from Bausch & Lomb for approximately $443 million. This transaction was effected through Charles River Laboratories Holdings, Inc. ("Holdings"), a holding company with no operations or assets other than its ownership of 100% of the Company's outstanding stock. This transaction will be accounted for as a leveraged recapitalization, which will have no impact on the historical basis of the Company's assets and liabilities. In addition, concurrent with the transaction, the Company purchased all of the outstanding shares of common stock of SBI Holdings, Inc. ("Sierra"), a pre-clinical biomedical services company, for $24.0 million. This acquisition will be accounted for as a purchase business combination with the operating results of Sierra being included in the Company's consolidated operating results beginning on the effective date of the acquisition. These transactions are hereafter referred to as the "Acquisitions".

The Acquisitions and related transaction fees and expenses were funded as follows:

- issuance of 150,000 units, each consisting of a $1,000 principal amount of 13.5% senior subordinated note (the Series A Note Offering) and one warrant to purchase 3.942 shares of common stock of Holdings;
- borrowings by the Company of $162.0 million under a new senior secured credit facility;
- an equity investment of $92.4 million in Holdings;
- senior discount debentures with warrants issued by Holdings for $37.6 million; and
- subordinated discount note issued by Holdings to Bausch & Lomb for $43.0 million.

The Series A Note Offering (the "Notes") will mature on October 1, 2009. The Notes will not be redeemable at the issuers' option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the issuer at redemption prices set forth in the Notes. Interest on the Notes will accrue at the rate of 13.5% per annum and will be payable semi-annually in arrears on October 1 and April 1 of each year, commencing on April 1, 2000. The payment of principal and interest on the Notes will be subordinated in right to the prior payment of all Senior Debt, as defined. The senior secured credit facility includes a $40 million term loan A facility, a $120 million term loan B facility and a $30 million revolving credit facility. The term loan A facility will mature on October 1, 2005, the term loan B facility will mature on October 1, 2007 and the revolving credit facility will mature on October 1, 2005. Interest on the term loan A, term loan B and revolving credit facility will accrue at either a base rate plus 1.75% or LIBOR plus 3.0%, at the Company's option (8.5%, 9.25% and 8.5%, respectively, at September 29, 1999) per annum and will be paid quarterly in arrears commencing on December 30, 1999. A commitment fee in an amount equal to 0.50% per annum on the daily

average unused portion of the revolving credit facility will be paid quarterly in arrears. Upon the occurrence of a change in control, as defined, the issuer will be obligated to make an offer to each holder of the Notes to repurchase all or any part of such holders' Notes at an offer price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest. Restrictions under the Notes include certain sales of assets, certain payments of dividends and incurrence of debt, and limitations on certain mergers and transactions with affiliates. With respect to the Notes and the senior secured credit facility, the Company will be required to maintain certain financial ratios and covenants.

9. Dividends from Foreign Subsidiaries

During the nine months ended September 25, 1999, cash dividends totaling $20,662 were remitted to the Company from several of its foreign subsidiaries. Pursuant to the terms of the transaction more fully described in Note 8, such dividends were, in turn, remitted by the Company to B&L. As the related amounts had previously been considered permanently reinvested in the foreign jurisdictions, the Company was required to provide additional taxes upon their repatriation to the United States. In addition, during the nine months ended September 25, 1999, an election was made by B&L to treat certain foreign entities as branches for United States income tax purposes. As a result, all previously untaxed accumulated earnings of such entities became immediately subject to tax in the United States. The receipt of the cash dividends from the foreign subsidiaries and the foreign tax elections made resulted in incremental United States taxes of $1,974, net of foreign tax credits, during the nine months ended September 25, 1999.

Report of Independent Accountants

To the Board of Directors of
Charles River Laboratories Holdings, Inc. and
Charles River Laboratories, Inc.

In our opinion, the accompanying combined balance sheets and the related combined statements of income, changes in shareholder's equity and cash flows present fairly, in all material respects, the financial position of Charles River Laboratories Holdings, Inc. ("Holdings") and Charles River Laboratories, Inc. and its subsidiaries ("collectively, "Holdings") at December 26, 1998 and December 27, 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 26, 1998, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 16(b) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related combined financial statements. These financial statements and the financial statement schedule are the responsibility of Holdings' management; our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Boston, Massachusetts

June 30, 1999,
except as to Note 2, which is as of September 29, 1999

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED STATEMENTS OF INCOME
(dollars in thousands)

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Net sales	$ 155,604	$ 170,713	$ 193,301
Costs and expenses			
Cost of products sold and services provided	97,777	111,460	122,547
Selling, general and administrative	28,327	30,451	34,142
Amortization of goodwill and intangibles	610	834	1,287
Restructuring charges	4,748	5,892	--
Operating income	24,142	22,076	35,325
Other income (expense)			
Interest income	654	865	986
Interest expense	(491)	(501)	(421)
Gain/(loss) from foreign currency, net	84	(221)	(58)
Income before income taxes, minority interests and earnings from equity investments	24,389	22,219	35,832
Provision for income taxes	10,889	8,499	14,123
Income before minority interests and earnings from equity investments	13,500	13,720	21,709
Minority interests	(5)	(10)	(10)
Earnings from equity investment	1,750	1,630	1,679
Net income	$ 15,245	$ 15,340	$ 23,378

See Notes to Combined Financial Statements.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED BALANCE SHEETS
(dollars in thousands)

	December 27, 1997	December 26, 1998
Assets		
Current assets		
Cash and cash equivalents	$ 17,915	$ 24,811
Trade receivables, less allowances of $688 and $898, respectively	28,280	32,466
Inventories	28,904	30,731
Deferred income taxes	4,751	5,432
Due from affiliates	1,153	982
Other current assets	2,320	2,792
Total current assets	83,323	97,214
Property, plant and equipment, net	76,889	82,690
Goodwill and other intangibles, less accumulated amortization of $4,356 and $5,591 respectively	8,621	17,705
Investments in affiliates	16,140	18,470
Other assets	11,238	17,331
Total assets	$ 196,211	$ 233,410
Liabilities and Shareholder's Equity		
Current liabilities		
Current portion of long-term debt	$ 83	$ 202
Current portion of capital lease obligations	144	188
Accounts payable	7,566	11,615
Accrued compensation	8,601	9,972
Accrued ESLIRP	4,407	5,160
Deferred income	1,339	3,419
Accrued restructuring	2,732	1,113
Accrued liabilities	8,282	13,794
Accrued income taxes	8,423	14,329
Total current liabilities	41,577	59,792
Long-term debt	170	248
Capital lease obligations	966	944
Other long-term liabilities	3,844	3,861
Total liabilities	46,557	64,845
Commitments and contingencies (Note 12)		
Minority interests	290	306
Shareholder's equity		
Common stock, par value $1 per share, 1,000 shares issued	1	1
Capital in excess of par value	17,836	17,836
Retained earnings	140,320	156,776
Accumulated other comprehensive income	(8,793)	(6,354)
Total shareholder's equity	149,364	168,259
Total liabilities and shareholder's equity	$ 196,211	$ 233,410

See Notes to Combined Financial Statements.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Cash flows relating to operating activities			
Net income	$ 15,245	$ 15,340	$ 23,378
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9,528	9,703	10,895
Provision for doubtful accounts	81	166	181
Earnings from equity investments	(1,750)	(1,630)	(1,679)
Minority interests	5	10	10
Deferred income taxes	(5,693)	(1,363)	(3,133)
Stock compensation expense	24	84	333
Property, plant and equipment write downs	--	822	--
Changes in assets and liabilities			
Trade receivables	(1,840)	(2,232)	(1,712)
Inventories	(1,552)	(1,917)	(1,250)
Due from affiliates	(845)	(462)	538
Other current assets	133	165	(241)
Other assets	(1,787)	611	(4,990)
Accounts payable	(180)	594	2,853
Accrued compensation	(347)	674	2,090
Accrued ESLIRP	674	499	821
Deferred income	(62)	105	1,278
Accrued restructuring	--	2,732	(1,619)
Accrued liabilities	1,705	431	3,970
Accrued income taxes	6,852	(500)	5,605
Other long-term liabilities	354	(148)	(629)
Net cash provided by operating activities	20,545	23,684	36,699
Cash flows relating to investing activities			
Dividends received from equity investments	725	773	681
Capital expenditures	(11,572)	(11,872)	(11,909)
Cash paid for acquisition of businesses	(831)	(1,207)	(11,121)
Net cash used in investing activities	(11,678)	(12,306)	(22,349)
Cash flows relating to financing activities			
Long-term debt	(3,677)	162	(1,048)
Capital lease obligations	(194)	(346)	(48)
Net activity with Bausch & Lomb	(197)	(12,755)	(6,922)
Net cash used in financing activities	(4,068)	(12,939)	(8,018)
Effect of exchange rate changes on cash and cash equivalents	(478)	(181)	564
Net change in cash and cash equivalents	4,321	(1,742)	6,896
Cash and cash equivalents, beginning of year	15,336	19,657	17,915

See Notes to Combined Financial Statements.

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Cash and cash equivalents, end of year	$ 19,657	$ 17,915	$ 24,811
Supplemental cash flow information			
Cash paid for taxes	$ 4,821	$ 4,254	$ 4,681
Cash paid for interest	414	287	177

See Notes to Combined Financial Statements.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(dollars in thousands)

	Total	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Capital In Excess of Par
Balance at December 30, 1995	$ 142,537	$ 122,687	$ 2,013	$ 1	$ 17,836
Components of comprehensive income:					
Net income	15,245	15,245	--	--	--
Foreign currency translation	(3,467)	--	(3,467)	--	--
Minimum pension liability adjustment	15	--	15	--	--
Total comprehensive income	11,793				
Net activity with Bausch & Lomb	(197)	(197)	--	--	--
Balance at December 28, 1996	$ 154,133	$ 137,735	$ (1,439)	$ 1	$ 17,836
Components of comprehensive income:					
Net income	15,340	15,340	--	--	--
Foreign currency translation	(6,844)	--	(6,844)	--	--
Minimum pension liability adjustment	(510)	--	(510)	--	--
Total comprehensive income	7,986				
Net activity with Bausch & Lomb	(12,755)	(12,755)	--	--	--
Balance at December 27, 1997	$ 149,364	$ 140,320	$ (8,793)	$ 1	$ 17,836
Components of comprehensive income:					
Net income	23,378	23,378	--	--	--
Foreign currency translation	2,839	--	2,839	--	--
Minimum pension liability adjustment	(400)	--	(400)	--	--
Total comprehensive income	25,817				
Net activity with Bausch & Lomb	(6,922)	(6,922)	--	--	--
Balance at December 26, 1998	$ 168,259	$ 156,776	$ (6,354)	$ 1	$ 17,836

See Notes to Combined Financial Statements.

1. Basis of Presentation, Description of Business and Summary of Significant Accounting Policies

Basis of Presentation and Description of Business

These combined financial statements include the accounts of Charles River Laboratories Holdings, Inc. ("Holdings"), B&L CRL, Inc. and its subsidiaries, the assets, liabilities, operations and cash flows of which are held by Bausch & Lomb, Inc. and certain affiliated entities as of and for the periods presented in these financial statements. Holdings is an indirect wholly owned subsidiary of Bausch & Lomb, Inc. As more fully described in Note 2, on September 29, 1999, B&L CRL, Inc. consummated a recapitalization transaction that provided for the contribution of all of its assets, liabilities, results of operations and cash flows to a subsidiary named Charles River Laboratories, Inc. (the "Company"). Pursuant to the recapitalization, the Company became a wholly-owned subsidiary of Holdings.

Based on the ongoing structure described above and the common ownership and management of Holdings and the Company as of and during the periods presented in these financial statements, these financial statements are presented on a combined basis and include all such assets, liabilities, results of operations and cash flows of the combined entities. As of the dates and for the periods presented in these combined financial statements, Holdings has no assets, liabilities, results of operations or cash flows. Hereafter, Holdings and the Company are referred to collectively as "Holdings".
Prior to August 31, 1999, Holdings was named Endosafe, Inc.

Holdings is a commercial producer and supplier of animal research models for use in the discovery, development and testing of pharmaceuticals. In addition, Holdings is a supplier of biomedical products and services in several specialized niche markets. Holdings fiscal year is the twelve month period ending the last Saturday in December.

Principles of Consolidation

The financial statements include all majority-owned U.S. and non-U.S. subsidiaries. Intercompany accounts, transactions and profits are eliminated. Affiliated companies over which the Company does not have the ability to exercise control are accounted for using the equity method (Note 11).

Use of Estimates

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include time deposits and highly liquid investments with remaining maturities at the purchase date of three months or less.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally on the average cost method. All inventories have been reduced to their net realizable value. Costs for primates are accumulated in inventory until certain primates are sold or declared breeders.

Property, Plant and Equipment

Property, plant and equipment, including improvements that significantly add to productive capacity or extend useful life, are recorded at cost, while maintenance and repairs are expensed as incurred. Depreciation is calculated for financial reporting purposes using the straight-line method based on the estimated useful lives of the assets as follows: building, 20 to 40 years; machinery and equipment, 2 to 20 years; and leasehold improvements, shorter of estimated useful life or the lease periods.

Intangible Assets

Intangible assets are amortized on a straight-line basis over periods ranging from eight to 20 years. Intangible assets consist primarily of goodwill, patents and non-compete agreements.

Other Assets

Other assets consist primarily of the cash surrender value of life insurance net long-term deferred tax assets and the net value of primate breeders. The value of primate breeders is amortized over 20 years. Total amortization expense for primate breeders was $378, $348 and $323 in 1996, 1997 and 1998 and is included in costs of products sold and services provided.

Impairment of Long-Lived Assets

Holdings evaluates long-lived assets and intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposal are less than its carrying amount. In such instances, the carrying value of long-lived assets is reduced to the estimated fair value, as determined using an appraisal or discounted cash flow, as appropriate.

Stock-Based Compensation Plans

As permitted under Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (FAS 123), Holdings accounts for its stock-based compensation plans using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25).

Revenue Recognition

Revenues are recognized when products are shipped, services performed or upon submission of a lab report for laboratory services. Deferred income represents cash received in advance of delivery of primates from customers under contract and is recognized at time of delivery.

Fair Value of Financial Instruments

The carrying amount of Holdings' significant financial instruments, which includes accounts receivable and debt, approximate their fair values at December 26, 1998 and December 27, 1997.

Income Taxes

As of December 26, 1998, Holdings was not a separate taxable entity for federal, state or local income tax purposes and its results of operations were included in the consolidated Bausch & Lomb tax returns. Holdings accounts for income taxes under the separate return method in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109).

Foreign Operations

The financial statements of all non-U.S. subsidiaries are translated into U.S. dollars as follows: assets and liabilities at year-end exchange rates; income, expenses and cash flows at average exchange rates; and shareholder's equity at historical exchange rates. The resulting translation adjustment is recorded as a component of accumulated other comprehensive income on the accompanying balance sheet.

Concentrations of Credit Risk

Financial instruments that potentially subject Holdings to concentrations of credit risk consist primarily of trade receivables from customers within the pharmaceutical and biomedical industries. As these industries have experienced significant growth and its customers are predominantly well-established and viable, Holdings believes its exposure to credit risk to be minimal.

Comprehensive Income

Holdings adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," (FAS 130) at the beginning of 1998. As it relates to Holdings, comprehensive income is defined as net income plus the sum of currency translation adjustments and the change in minimum pension liability (collectively, other comprehensive income), and is presented in the Consolidated Statement of Changes in Shareholder's Equity.

Segment Reporting

During 1998, Holdings adopted Statement of Financial Accounting Standards No. 131, "Disclosures About Segments of an Enterprise and Related Information" (FAS 131), which requires financial and descriptive information about an enterprise's reportable operating segments. Operating segments are components of an enterprise about which separate financial information is available and regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Holdings operates in two business segments, research models and biomedical products and services.

Reclassifications

Certain amounts in prior year financial statements and related notes have been changed to conform with current year presentation.

2. Subsequent Events

On September 29, 1999 CRL Acquisition LLC, an affiliate of DLJ Merchant Banking Partners II, L.P., consummated a transaction in which it acquired 87.5% of the common stock of Charles River Laboratories, Inc. (the "Company") from Bausch & Lomb for approximately $443 million. This transaction was effected through Charles River

Laboratories Holdings, Inc. ("Holdings"), a holding company with no operations or assets other than its ownership of 100% of the Company's outstanding stock. This transaction will be accounted for as a leveraged recapitalization, which will have no impact on the historical basis of Holdings' assets and liabilities. In addition, concurrent with the transaction, Holdings purchased all of the outstanding shares of common stock of SBI Holdings, Inc. ("Sierra"), a pre-clinical biomedical services company, for $24.0 million. This acquisition will be accounted for as a purchase business combination with the operating results of Sierra being included in Holdings' consolidated operating results beginning on the effective date of the acquisition. These transactions are hereafter referred to as the "Acquisitions".

The Acquisitions and related transaction fees and expenses were funded as follows:

- issuance of 150,000 units, each consisting of a $1,000 principal amount of 13.5% senior subordinated note (the Series A Note Offering) and one warrant to purchase 3.942 shares of common stock of Holdings;
- borrowings by the Company of $162.0 million under a new senior secured credit facility;
- an equity investment of $92.4 million in Holdings;
- senior discount debentures with warrants issued by Holdings for $37.6 million; and
- subordinated discount note issued by Holdings to Bausch & Lomb for $43.0 million.

The Series A Note Offering (the "Notes") will mature on October 1, 2009. The Notes will not be redeemable at the issuers' option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the issuer at redemption prices set forth in the Notes. Interest on the Notes will accrue at the rate of 13.5% per annum and will be payable semi-annually in arrears on October 1 and April 1 of each year, commencing on April 1, 2000. The payment of principal and interest on the Notes will be subordinated in right to the prior payment of all Senior Debt, as defined. The senior secured credit facility includes a $40 million term loan A facility, a $120 million term loan B facility and a $30 million revolving credit facility. The term loan A facility will mature on October 1, 2005, the term loan B facility will mature on October 1, 2007 and the revolving credit facility will mature on October 1, 2005. Interest on the term loan A, term loan B and revolving credit facility will accrue at either a base rate plus 1.75% or LIBOR plus 3.0%, at the Company's option (8.5%, 9.25% and 8.5%, respectively, at September 29, 1999) per annum and will be paid quarterly in arrears commencing on December 30, 1999. A commitment fee in an amount equal to 0.50% per annum on the daily average unused portion of the revolving credit facility will be paid quarterly in arrears. Upon the occurrence of a change in control, as defined, the issuer will be obligated to make an offer to each holder of the Notes to repurchase all or any part of such holders' Notes at an offer price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest. Restrictions under the Notes include certain sales of assets, certain payments of dividends and incurrence of debt, and limitations on certain mergers and transactions with affiliates. With respect to the Notes and the senior secured credit facility, the Company will be required to maintain certain financial ratios and covenants. The senior discount debentures with warrants bear interest at 15.5% and mature on October 1, 2010. The subordinated discount note bears interest at 12.0% in years one through five and at 15% in years six through eleven, and mature on September 29, 2010.

Each warrant will entitle the holder, subject to certain conditions, to purchase 3.942 shares of common stock of Holdings at an exercise price of $10.00 per share of common stock of Holdings, subject to adjustment under certain circumstances. Upon exercise, the holders of warrants would be entitled, in the aggregate, to purchase common stock of Holdings representing approximately 5.0% of the common stock of Holdings on a fully diluted basis on the closing date

(assuming exercise of all outstanding warrants). The warrants will be exercisable on or after October 1, 2001 and will expire on October 1, 2009.

3. Restructuring Charges and Asset Impairments

In June 1996 and April 1997, the Bausch & Lomb board of directors approved plans to restructure portions of Holdings. As a result, pre-tax restructuring charges of $4,748 and $5,892 were recorded in 1996 and 1997, respectively. The major components of the plans are summarized in the table below:

	1996	1997
Employee separations	$ 2,283	$ 3,200
Asset writedowns	1,631	2,157
Other	834	535
	$ 4,748	$ 5,892

These restructuring efforts have reduced Holdings' fixed cost structure and realigned the business to meet its strategic objectives through the closure, relocation and consolidation of breeding, distribution, sales and administrative operations, and workforce reductions. Certain severance costs are being paid over periods greater than one year. Further, Holdings is under a court order issued in June 1997 to relocate its primate operations from two islands located in the Florida Keys to Miami, Florida. Also, Holdings is required to refoliate the islands due to damage caused by the primates. Due to complications arising within the plan to relocate the primates, the relocation has taken longer than anticipated to complete, as the primates needed to be moved in a controlled manner in order to minimize mortality and breeding disruption. Asset writedowns relate primarily to the closing of facilities and losses resulting from equipment dispositions. Other charges included miscellaneous costs and other commitments.

The following table sets forth the activity in the restructuring reserves through December 26, 1998:

	Restructuring Programs		
	1996	1997	Total
Restructuring provision	$ 4,748	--	$ 4,748
Cash payments	(3,117)	--	(3,117)
Asset write-downs	(1,631)	--	(1,631)
Balance, December 28, 1996	--	--	--
Restructuring provision	--	5,892	5,892
Cash payments	--	(1,725)	(1,725)
Asset write-downs	--	(1,435)	(1,435)
Balance, December 27, 1997	--	2,732	2,732
Cash payments	--	(897)	(897)
Asset write-downs	--	(722)	(722)
Balance, December 26, 1998	$ --	$ 1,113	$ 1,113

Reserves remaining at December 26, 1998 primarily represent liabilities for continuing severance payments and relocation and refoliation costs. The remaining balance of $1,113 is expected to be fully utilized by the end of 1999.

4. Supplemental Balance Sheet Information

The composition of inventories is as follows:

	December 27, 1997	December 26, 1998
Raw materials and supplies	$ 5,222	$ 4,932
Work in process	379	1,088
Finished products	23,303	24,711
Inventories	$ 28,904	$ 30,731

The composition of property, plant and equipment is as follows:

	December 27, 1997	December 26, 1998
Land	$ 7,473	$ 7,783
Buildings	82,963	90,919
Machinery and equipment	63,192	74,876
Leasehold improvements	1,033	3,063
Furniture and fixtures	1,383	1,532
Vehicles	2,864	3,006
Construction in progress	8,483	6,176
	167,391	187,355
Less accumulated depreciation	(90,502)	(104,665)
Net property, plant and equipment	$ 76,889	$ 82,690

5. Long-Term Debt

The Company has various debt instruments outstanding at its international subsidiaries aggregating $253 and $450 at December 27, 1997 and December 26, 1998, respectively, with interest rates ranging from 3% to 15.2% and maturities ranging from September 1999 through June 2003.

6. Leases

Capital Leases

The Company has one capital lease for a building and three capital leases for equipment. These leases are capitalized using interest rates considered appropriate at the inception of each lease. Following is an analysis of assets under capital lease:

	December 27, 1997	December 26, 1998
Building	$ 2,001	$ 2,001
Equipment	179	179
Accumulated depreciation	(1,213)	(1,457)

December 27, 1997	December 26, 1998
$ 967	$ 723

Capital lease obligations amounted to $1,110 and $1,132 at December 27, 1997 and December 26, 1998, respectively, with maturities through 2003 at interest rates ranging from 8.6% to 9.3%. Future minimum lease payments under capital lease obligations at December 26, 1998 are as follows:

1999	$ 282
2000	282
2001	282
2002	282
2003	534
Total minimum lease payments	$ 1,662
Less amount representing interest	(530)
Present value of net minimum lease payments	$ 1,132

Operating Leases

The Company has various operating leases for machinery and equipment, automobiles, office equipment, land and office space. Rent expense for all operating leases was $2,944 in 1996, $3,111 in 1997 and $3,273 in 1998. Future minimum payments by year and in the aggregate, under noncancellable operating leases with initial or remaining terms of one year or more consist of the following at December 26, 1998:

1999	$ 3,182
2000	2,932
2001	1,994
2002	1,088
2003	488
Thereafter	1,690
	$11,374

7. Income Taxes

An analysis of the components of income before income taxes and minority interests and the related provision for income taxes is presented below:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Income before equity in earnings of foreign subsidiaries, income taxes and minority interests			
U.S.	$ 15,422	$ 13,497	$ 22,364
Non-U.S.	8,967	8,722	13,468

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
	$ 24,389	$ 22,219	$ 35,832
Income tax provision			
Current:			
Federal	$ 5,506	$ 6,202	$ 7,730
Foreign	4,217	2,528	6,171
State and local	1,406	1,397	1,833
Total current	11,129	10,127	15,734
Deferred:			
Federal	(496)	(1,867)	(597)
Foreign	376	498	(887)
State	(120)	(259)	(127)
Total deferred	(240)	(1,628)	(1,611)
	$ 10,889	$ 8,499	$ 14,123

Deferred taxes, detailed below, recognize the impact of temporary differences between the amounts of assets and liabilities recorded for financial statement purposes and such amounts measured in accordance with tax laws. Realization of benefit for net operating losses and foreign tax credit carryforwards, which expire between 2002 and 2011, is contingent on future taxable earnings. A valuation allowance has been recorded for foreign tax credits, which may not be realized.

	December 27, 1997		December 26, 1998	
	Assets	Liabilities	Assets	Liabilities
Current:				
Inventories	$ 588	--	$ 827	--
Restructuring accruals	1,584	--	1,006	--
Employee benefits and compensation	2,023	--	3,077	--
Other accruals	556	--	522	--
	4,751	--	5,432	--
Non-current:				
Net operating loss and credit carryforwards	1,776	--	2,960	--
Depreciation and amortization	3,326	1,723	3,672	836
Valuation allowance on foreign tax credits	(1,776)	--	(1,766)	--
Other	654	--	921	--
	3,980	1,723	5,787	836
	$ 8,731	$ 1,723	$11,219	$ 836

Reconciliations of the statutory U.S. federal income tax rate to effective tax rates are as follows:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Tax at statutory U.S. tax rate	35.0%	35.0%	35.0%
Foreign tax rate differences	6.0	(0.1)	1.6
Non-deductible goodwill amortization	0.3	0.4	0.6
State income taxes, net of federal tax benefit	3.4	3.3	3.1
Other	(0.6)	(0.4)	(0.8)
	44.1%	38.2%	39.5%

Holdings' foreign subsidiaries have undistributed earnings at December 26, 1998. Those earnings are considered to be indefinitely reinvested and, accordingly, no provision for U.S. federal and state income taxes has been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, Holdings would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable because of the complexities associated with its hypothetical calculation.

8. Employee Benefits

Holdings sponsors one defined contribution plan and two defined benefit plans. Holdings' defined contribution plan ("Charles River Laboratories Employee Savings Plan") qualifies under section 401(k) of the Internal Revenue Code. It covers substantially all U.S. employees and contains a provision whereby Holdings matches two percent of employee contributions up to four percent. The costs associated with the defined contribution plan totaled $395, $416 and $498 in 1996, 1997, and 1998, respectively.

One of the Company-sponsored defined benefit plans (Charles River Laboratories, Inc. Pension Plan) is a qualified, non-contributory plan that also covers substantially all U.S. employees. Benefits are based on participants' final average monthly compensation and years of service. Participants' rights vest upon completion of five years of service.

Under another defined benefit plan, Holdings provides certain executives with supplemental retirement benefits. This plan (Executive Supplemental Life Insurance Retirement Plan or ESLIRP) is generally unfunded and non-qualified under the provisions of the Employee Retirement Income Securities Act of 1974.

The following table provides reconciliations of the changes in benefit obligations, fair value of plan assets and funded status of the two defined benefit plans.

	Pension Benefits Plans	
	1997	1998
Reconciliation of benefit obligation		
Benefit/obligation at beginning of year	$ 17,570	$ 20,531
Service cost	804	795
Interest cost	1,413	1,588
Benefit payments	(710)	(742)
Actuarial loss	1,454	2,940
Benefit/obligation at end of year	20,531	$ 25,112

Reconciliation of fair value of plan assets

	Pension Benefits Plans	
	1997	1998
Fair value of plan assets at beginning of year..	$ 17,394	$ 19,237
Actual return on plan assets.....	2,328	7,773
Employer contributions.....	225	225
Benefit payments.....	(710)	(742)
Fair value of plan assets at end of year.....	$ 19,237	$ 26,493
Funded status		
Funded status at beginning of year.....	(1,294)	$ 1,380
Unrecognized transition obligation.....	705	564
Unrecognized prior-service cost.....	(31)	(27)
Unrecognized gain.....	(4,331)	(7,178)
Accrued benefit (cost).....	$ (4,951)	$ (5,261)
Amounts recognized in the consolidated balance sheet		
Accrued benefit cost.....	$ (6,945)	$ (7,849)
Intangible asset.....	358	286
Accumulated other comprehensive income.....	982	1,381
Net amount recognized.....	$ (5,605)	$ (6,182)

Key weighted-average assumptions used in the measurement of Holdings' benefit obligations are shown in the following table:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Discount rate.....	7.75%	7.5%	7%
Expected return on plan assets.....	10%	10%	10%
Rate of compensation increase.....	5.0%	4.75%	4.75%

The following table provides the components of net periodic benefit cost for the two defined benefit plans for 1996, 1997 and 1998:

	Defined Benefit Plans		
	1996	1997	1998
Components of net periodic benefit cost			
Service cost.....	$ 690	$ 804	$ 795
Interest cost.....	1,236	1,413	1,588
Expected return on plan assets.....	(1,463)	(1,717)	(1,901)
Amortization of transition obligation.....	141	141	141
Amortization of prior-service cost.....	(3)	(3)	(3)
Amortization of net gain.....	(189)	(172)	(85)
Net periodic benefit cost.....	$ 412	$ 466	$ 535

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plan with accumulated benefit obligations in excess of plan assets were $6,752, $6,409 and $0, respectively, as of December 27, 1997, and $8,205, $7,745 and $0, respectively, as of December 26, 1998.

Holdings had an adjusted minimum pension liability of $1,636 ($982, net of tax) and $2,302 ($1,381, net of tax) as of December 27, 1997 and December 26, 1998, which represented the excess of the minimum accumulated net benefit obligation over previously recorded pension liabilities.

9. Stock Compensation Plans

Stock Options

Bausch & Lomb sponsors several stock-based compensation plans in which Holdings employees participate. Stock options vest ratably over three years and expire ten years from the grant date. The exercise price on all options issued has been equal to the fair market value of the underlying security on the date of the grant. Vesting is contingent upon continued employment with Bausch & Lomb. The total number of shares available for grant in each calendar year for all plans combined excluding incentive stock options shall be no greater than three percent of the total number of outstanding shares of common stock as of the first day of each such year. No more than six million shares are available for granting purposes as incentive stock options under Bausch & Lomb's current plan. As of December 26, 1998, 2.5 million shares remain available for such grants.

All of Bausch & Lomb's stock-based compensation plans are accounted for under the provisions of APB 25. Under APB 25, because the exercise price of Holdings' employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

Pro forma information regarding net income is required by FAS 123, which also requires that the information be determined as if Holdings has accounted for its employee stock options granted subsequent to December 31, 1994 under the fair value method of that Statement.

For purposes of this disclosure, the fair value of each fixed option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants outstanding in 1996, 1997 and 1998:

	1996	1997	1998
Risk-free interest rate	6.11%	5.66%	4.69%
Dividend yield	2.42%	2.54%	2.48%
Volatility factor	24.87%	25.17%	25.67%
Weighted average expected life (years)	5	5	4

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because Bausch & Lomb's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

Had compensation expense for Holdings' portion of fixed options been determined consistent with FAS 123, the Company's net income would have been reduced to the pro forma amounts indicated below:

	Net Income	
	As Reported	Pro Forma
1998	$ 23,378	$ 22,859
1997	15,340	15,021
1996	15,245	15,042

A summary of the status of Holdings' portion of fixed stock option plans at year end 1996, 1997 and 1998 is presented below:

	1996		1997		1998	
	Shares	Weighted Average Exercise Price (Per Share)	Shares	Weighted Average Exercise Price (Per Share)	Shares	Weighted Average Exercise Price (Per Share)
Outstanding at beginning of year	225,584	$ 40.84	294,162	$ 39.90	326,722	$ 41.00
Granted	71,643	35.86	77,154	42.32	73,280	50.64
Exercised	(80)	27.40	(13,350)	30.34	(73,481)	39.45
Forfeited	(2,985)	43.60	(31,244)	41.99	(1,370)	41.48
Outstanding at end of year	294,162	39.90	326,722	41.00	325,151	43.98
Options exercisable at year end	177,155		193,097		176,096	
Weighted-average fair value of options granted during the year	$ 9.34		$ 10.59		$ 10.93	

The following presents additional information about Holdings' fixed stock options outstanding at December 26, 1998:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices Per Share	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (Per Share)	Number Exercisable	Weighted Average Exercise Price
$26 to $35	52,990	6.3	$ 34.78	39,726	$ 34.60
$36 to $45	131,413	7.3	41.35	81,577	40.88
$46 to $55	140,748	7.5	49.90	54,793	48.26
$26 to $55	325,151	7.2	43.98	176,096	41.76

Stock Awards

Bausch & Lomb issued restricted stock awards to directors, officers and other key personnel. These awards have vesting periods up to three years with vesting criteria based upon the attainment of certain Economic-Value-Added

(EVA) metrics and continued employment until applicable vesting dates. EVA is a measure of capital utilization. It is not, nor is it intended to be, a measure of operating performance in accordance with generally accepted accounting principles. Compensation expense is recorded based on the applicable vesting criteria and, for those awards with performance goals, as such goals are met. In 1996, 1997 and 1998, 2,484, 1,400 and 1,200 such awards were granted to Holdings employees at weighted average market values of $35.92, $42.25 and $51.63 per share, respectively. The compensation expense relating to stock awards in 1996, 1997 and 1998 was $24, $84 and $333, respectively.

10. Business Acquisitions

Holdings acquired several businesses during the three-year period ended December 26, 1998. All acquisitions have been accounted for under the purchase method of accounting. The results of operations of the acquired business are included in the consolidated financial statements from the date of acquisition.

Significant acquisitions include the following:

On March 30, 1998, Holdings acquired 100% of the outstanding stock of Tektagen, Inc. ("Tektagen") for $8,000 and assumed debt equal to approximately $850. Tektagen provides quality control testing and consulting services to the biotechnology and pharmaceutical industries. The purchase price exceeded the fair value of the net assets acquired by approximately $6,600, which is being amortized on a straight line basis over 15 years. In addition, during 1998 Holdings acquired an additional biomedical service business and one research model business; the impact of each is considered immaterial to Holdings' financial statements taken as a whole.

On July 31, 1996, Holdings reacquired the assets of two businesses it previously owned for approximately $1,100 in cash plus the forgiveness of approximately $5,800 in debt. These businesses represent substantially all of the Company's primate operations. The purchase price was allocated to the fair value of net assets acquired.

The following selected unaudited pro forma consolidated results of operations are presented as if each of the acquisitions had occurred as of the beginning of the period immediately preceding the period of acquisition after giving effect to certain adjustments for the amortization of goodwill and related income tax effects. The pro forma data is for informational purposes only and does not necessarily reflect the results of operations had the companies operated as one during the period. No effect has been given for synergies, if any, that may have been realized through the acquisitions.

	Fiscal Year Ended		
(Amounts unaudited)	December 28, 1996	December 27, 1997	December 26, 1998
Net sales	$ 161,708	$ 179,513	$ 196,973
Operating income	25,497	21,830	35,154
Net income	15,966	15,018	22,913

In addition, during 1997 and 1998 Holdings made contingent payments of $640 and $681, respectively, to the former owner of an acquired business in connection with an additional purchase price commitment.

11. Joint Ventures

Holdings holds investments in several joint ventures. These joint ventures are separate legal entities whose purpose is consistent with the overall operations of Holdings and represent geographical expansions of existing Holdings markets. The financial results of two of the joint ventures are consolidated into Holdings' results as Holdings has the ability to

exercise control over these entities. The interests of the outside joint venture partners in these two joint ventures has been recorded as minority interests totaling $290 at December 27, 1997 and $306 at December 26, 1998.

Holdings also has investments in two other joint ventures that are accounted for on the equity method as Holdings does not have the ability to exercise control over the operations. Charles River Japan is a 50 /50 joint venture with Ajinomoto Co., Inc. and is an extension of Holdings' research model business in Japan. Dividends received from Charles River Japan amounted to $725 in 1996, $773 in 1997, and $681 in 1998. Charles River Mexico, a joint venture which is an extension of Holdings' avian business in Mexico, is not significant to the Company's operations.

Summarized financial statement information for the unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Condensed Combined Statements of Income			
Net sales	$ 43,978	$ 44,744	$ 39,798
Operating income	7,712	7,484	6,756
Net income	3,500	3,337	3,445

	December 27, 1997	December 26, 1998
Condensed Combined Balance Sheets		
Current assets	$ 18,466	$ 19,388
Non-current assets	34,774	36,376
	$ 53,240	$ 53,764
Current liabilities	$ 17,105	$ 13,501
Non-current liabilities	5,237	6,617
Shareholders' equity	30,898	35,646
	$ 53,240	$ 53,764

12. Commitments and Contingencies

Insurance

Holdings maintains insurance for workers' compensation, auto liability and general liability. The per claim loss limits are $250, with annual aggregate loss limits of $1,500. Related accruals were $849 and $2,363 on December 27, 1997 and December 26, 1998, respectively. Separately, Holdings has provided three letters of credit in favor of the insurance carriers in the amount of $825.

Litigation

Various lawsuits, claims and proceedings of a nature considered normal to its business are pending against Holdings. In the opinion of management, the outcome of such proceedings and litigation currently pending will not materially affect Holdings' consolidated financial statements. The most potentially significant claim is described below.

As discussed in Note 3, Holdings is currently under a court order issued in June 1997 to remove its primate operations from two islands located in the Florida Keys. The mandate asserts that Holdings' operations have contributed to the defoliation of certain protected plant life. Reserves of $500 are included in the restructuring reserve recorded in the accompanying consolidated financial statements to provide for relocation costs and any exposures in connection with the refoliation.

13. Related Party Transactions

Holdings historically has operated autonomously from Bausch & Lomb. However, certain costs and expenses including insurance, information technology and other miscellaneous expenses were charged to the Company on a direct basis. Management believes these charges are based upon assumptions that are reasonable under the circumstances. However, these charges and estimates are not necessarily indicative of the costs and expenses which would have resulted had Holdings incurred these costs as a separate entity. Charges of approximately $460, $470 and $250 for these items are included in costs of products sold and services rendered and selling, general and administrative expense in the accompanying consolidated statements of income for the years ended 1996, 1997 and 1998, respectively.

14. Geographic and Business Segment Information

Holdings is organized into geographic regions for management reporting with operating income being the primary measure of regional profitability. Certain general and administrative expenses, including some centralized services provided by regional offices, are allocated based on business segment sales. The accounting policies used to generate geographic results are the same as Holdings' overall accounting policies.

The following table presents sales and other financial information by geography for the years 1996, 1997 and 1998. Sales to unaffiliated customers represent net sales originating in entities physically located in the identified geographic area. Long-lived assets include property, plant and equipment, goodwill and intangibles, other investments and other assets.

	U.S.	France	Other Non U.S.	Consolidated
Sales to unaffiliated customers	$ 83,520	$ 28,892	$ 43,192	$ 155,604
Long-lived assets	65,594	12,790	18,952	96,336
1997				
Sales to unaffiliated customers	$ 100,314	$ 25,680	$ 44,719	$ 170,713
Long-lived assets	62,236	10,146	22,108	94,490
1998				
Sales to unaffiliated customers	$ 115,639	$ 26,177	$ 51,485	$ 193,301
Long-lived assets	76,289	12,751	23,745	112,785

Holdings' product line segments are research models and biomedical products and services. The following table presents sales and other financial information by product line segment for the fiscal years 1996, 1997 and 1998. Sales to unaffiliated customers represent net sales originating in entities primarily engaged in either provision of research models or biomedical products and services. Long-lived assets include property, plant and equipment, goodwill and intangibles; other investments; and other assets.

	1996	1997	1998
Research models			
Net sales	$ 121,262	$ 125,214	$ 134,590
Operating income	24,080	19,583	30,517
Total assets	162,201	157,915	180,139
Depreciation and amortization	5,351	5,297	5,534
Capital expenditures	6,119	6,178	8,127
Biomedical products and services			
Net sales	34,342	$ 45,499	$ 58,711
Operating income	3,264	6,496	11,117
Total assets	34,780	38,296	53,271
Depreciation and amortization	4,177	4,406	5,361
Capital expenditures	5,453	5,694	3,782

A reconciliation of segment operating income to consolidated operating income is as follows:

	Fiscal Year Ended		
	December 28, 1996	December 27, 1997	December 26, 1998
Total segment operating income	$ 27,344	$ 26,079	$ 41,634
Unallocated corporate overhead	(3,202)	(4,003)	(6,309)
Consolidated operating income	$ 24,142	$ 22,076	$ 35,325

A summary of identifiable long-lived assets of each business segment at year end is as follows:

	December 27, 1997	December 26, 1998
Research Models	$ 65,144	$ 73,190
Biomedical Products and Services	29,346	39,595
	$ 94,490	$ 112,785

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED STATEMENTS OF INCOME (UNAUDITED)
(dollars in thousands)

	Nine Months Ended	
	September 26, 1998	September 25, 1999
Net sales	$ 145,519	$ 161,096
Costs and expenses		
Cost of products sold and services provided	91,041	97,230
Selling, general and administrative	25,202	29,414
Amortization of goodwill and intangibles	1,036	1,114
Operating income	28,240	33,338
Other income (expense)		
Other income	--	1,441
Interest income	659	496
Interest expense	(311)	(207)
Loss from foreign currency, net	(127)	(143)
Income before income taxes, minority interests and earnings from equity investments	28,461	34,925
Provision for income taxes	11,280	16,903
Income before minority interests and earnings from equity investments	17,181	18,022
Minority interests	(8)	(10)
Earnings from equity investments	1,286	1,940
Net income	$ 18,459	$ 19,952

See Notes to Combined Financial Statements.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED BALANCE SHEET (UNAUDITED)
(dollars in thousands)

	September 25, 1999
Assets	
Current assets	
Cash and cash equivalents	$ 3,457
Trade receivables, less allowances of $854	33,820
Inventories	28,577
Deferred income taxes	5,432
Due from affiliates	966
Other current assets	5,051
Total current assets	77,303
Property, plant and equipment, net	79,349
Goodwill and other intangibles, less accumulated amortization of $6,960	16,212
Investments in affiliates	19,385
Other assets	18,122
Total assets	$ 210,371
Liabilities and shareholder's equity	
Current liabilities	
Current portion of long-term debt	$ 166
Current portion of capital lease obligations	167
Accounts payable	5,992
Accrued compensation	11,015
Accrued ESLIRP	5,845
Deferred income	4,550
Accrued restructuring	354
Accrued liabilities	12,410
Accrued income taxes	16,208
Total current liabilities	56,707
Long-term debt	--
Capital lease obligations	700
Other long-term liabilities	3,706
Total liabilities	61,113
Commitments and contingencies (Note 3)	
Minority interests	293
Shareholder's equity	
Common stock, par value $1 per share, 1,000 shares issued	1
Capital in excess of par value	17,836
Retained earnings	142,422
Accumulated other comprehensive income	(11,294)
Total shareholder's equity	148,965
Total liabilities and shareholder's equity	$ 210,371

See Notes to Combined Financial Statements.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)
(dollars in thousands)

	Nine Months Ended	
	September 26, 1998	September 25, 1999
Cash flows relating to operating activities		
Net income	$ 18,459	$ 19,952
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,932	8,701
Provision for doubtful accounts	248	13
Gain from sale of facilities		(1,441)
Earnings from equity investments	(1,286)	(1,940)
Minority interests	8	10
Deferred income taxes	(634)	--
Stock compensation expense	159	124
Property, plant, and equipment write downs	--	324
Change in assets and liabilities		
Trade receivables	(3,298)	(3,022)
Inventories	(683)	1,232
Due from affiliates	153	(264)
Other current assets	(1,255)	(2,115)
CVS of life insurance	(3,585)	(439)
Other assets	(464)	(510)
Accounts payable	910	(4,767)
Accrued compensation	1,640	(605)
Accrued ESLIRP	519	688
Deferred income	671	1,130
Accrued restructuring	(1,425)	(759)
Accrued liabilities	1,687	1,079
Accrued income taxes	4,259	2,211
Other long-term liabilities	(529)	(50)
Net cash provided by operating activities	23,486	19,552
Cash flows relating to investing activities		
Dividends received from equity investments	681	815
Proceeds from sale of facilities	--	1,860
Capital expenditures	(5,834)	(7,426)
Cash paid for acquisition of businesses	(9,114)	0
Net cash used in investing activities	(14,267)	(4,751)
Cash flows relating to financing activities		
Long-term debt	(949)	(312)
Capital lease obligations	(94)	(90)
Net activity with Bausch & Lomb	(1,369)	(34,152)
Net cash used in financing activities	(2,412)	(34,554)
Effect of exchange rate changes on cash and cash equivalents	462	(1,601)
Net change in cash and cash equivalents	7,269	(21,354)

See Notes to Combined Financial Statements.

	Nine Months Ended	
	September 26, 1998	September 25, 1999
Cash and cash equivalents, beginning of year	17,915	24,811
Cash and cash equivalents, end of year	$ 25,184	$ 3,457
Supplemental cash flow information		
Cash paid for taxes	$ 2,202	$ 3,316
Cash paid for interest	161	207

See Notes to Combined Financial Statements.

CHARLES RIVER LABORATORIES HOLDINGS, INC. AND
CHARLES RIVER LABORATORIES, INC.
NOTES TO INTERIM COMBINED FINANCIAL STATEMENTS - (UNAUDITED)
(dollars in thousands)

1. Basis of Presentation

The combined balance sheet at September 25, 1999 and the combined statements of income and of cash flows for the nine months ended September 26, 1998 and September 25, 1999 are unaudited, and certain information and footnote disclosure related thereto normally included in financial statements prepared in accordance with generally accepted accounting principles, have been omitted. In the opinion of management, the accompanying unaudited consolidated financial statements were prepared following the same policies and procedures used in the preparation of the audited financial statements and reflect all adjustments (consisting of normal recurring adjustments) considered necessary to present fairly the financial position of Holdings. The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year.

2. Supplemental Balance Sheet Information

The composition of inventories is as follows:

	September 25, 1999
Raw materials and supplies	$ 4,228
Work in process	988
Finished products	23,361
Net inventories	$ 28,577

The composition of property, plant and equipment is as follows:

	September 25, 1999
Land	$ 7,329
Buildings	89,014
Machinery and equipment	76,648
Leasehold improvements	3,746
Furniture and fixtures	1,595
Vehicles	2,843
Construction in progress	6,434
	187,609
Less accumulated depreciation	(108,260)
Net property, plant and equipment	$ 79,349

3. Commitments and Contingencies

Litigation

Various lawsuits, claims and proceedings of a nature considered normal to its business are pending against the Company. In the opinion of management, the outcome of such proceedings and litigation currently pending will not materially affect the Company's consolidated financial statements. The most potentially significant claim is described below.

Holdings is currently under a court order issued June 1997 to remove its primate operations from two islands located in the Florida Keys. The mandate asserts that Holdings' operations have contributed to the defoliation of certain protected plant life. Reserves of $218 are included in the restructuring reserve recorded in the accompanying consolidated financial statements to provide for any exposures in connection with the relocation and refoliation.

4. Business Segment Information

The following table presents sales and other financial information by product line segment for the nine months ended September 26, 1998 and September 25, 1999. Sales to unaffiliated customers represent net sales originating in entities primarily engaged in either provision of research models or biomedical products and services.

	1998	1999
Research models		
Net sales	$ 103,205	$ 109,177
Operating income	26,281	27,977
Total assets	182,761	157,284
Depreciation and amortization	5,738	6,044
Capital expenditures	4,112	4,282
Biomedical products and services		
Net sales	$ 42,314	$ 51,919
Operating income	7,347	11,553
Total assets	39,331	53,087
Depreciation and amortization	2,194	2,657
Capital expenditures	1,722	3,144

A reconciliation of segment operating income to consolidated operating income is as follows:

	1998	1999
Total segment operating income	$ 33,628	$ 39,530
Unallocated corporate overhead	(5,388)	(6,192)
Consolidated operating income	$ 28,240	$ 33,338

5. Comprehensive Income

The components of comprehensive income for the nine-month periods ended September 26, 1998 and September 25, 1999 are set forth below:

	1998	1999
Net income	$ 18,459	$ 19,952
Foreign currency translation	20	(4,940)
Comprehensive income	$ 18,479	$ 15,012

6. Other Income

During the nine months ended September 25, 1999, Holdings recorded a gain of $1.4 million on the sale of certain facilities located in Florida and The Netherlands.

7. Restructuring Reserve

During the nine months ended September 25, 1999, Holdings charged approximately $759 against the restructuring reserve for costs previously reserved for. As of September 25, 1999, the remaining restructuring reserve amounted to $354, comprised primarily of scheduled severance payments and relocation and refoliation costs. Such payments will be substantially complete by the end of the year.

8. Subsequent Events

On September 29, 1999 CRL Acquisition LLC, an affiliate of DLJ Merchant Banking Partners II, L.P., consummated a transaction in which it acquired 87.5% of the common stock of Charles River Laboratories, Inc. from Bausch & Lomb for approximately $443 million. This transaction was effected through Charles River Laboratories Holdings, Inc. ("Holdings"), a holding company with no operations or assets other than its ownership of 100% of the Company's outstanding stock. This transaction will be accounted for as a leveraged recapitalization, which will have no impact on the historical basis of the Company's assets and liabilities. In addition, concurrent with the transaction, the Company purchased all of the outstanding shares of common stock of SBI Holdings, Inc. ("Sierra"), a pre-clinical biomedical services company, for $24.0 million. This acquisition will be accounted for as a purchase business combination with the operating results of Sierra being included in the Company's consolidated operating results beginning on the effective date of the acquisition. These transactions are hereafter referred to as the "Acquisitions".

The Acquisitions and related transaction fees and expenses were funded as follows:

- issuance of 150,000 units, each consisting of a $1,000 principal amount of 13.5% senior subordinated note (the Series A Note Offering) and one warrant to purchase 3.942 shares of common stock of Holdings;
- borrowings by the Company of $162.0 million under a new senior secured credit facility;
- an equity investment of $92.4 million in Holdings;
- senior discount debentures with warrants issued by Holdings for $37.6 million; and
- subordinated discount note issued by Holdings to Bausch & Lomb for $43.0 million.

The Series A Note Offering (the "Notes") will mature on October 1, 2009. The Notes will not be redeemable at the issuers' option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the issuer at redemption prices set forth in the Notes. Interest on the Notes will accrue at the rate of 13.5% per annum and will be payable semi-annually in arrears on October 1 and April 1 of each year, commencing on April 1, 2000. The payment of principal and interest on the Notes will be subordinated in right to the prior payment of all Senior Debt, as defined. The senior secured credit facility includes a $40 million term loan A facility, a $120 million term loan B facility and a $30 million revolving credit facility. The term loan A facility will mature on October 1, 2005, the term loan B facility will mature on October 1, 2007 and the revolving credit facility will mature on October 1, 2005. Interest on the

term loan A, term loan B and revolving credit facility will accrue at either a base rate plus 1.75% or LIBOR plus 3.0%, at the Company's option (8.5%, 9.25% and 8.5%, respectively, at September 29, 1999) per annum and will be paid quarterly in arrears commencing on December 30, 1999. A commitment fee in an amount equal to 0.50% per annum on the daily average unused portion of the revolving credit facility will be paid quarterly in arrears. Upon the occurrence of a change in control, as defined, the issuer will be obligated to make an offer to each holder of the Notes to repurchase all or any part of such holders' Notes at an offer price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest. Restrictions under the Notes include certain sales of assets, certain payments of dividends and incurrence of debt, and limitations on certain mergers and transactions with affiliates. With respect to the Notes and the senior secured credit facility, the Company will be required to maintain certain financial ratios and covenants. The senior discount debentures with warrants bear interest at 15.5% and mature on October 1, 2010. The subordinated discount note bears interest at 12.0% in years one through five and at 15% in years six through eleven, and mature on September 29, 2010.

Each warrant will entitle the holder, subject to certain conditions, to purchase 3.942 shares of common stock of Holdings at an exercise price of $10.00 per share of common stock of Holdings, subject to adjustment under certain circumstances. Upon exercise, the holders of warrants would be entitled, in the aggregate, to purchase common stock of Holdings representing approximately 5.0% of the common stock of Holdings on a fully diluted basis on the closing date (assuming exercise of all outstanding warrants). The warrants will be exercisable on or after October 1, 2001 and will expire on October 1, 2009.

9. Dividends from Foreign Subsidiaries

During the nine months ended September 25, 1999, cash dividends totaling $20,662 were remitted to Holdings from several of its foreign subsidiaries. Pursuant to the terms of the transaction more fully described in Note 8, such dividends were, in turn, remitted by Holdings to B&L. As the related amounts had previously been considered permanently reinvested in the foreign jurisdictions, Holdings was required to provide additional taxes upon their repatriation to the United States. In addition, during the nine months ended September 25, 1999, an election was made by B&L to treat certain foreign entities as branches for United States income tax purposes. As a result, all previously untaxed accumulated earnings of such entities became immediately subject to tax in the United States. The receipt of the cash dividends from the foreign subsidiaries and the foreign tax elections made resulted in incremental United States taxes of $1,974, net of foreign tax credits, during the nine months ended September 25, 1999.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following is an itemization of all estimated expenses incurred or expected to be incurred by the Registrant in connection with the issuance and distribution of the securities being registered hereby, other than underwriting discounts and commissions.

Item	Amount
SEC Registration Fee	$ 791.00
Printing and Engraving Costs	100,000.00
Legal Fees and Expenses	100,000.00
Accounting Fees and Expenses	50,000.00
Miscellaneous	50,000.00
Total	$300,791.00

ITEM 14. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

The certificate of incorporation of Holdings contains a provision eliminating or limiting director liability to the company and its stockholders for monetary damages arising from acts or omissions in the director's capacity as a director. This provision may not, however, eliminate or limit the personal liability of a director:

- for any breach of such director's duty of loyalty to the company or its stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under the Delaware statutory provision making directors personally liable, under a negligence standard, for unlawful dividends or unlawful stock purchases or redemptions; or
- for any transaction from which the director derived an improper personal benefit.

As a result of this provision, the ability of the company, or a stockholder thereof, to successfully prosecute an action against a director for breach of his duty of care is limited. However, the provision does not affect the availability of equitable remedies such as an injunction or rescission based upon a director's breach of his duty of care. The SEC has taken the position that the provision will have no effect on claims arising under the federal securities laws.

In addition, the certificate of incorporation of Holdings provides for mandatory indemnification rights, subject to limited exceptions, to any director or executive officer of the company who (by reason of the fact that he or she is a director or officer) is involved in a legal proceeding of any nature. Such indemnification rights include reimbursement for expenses incurred by such director or officer in advance of the final disposition of such proceeding in accordance with the applicable corporate law.

Charles River provides insurance from commercial carriers against some liabilities incurred by the directors and officers of Holdings.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

On September 29, 1999, Charles River Laboratories, Inc. sold 150,000 units consisting of 13 1/2% notes due 2009 and warrants to purchase 591,366 shares of common stock of Charles River Laboratories Holdings, Inc. for an aggregate principal amount of $150,000,000 to Donaldson, Lufkin & Jenrette Securities Corporation in a private placement in reliance on Section 4(2) under the Securities Act, at an offering price of $1,000 per unit. On the same day, the Registrant sold senior discount debentures with other warrants to DLJ Merchant Banking Partners II, L.P. and certain other investors for $37.6 million and a subordinated discount note to certain subsidiaries of Bausch & Lomb Incorporated for $43 million, each in a private placement in reliance on Section 4(2) under the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

Exhibit Number	
2.1*	Recapitalization Agreement, dated as of July 25, 1999, among Charles River Laboratories, Inc., Charles River Laboratories Holding, Inc. (formerly known as Endosafe, Inc.), Bausch & Lomb Incorporated, and other parties listed therein.
2.2*	Amendment No. 1 to Recapitalization Agreement, dated as of September 29, 1999 by Bausch & Lomb Incorporated and CRL Acquisition LLC.
3.1.1*	Certificate of Incorporation of Charles River Laboratories Holdings, Inc.
3.1.2*	By-laws of Charles River Laboratories Holdings, Inc.
4.1*	Warrant Agreement dated as of September 29, 1999 between Charles River Laboratories Holdings, Inc. and State Street Bank and Trust Company, as warrant agent.
4.2*	Investors' Agreement, dated as of September 29, 1999, among Charles River Laboratories Holdings, Inc. and the shareholders named therein.
5.1*	Opinion of Davis Polk & Wardwell with respect to the validity of the securities.
10.3*	Credit Agreement, dated as of September 29, 1999, among Charles River Laboratories, Inc., the various financial institutions that are or may become parties as lenders thereto, DLJ Capital Funding, Inc., as lead arranger, sole book runner and syndication agent for the lenders, Union Bank of California, N.A., as administrative agent for the lenders, and National City Bank, as documentation agent for the lenders.
10.4*	Indenture, dated as of September 29, 1999 between Charles River Laboratories, Inc. and the Trustee.
10.5*	Purchase Agreement between Charles River Laboratories, Inc. and Donaldson, Lufkin & Jenrette Securities Corporation as Initial Purchaser.
10.6**	Joint Venture Agreement between Ajinomoto Co., Inc. and Charles River Breeding Laboratories, Inc. dated June 24, 1981, and ancillary agreements, amendments and addendums. June 15, 1987 Amendment Agreement, Amending the Joint Venture Agreement. January 17, 1994 Letter Amendment of Joint Venture Agreement. August 30, 1996 Addendum to the Joint Venture Agreement. License and Technical Assistance Agreement CRL Breeding Labs and Ajinomoto Co., Inc. Amendment Agreement, dated March 24, 1978.
10.7*	Merck Primate Supply Agreement between Merck & Co., Inc. and Charles River Laboratories, Inc. dated September 30, 1994.
10.8*	Amended and Restated Stock Purchase Agreement among Charles River Laboratories, Inc. and SBI Holdings, Inc. and its stockholders dated September 4, 1999.
10.9**	Ground Lease between HIC Associates (Lessor) and Charles River Laboratories, Inc. (Lessee) dated June 5, 1992; Real Estate Lease between Charles River Laboratories, Inc. (Landlord) and Charles River Partners L.P. (Tenant) dated December 22, 1993; and Assignment and Assumption Agreement between Charles River Partners, L.P. (Assignor) and Wilmington Partners L.P. (Assignees) dated December 22, 1993.

10.10* Amended and Restated Distribution Agreement between Charles River BRF, Inc., Charles River Laboratories, Inc., Bioculture Mauritius Ltd. and Mary Ann and Owen Griffiths, dated December 23, 1997.

10.11* Supply Agreement for non-human primates among Sierra Biomedical, Inc. and Scientific Resources International, Ltd., dated March 18, 1997.

12.1* Computation of Ratio of Earnings to Fixed Charges

12.2* Computation of Ratio of Total Pro Forma Debt to Adjusted EBITDA

12.3* Computation of Ratio of Adjusted EBITDA to Cash Interest Expense

21.1* Subsidiaries of Charles River Laboratories Holdings, Inc.

23.1* Consent of Davis Polk & Wardwell (contained in their opinion filed as Exhibit 5.1).

23.2.1* Consent of PricewaterhouseCoopers LLP for Charles River Laboratories, Inc.

23.2.2* Consent of PricewaterhouseCoopers LLP for Charles River Labororatories Holdings, Inc.

24.1* Power of Attorney (Included in Part II of this Registration Statement under the caption "Signatures").

27.1* Financial Data Schedule for Charles River Laboratories Holdings, Inc.

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

* Filed herewith.

** To be filed by amendment.

(b) Financial Statement Schedules.

Schedule II Valuation and Qualifying Accounts

Other schedules are omitted because they are not applicable.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(a) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(x) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(y) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement.

(z) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 510 of Regulation S-K, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Wilmington, State of Massachusetts, on December 8, 1999.

CHARLES RIVER LABORATORIES HOLDINGS, INC.

By: /s/ Thomas F. Ackerman

Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Thomas F. Ackerman and James C. Foster, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective on filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ James C. Foster James C. Foster	President, Chief Executive Officer (Principal Executive Officer) and Director	December 8, 1999
/s/ Thomas F. Ackerman Thomas F. Ackerman	Chief Financial Officer (Principal Financial Officer) and Vice President, Finance and Administration (Principal Accounting Officer)	December 8, 1999
/s/ Reid S. Perper Reid S. Perper	Director	December 8, 1999
/s/ Thompson Dean Thompson Dean	Director	December 8, 1999
/s/ Robert Cawthorn Robert Cawthorn	Director	December 8, 1999
/s/ Douglas E. Rogers Douglas E. Rogers	Director	December 8, 1999

Schedule II - Valuation and Qualifying Accounts
Charles River Laboratories, Inc.

Allowance for Doubtful Accounts

	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Description	Deductions	Description	Balance at end of period
			(dollars in thousands)				
For the year ended December 26, 1998 Allowance for Doubtful Accounts.....	$ 688	$ 265		Provision	$ (55)	Recoveries/ Write-offs	$ 898
For the year ended December 27, 1997 Allowance for Doubtful Accounts.....	$ 568	$ 192		Provision	$ (72)	Recoveries/ Write-offs	$ 688
For the year ended December 28, 1996 Allowance for Doubtful Accounts.....	$ 490	$ 101		Provision	$ (23)	Recoveries/ Write-offs	$ 568

Schedule II - Valuation and Qualifying Accounts
Charles River Laboratories Holdings, Inc. and
Charles River Laboratories, Inc.

Allowance for Doubtful Accounts

	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Description	Deductions	Description	Balance at end of period
			(dollars in thousands)				
For the year ended December 26, 1998 Allowance for Doubtful Accounts.....	$ 688	$ 265		Provision	$ (55)	Recoveries/ Write-offs	$ 898
For the year ended December 27, 1997 Allowance for Doubtful Accounts.....	$ 568	$ 192		Provision	$ (72)	Recoveries/ Write-offs	$ 688
For the year ended December 28, 1996 Allowance for Doubtful Accounts.....	$ 490	$ 101		Provision	$ (23)	Recoveries/ Write-offs	$ 568

Index to Exhibits

Exhibit Number	
2.1*	Recapitalization Agreement, dated as of July 25, 1999, among Charles River Laboratories, Inc., Charles River Laboratories Holding, Inc. (formerly known as Endosafe, Inc.), Bausch & Lomb Incorporated, and other parties listed therein.
2.2*	Amendment No. 1 to Recapitalization Agreement, dated as of September 29, 1999 by Bausch & Lomb Incorporated and CRL Acquisition LLC.
3.1.1*	Certificate of Incorporation of Charles River Laboratories Holdings, Inc.
3.1.2*	By-laws of Charles River Laboratories Holdings, Inc.
4.1*	Warrant Agreement dated as of September 29, 1999 between Charles River Laboratories Holdings, Inc. and State Street Bank and Trust Company, as warrant agent.
4.2*	Investors' Agreement, dated as of September 29, 1999, among Charles River Laboratories Holdings, Inc. and the shareholders named therein.
5.1*	Opinion of Davis Polk & Wardwell with respect to the validity of the securities.
10.3*	Credit Agreement, dated as of September 29, 1999, among Charles River Laboratories, Inc., the various financial institutions that are or may become parties as lenders thereto, DLJ Capital Funding, Inc., as lead arranger, sole book runner and syndication agent for the lenders, Union Bank of California, N.A., as administrative agent for the lenders, and National City Bank, as documentation agent for the lenders.
10.4*	Indenture, dated as of September 29, 1999 between Charles River Laboratories, Inc. and the Trustee.
10.5*	Purchase Agreement between Charles River Laboratories, Inc. and Donaldson, Lufkin & Jenrette Securities Corporation as Initial Purchaser.
10.6**	Joint Venture Agreement between Ajinomoto Co., Inc. and Charles River Breeding Laboratories, Inc. dated June 24, 1981, and ancillary agreements, amendments and addendums. June 15, 1987 Amendment Agreement, Amending the Joint Venture Agreement. January 17, 1994 Letter Amendment of Joint Venture Agreement. August 30, 1996 Addendum to the Joint Venture Agreement. License and Technical Assistance Agreement CRL Breeding Labs and Ajinomoto Co., Inc. Amendment Agreement, dated March 24, 1978.
10.7*	Merck Primate Supply Agreement between Merck & Co., Inc. and Charles River Laboratories, Inc. dated September 30, 1994.
10.8*	Amended and Restated Stock Purchase Agreement among Charles River Laboratories, Inc. and SBI Holdings, Inc. and its stockholders dated September 4, 1999.
10.9**	Ground Lease between HIC Associates (Lessor) and Charles River Laboratories, Inc. (Lessee) dated June 5, 1992; Real Estate Lease between Charles River Laboratories, Inc. (Landlord) and Charles River Partners L.P. (Tenant) dated December 22, 1993; and Assignment and Assumption Agreement between Charles River Partners, L.P. (Assignor) and Wilmington Partners L.P. (Assignees) dated December 22, 1993.
10.10*	Amended and Restated Distribution Agreement between Charles River BRF, Inc., Charles River Laboratories, Inc., Bioculture Mauritius Ltd. and Mary Ann and Owen Griffiths, dated December 23, 1997.
10.11*	Supply Agreement for non-human primates among Sierra Biomedical, Inc. and Scientific Resources International, Ltd., dated March 18, 1997.
12.1*	Computation of Ratio of Earnings to Fixed Charges
12.2*	Computation of Ratio of Total Pro Forma Debt to Adjusted EBITDA
12.3*	Computation of Ratio of Adjusted EBITDA to Cash Interest Expense
21.1*	Subsidiaries of Charles River Laboratories Holdings, Inc.
23.1*	Consent of Davis Polk & Wardwell (contained in their opinion filed as Exhibit 5.1).
23.2.1*	Consent of PricewaterhouseCoopers LLP for Charles River Laboratories, Inc.
23.2.2*	Consent of Pricewaterhouse Coopers LLP for Charles River Labororatories Holdings, Inc.
24.1*	Power of Attorney (Included in Part II of this Registration Statement under the caption "Signatures").

27.1* Financial Data Schedule for Charles River Laboratories Holdings, Inc.

- ----------

* Filed herewith.

** To be filed by amendment.

EXHIBIT 2.1

RECAPITALIZATION AGREEMENT

Among

BAUSCH & LOMB INCORPORATED,

ENDOSAFE, INC.,

CRL HOLDINGS, INC.,

CHARLES RIVER LABORATORIES, INC., CHARLES RIVER SPAFAS, INC.,

BAUSCH & LOMB INTERNATIONAL, INC.,

WILMINGTON PARTNERS, L.P.,

BAUSCH & LOMB CANADA, INC.,

CRL ACQUISITION LLC

and

DLJ MERCHANT BANKING PARTNERS II, L.P.

Dated as of July 25, 1999

TABLE OF CONTENTS

RECAPITALIZATION AGREEMENT

This Recapitalization Agreement is made as of the 25th day of July, 1999, by and among Bausch & Lomb Incorporated, a New York corporation ("Seller Parent"), Endosafe, Inc., a Delaware corporation ("Recap Co"), CRL Holdings, Inc., a Delaware corporation ("Recap Subco"), Charles River Laboratories, Inc., a Delaware corporation ("CRL"), Charles River SPAFAS, Inc., a Delaware corporation ("SPAFAS"), Bausch & Lomb International, Inc., a New York corporation ("International"), Wilmington Partners, L.P., a Delaware limited partnership ("WPLP"), Bausch & Lomb Canada, Inc., a Canadian corporation ("Parent Canada"), CRL Acquisition LLC, a Delaware limited liability company ("Buyer"), and DLJ Merchant Banking Partners II, L.P., a Delaware limited partnership ("Buyer Parent"). Certain terms which are capitalized in this Agreement are used with the meanings ascribed thereto in Section 1.1.

RECITALS

Recap Subco, directly and through its direct and indirect subsidiaries, together with WPLP and Parent Canada, are engaged in the CRL Business.

Seller Parent, through CRL, SPAFAS and International, owns all of the issued and outstanding shares of capital stock of Recap Subco.

Immediately prior to the Closing, Seller Parent, WPLP and Parent Canada shall cause the reorganization to occur so that at the Closing, (i) Recap Subco, or a subsidiary thereof, shall own all of the assets used in the CRL Business (other than the Excluded Assets), (ii) Recap Subco shall be a wholly owned subsidiary of Recap Co and (iii) CRL, SPAFAS, International and WPLP shall own all of the issued and outstanding shares of capital stock of Recap Co.

Immediately prior to the Closing, Buyer Parent shall cause Buyer to be capitalized with at least $90,000,000, Acquisition Co to be formed and capitalized by Buyer with at least $90,000,000 and Acquisition Co to be merged with and into Recap Co.

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller Parent shall cause Recap Co and Recap Subco to incur indebtedness to facilitate the recapitalization of Recap Co, and Buyer shall assist Recap Co and Recap Subco in incurring such indebtedness.

At the Closing, immediately following the incurrence of the foregoing indebtedness, Seller Parent and Buyer shall cause Recap Subco to use all of the net proceeds of such indebtedness incurred by it to declare and pay a dividend to Recap Co.

Immediately following the payment of such dividend, Seller Parent shall cause Recap Co to use the proceeds of such dividend and the indebtedness incurred by it to redeem for cash all of the shares of Recap Co Common Stock held by SPAFAS and International and all of the shares of Recap Co Preferred Stock held by WPLP and to redeem for cash and the Recap Co Sub Note certain shares of Recap Co Common Stock held by CRL such that immediately thereafter CRL shall own 12.5% of the number of issued and outstanding shares of Recap Co Common Stock and Buyer shall own 87.5% of the number of issued and outstanding shares of Recap Co Common Stock.

Article 1

DEFINITIONS, ETC.

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

"Accounting Firm" means Arthur Andersen LLP or if such firm does not accept an engagement, then an independent nationally recognized accounting firm mutually agreed upon by Seller Parent and Buyer.

"Acquisition Co" has the meaning set forth in Section 2.1.6.

"Affiliate" means, with respect to any Person, any subsidiary, officer or director of such Person and any other Person which directly or indirectly controls, is controlled by or is under common control with such Person, whether through the ownership of securities, by contract or otherwise.

"Agreement" means this Recapitalization Agreement and the Exhibits and the Disclosure Schedule to this Agreement, as the same may from time to time be amended as provided herein.

"Assumed Liabilities" means all liabilities and obligations of Seller Parent, any Seller or any of the CRL Companies arising from or with respect to the CRL Business or the CRL Business Assets, except for the Excluded Liabilities.

"Audited Financial Statements" has the meaning set forth in Section 5.21.

"Balance Sheet" means the December 26, 1998 balance sheet of the CRL Business included in the Audited Financial Statements.

"Balance Sheet Date" means December 26, 1998.

"Benefit Plan" has the meaning set forth in Section 3.15.1.

"Broekman Sale" has the meaning set forth in Section 5.15.

"Business Day" means any day other than a day when the commercial banks doing business in New York or Massachusetts are required or permitted by Law to be closed for business.

"Buyer" has the meaning set forth at the beginning of this Agreement.

"Buyer's Group" means, collectively, Buyer and Buyer Parent.

"Buyer Indemnified Parties" has the meaning set forth in Section 8.2.

"Buyer Material Adverse Effect" means one or more adverse changes which, individually or in the aggregate, is or would reasonably be expected to materially adversely effect the ability

of Buyer or Buyer Parent to consummate the transactions contemplated by this Agreement on the terms and conditions and within the time frame set forth herein.

"Buyer Parent" has the meaning set forth at the beginning of this Agreement.

"CERCLA" has the meaning set forth in Section 3.16.

"Claim" has the meaning set forth in Section 8.5.

"Closing" has the meaning set forth in Section 2.6.

"Closing Date" has the meaning set forth in Section 2.6.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury regulations issued thereunder.

"Commercial Efforts" means diligent, good faith efforts which shall not require the performing party to (i) take any action which is unreasonable under the circumstances, (ii) make any investment or capital contribution not expressly contemplated by this Agreement or the Commitment Letters, (iii) amend or waive any rights under this Agreement or the Commitment Letters, or (iv) incur or expend any amount of funds with respect to any matter in excess of $5,000 but, notwithstanding the foregoing, Commercial Efforts shall require the expenditure of all reasonable out-of-pocket expenses necessary to satisfy a party's obligations under this Agreement, including the fees, expenses and disbursements of accountants, counsel, investment bankers and other professionals.

"Commitment Letters" means those commitment letters attached hereto as Exhibit 4.6.

"Company Acquisition Proposal" has the meaning set forth in Section 5.11.

"Computer Systems" has the meaning set forth in Section 3.20.

"Confidentiality Agreement" has the meaning set forth in Section 5.1.

"Contracts" has the meaning set forth in Section 3.18.

"Contribution Agreements" has the meaning set forth in the definition of Stage 1 Reorganization.

"Cost" means, collectively, Losses and Litigation Expenses which are not unconditionally covered by insurance (provided that if the CRL Business is unconditionally entitled to insurance with respect to such Loss or Litigation Expense, such insurance proceeds shall be applied to the Loss or Litigation Expense).

"CRL" has the meaning set forth at the beginning of this Agreement.

"CRL Business" means the businesses conducted by Seller Parent through its direct and indirect subsidiaries, including, as of the date hereof, Recap Subco, the Recap Subsidiaries, WPLP and Parent Canada and, prior to the Stage 1 Reorganization, also through CRL, SPAFAS

and International, in each case relating to (i) the production, supply and resale of laboratory animals for use in pharmaceutical and other medical testing (the "Research Models"), (ii) the production and supply of specific pathogen free eggs for vaccine production and research, (iii) testing and monitoring of laboratory animal colonies, (iv) special laboratory animal contract services for the performance of studies for pharmaceutical and biotechnology companies, (v) research services for large laboratory animals, (vi) laboratory animal facility management, (vii) biological and analytical testing of large non-animal molecule products, (viii) the production and supply of in vitro test kits for bacterial endotoxin detection in parental drugs and devices, (ix) the production and supply of monoclonal and polyclonal antibodies, and (x) the sale of equipment related to laboratory animal production and maintenance.

"CRL Business Assets" means the CRL Business and all of Seller Parent's, each of the Sellers' and each CRL Companies' right, title and interest in and to all of the assets, rights and properties of every kind and nature, whether real, personal or mixed, tangible or intangible, whether identifiable or contingent, wherever located, which are related to or used in the CRL Business, other than the Excluded Assets, which CRL Business assets, rights and properties include, without limitation, all of the following except for the Excluded Assets:

(i) all assets shown or reflected on the Balance Sheet, except for changes made therein in the ordinary course of business since the Balance Sheet Date and through the Closing Date;

(ii) all land and other real property, all buildings and other improvements located thereon, and all rights, interests or appurtenances thereto which are related to or used in the conduct of the CRL Business;

(iii) all of the fixed assets and other tangible personal property, including, without limitation, machinery, vehicles, tools, equipment, furniture, fixtures, leasehold improvements and supplies related to or used in the conduct of the CRL Business wherever located (collectively, the "Property"), including Property acquired through the Closing Date;

(iv) all research models, raw materials, components and other parts, work-in-process, finished goods and all other inventory whether on hand, on order, in transit or held by others on a consignment basis (collectively, the "Inventory") related to or used in the conduct of the CRL Business wherever located, including the inventory shown or reflected on the Balance Sheet and Inventory acquired after the Balance Sheet Date and through the Closing Date, excluding only such Inventory as shall have been sold in the ordinary course of business after the Balance Sheet Date and through the Closing Date;

(v) all tradenames, tradename rights, trademarks, trademark rights, licenses, patents, patent rights, copyrights, copyright rights, service marks, service mark rights, trade secrets, trade secret rights, confidential information, mailing lists, customer lists, supplier lists, market studies, training and equipment manuals, trade dress, designs, patterns, technology, trade

secrets, and manufacturing, engineering, technical and any other know-how processes, business opportunities, and businesses, projects and products planned or under development, other intellectual property rights (including without limitation, all goodwill associated with any of the foregoing, licenses in respect of any of the foregoing, applications relating to any of the foregoing and claims for infringement of or interference with any of the foregoing) and other proprietary information related to or used in the conduct of the CRL Business, in any case whether domestic or foreign or registered or common law including, without limitation, the names "Charles River Laboratories," "Charles River" and "SPAFAS" and all variations thereof (collectively, "Intellectual Property");

(vi) all receivables related to the CRL Business, including, without limitation, trade accounts and other accounts receivable, loans receivable and advances as at the Balance Sheet Date and all receivables related to the CRL Business acquired or created after the Balance Sheet Date and through the Closing Date (collectively, the "Receivables"), excluding only such Receivables as shall have been collected on or prior to the Closing Date;

(vii) all contracts of or related to the CRL Business, including without limitation, the Material Contracts and all contracts relating to the Benefit Plans and Non-US Benefit Plans;

(viii) all goodwill, other intangible property, and causes of action, actions, claims, rights and remedies of any kind as against others (whether by contract or otherwise) relating to the CRL Business or any of the other CRL Business Assets or Seller Parent, any of the Sellers or any of the CRL Companies in the conduct or operation of the CRL Business (including without limitation, the Intellectual Property) or the Assumed Liabilities;

(ix) all books and records (financial, accounting and other), correspondence, and all sales, marketing, advertising, packaging and promotional materials, files, data (whether written, on disk, film, tape or other media, and including all computerized data), drawings, engineering and manufacturing data and other technical information and data, and all other business and other records, in each case relating to Recap Subco, any Recap Subsidiary, WPLP, Parent Canada, the CRL Business Assets, the Assumed Liabilities or the CRL Business wherever located, except for any located at Seller Parent in Rochester, New York;

(x) all Permits to the extent legally transferable;

(xi) all prepaid expenses, refunds, security and like deposits and all other investments relating to the CRL Business; and

(xii) all proceeds of any of the foregoing (other than Excluded Assets).

"CRL Business Material Adverse Effect" means one or more adverse changes which, individually or in the aggregate, has resulted in or would reasonably be expected to result in either (a) the loss of $15,000,000 or more of annual revenue by the CRL Business or (b) Costs in excess of $15,000,000; provided, however that none of the events set forth on Schedule 1.1.3 shall constitute a CRL Business Material Adverse Effect.

"CRL Companies" shall mean Recap Subco, each of the Recap Subsidiaries, WPLP and Parent Canada.

"Default" means the occurrence of any event which of itself or with the giving of notice or the passage of time or both would constitute a breach, a default or an event of default under the applicable agreement, contract, instrument or lease or would permit any party thereto to cancel or terminate performance or seek damages or specific performance for breach or default.

"Disclosure Schedule" means the Disclosure Schedule delivered by Seller Parent to Buyer simultaneously with the execution of this Agreement and shall include an Update in accordance with Section 5.8.

"DOJ" has the meaning set forth in Section 5.2.

"Draft Audited Financial Statements" has the meaning set forth in Section 3.6.

"Draft Unaudited Financial Statements" has the meaning set forth in Section 3.6.

"Draft Financial Statements" has the meaning set forth in Section 3.6.

"Employees" means all of those persons employed as of the Closing Date by any of the CRL Companies in the CRL Business, including employees who are on disability (whether short-term or long-term) or other leave from any of the CRL Companies.

"Environmental Claim" means any notice or claim by any person or entity alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resource damages, property damages, personal injuries or penalties) arising out of, based on or resulting from (i) the generation, treatment, storage, transportation or recycling of any Hazardous Substance or the presence, or release, discharge, disposal or emission into the environment, of any Hazardous Substances at the Real Property or at any other real property, whether or not presently or formerly owned or leased by any of the CRL Companies, or (ii) any violation, or alleged violation, of any Environmental Laws by any of the CRL Companies, Sellers or Seller Parent prior to the Closing Date, in each case with respect to the CRL Business.

"Environmental Laws" means any and all Laws of any Governmental Entity in effect as of the Closing Date, relating to health, pollution control or protection of the environment, including all Laws relating to the manufacture, processing, distribution, generation, use, ownership, collection, treatment, storage, transportation, recovery, recycling, removal, handling, discharge, disposal, release or threatened release of any Hazardous Substances, or regarding

exposure to, monitoring or assessment of, or remediation (including operation and maintenance of remedial systems) of, any Hazardous Substances, or record keeping, notification or reporting requirements respecting any Hazardous Substances, or the on-site or off-site contamination or pollution of the environment, or air, soil, or water quality, or air or water emissions, or public health and safety or community right-to-know, including Laws of the United States, Belgium, Canada, China, France, Germany, Italy, Japan, Mexico, Netherlands, United Kingdom, Australia, Czech Republic, Hungary, Japan, Spain and Sweden.

"ERISA" means the Employee Retirement Income Security Act of 1974 and all regulations promulgated thereunder, as the same have from time to time been amended.

"Excluded Assets" means:

(i) all cash (except to the extent necessary to satisfy the requirements of Section 5.10 hereof, except for any cash received with respect to divested assets pursuant to Section 5.2.2 hereof, except an amount equal to 50% of all indebtedness of Charles River Japan, Inc. for borrowed money evidenced by a note, bond, debenture or similar instrument, except an amount equal to the Net Underfunding Amount and except any net proceeds arising from the sale of assets referred to in item 6 of Schedule 3.8, all of which shall constitute CRL Business Assets and all of which shall be held by Recap Co, Recap Subco or one of the U.S. wholly owned Recap Subsidiaries) and cash equivalents of the CRL Business, Recap Subco, Recap Co and the Recap Subsidiaries on the date immediately preceding the Closing Date;

(ii) (A) all books and records relating to the CRL Business that are located at Seller Parent in Rochester, New York and (B) all books and records relating to the CRL Business that are located in Wilmington, Massachusetts or at any of the Recap Subsidiaries which are required to be retained by Seller Parent, CRL, WPLP, SPAFAS, International or Parent Canada pursuant to any applicable Law (in the case of (A) and (B) of this clause, copies of such books and records, to the extent related to the CRL Business, shall be provided to Buyer, Recap Co and the Recap Subsidiaries upon request);

(iii) all Tax assets of Recap Co and the Recap Subsidiaries which relate to pre-closing periods;

(iv) all assets set forth on Schedule 1.1.1(iv); provided, however, in the event the Broekman Sale is not consummated on or after the Closing Date, item 2 on Schedule 1.1.1(iv) shall not be an Excluded Asset; and

(v) all Receivables from Seller Parent or any Affiliate of Seller Parent which is not one of the CRL Companies.

"Excluded Debt" shall mean, with respect to Seller Parent, any Seller, Recap Subco or any Recap Subsidiary, without duplication, (i) all indebtedness of Seller Parent, any Seller,

Recap Subco or any Recap Subsidiary for borrowed money, and all indebtedness evidenced by notes, bonds, debentures or similar instruments, (ii) the deferred purchase price of assets or services which in accordance with GAAP would be shown on the liability side of the balance sheet of Seller Parent, any Seller, Recap Subco or any Recap Subsidiary, (iii) all indebtedness of a second Person secured by any Lien on any property owned by Seller Parent, any Seller, Recap Subco or any Recap Subsidiary, whether or not such indebtedness has been assumed, (iv) all obligations under any lease of any property (whether real, personal or mixed) by Seller Parent, any Seller, Recap Subco or any Recap Subsidiary as lessee which, in conformity with GAAP, would be accounted for as a capital lease on the balance sheet of such Person (each a "Capital Lease"), other than Capital Lease obligations as of June 30, 1999 set forth on Schedule 1.1(x), (v) all net obligations of Seller Parent, any Seller, Recap Subco or any Recap Subsidiary under interest rate agreements, swap, cap, collar or similar agreements or instruments and (vi) all contingent obligations of Seller Parent, any Seller, Recap Subco or any Recap Subsidiary arising from the guaranty by Seller Parent, any Seller, Recap Subco or any Recap Subsidiary of Excluded Debt of other Persons; provided, however, that Excluded Debt which is owed by any Joint Venture shall mean the product of the amount of Excluded Debt of such Joint Venture and the percentage of the total equity interests of such Joint Venture held by all CRL Companies (other than such Joint Venture) in such Joint Venture.

"Excluded Liabilities" means:

(i) all debts, claims, liabilities or obligations for any Tax (except for any Tax arising as a result of the breach of any representation or warranty contained in Article 3 other than Section 3.17) (A) arising from or with respect to the CRL Business Assets or the operation or conduct of the CRL Business on or prior to the Closing Date, including but not limited to all income taxes directly arising from the deemed sale of assets under the Section 338(h)(10) Election, whether or not due and payable on or before the Closing Date and whether or not attributable to a Tax period that ends on or before the Closing Date (in which event the Tax attributable to the period on or prior to the Closing Date shall be determined on a closing-of-the-books method, ending the close of business on the Closing Date, with respect to income Taxes and on a per diem basis, including in such period the Closing Date, with respect to all other Taxes); (B) of or attributable to any Tax Sharing Agreement to which Recap Subco or any Recap Subsidiary is or was a party for any period on or prior to the Closing Date; and (C) for which Recap Subco or any Recap Subsidiary is held liable under Treasury Regulationss. 1.1502-6 or any similar provisions of state, local or foreign Law, which Tax is attributable to income of any Person other than Recap Subco or any Recap Subsidiary arising on or prior to the Closing Date.

(ii) all debts, claims, liabilities or obligations of Seller Parent, any of the CRL Companies or Sellers, in respect of accounts payable, notes payable (including intercompany promissory notes and similar financing arrangements) or other obligations (whether or not billed or accrued) to

Seller Parent or any Affiliate of Seller Parent which is not Recap Subco or one of the Recap Subsidiaries;

(iii) all debts, claims, liabilities or obligations, whether presently in existence or arising after the date of the Agreement, relating to fees, commissions or expenses owed to any broker, finder, investment banker, accountant, attorney or other intermediary or advisor employed by Seller Parent or any Affiliate of Seller Parent in connection with the transactions contemplated hereby;

(iv) the Excluded Debt;

(v) all debts, claims, liabilities or obligations specifically arising out of or relating to any of the Excluded Assets which fall within subparagraphs (i), (ii), (iii), (iv) (but only with respect to such debts, claims, liabilities or obligations specifically arising out of or related to (A) the contract for the sale of the property and assets set forth in item 1 of Schedule 1.1.1(iv) and (B) businesses and assets of or operation or ownership thereof by the entities set forth in item 3 through 7 of Schedule 1.1.1(iv) other than the CRL Business or the CRL Business Assets), or (v) of the definition of Excluded Assets;

(vi) the accrued and unpaid deferred compensation and bonuses payable or accrued as of June 30, 1999 to the management and other employees of the CRL Business;

(vii) all debts, claims, liabilities or obligations arising out of or relating to the net underfunding if any, of Non-U.S. Benefit Plans that are defined benefit plans; provided, however, that as to any Non-U.S. Benefit Plan covering employees of an entity as to which a third party holds an equity interest exceeding 15% of the total equity interests of such entity (such entity being referred to herein as a "Joint Venture" and such Non-U.S. Benefit Plan, a "Joint Venture Non-U.S. Benefit Plan"), Excluded Liabilities shall be the product of the aggregate Excluded Liability of such Joint Venture as to the applicable Joint Venture Non-U.S. Benefit Plan and the percentage of the equity interests held by all CRL Companies (other than such Joint Venture) in such Joint Venture (the "Net Underfunding Amount"); and

(viii) the obligations under the Retention Agreements with respect to Section I(A) regarding the EVA Banks and with respect to Section I(B) regarding the compensation for accelerated vesting of Seller Parent stock options for Employees and the obligations of Seller Parent or, prior to the Closing Date Recap SubCo, under the Releases.

"Expiration Date" has the meaning set forth in Section 8.1.

"Financial Statements" has the meaning set forth in Section 5.21.

"FTC" has the meaning set forth in Section 5.2.

"GAAP" means generally accepted U.S. accounting principles, as in effect at the time to which the financial statements or records relate, applied on a consistent basis in accordance with the policies applied in the preparation of the Financial Statements.

"Governmental Consents" has the meaning set forth in Section 6.1.1(b).

"Governmental Entity" means, collectively, the United States government, the government of any of the states constituting the United States, any municipality and any other domestic or foreign national or provincial or regional government, and all of their respective branches, departments, agencies, instrumentalities, courts, subsidiary corporations or other subdivisions, to the extent such Governmental Entity has jurisdiction.

"Hazardous Substances" means any (i) material, substance, waste (including any solid, liquid, semisolid or gas or gaseous mixture), product, chemical, pesticide, fungicide, rodenticide, pollutant, contaminant, hazardous material, hazardous substance, hazardous waste or solid waste, as the foregoing terms are considered or defined as harmful or toxic under, regulated by or form the basis of liability under any applicable Environmental Law; (ii) petroleum (including crude oil or any fraction thereof) products of any kind; (iii) asbestos, asbestos containing material; (iv) radioactive substance; and (v) any polychlorinated biphenyl (PCB).

"Highly Compensated Employee" has the meaning set forth in Section 3.11.1.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and all regulations promulgated thereunder, as the same has been amended from time to time.

"Immaterial Injunction" has the meaning set forth in Section 6.1.1.

"Indemnitee" has the meaning set forth in Section 8.5.

"Indemnitor" has the meaning set forth in Section 8.5.

"Intellectual Property" has the meaning set forth in the definition of CRL Business Assets.

"Interest Rate" means the sum of the annual rate of interest from time to time announced publicly by The Chase Manhattan Bank as its prime rate, plus two percent or if The Chase Manhattan Bank no longer announces its prime rate, LIBOR plus five percent.

"Internal Reorganization" means, collectively, the Stage 1 Reorganization and the Stage 2 Reorganization.

"International" has the meaning set forth at the beginning of this Agreement.

"Investors' Agreement" means the agreement entered into as of the Closing Date among Recap Co, Buyer, CRL and each other stockholder of Recap Co in substantially the form of Exhibit 2.3.8.

"IRS" means the U.S. Internal Revenue Service.

"Joint Venture" shall have the meaning set forth in subparagraph (vii) of the definition of Excluded Liabilities.

"Joint Venture Non-U.S. Benefit Plan" shall have the meaning set forth in subparagraph (vii) of the definition of Excluded Liabilities.

"Knowledge" has the meaning set forth in Section 9.4.

"Law" means any constitution, law, statute, code, ordinance, rule, regulation, order, judgment or decree that is of a binding nature and enforceable by or through any Governmental Entity through the Closing Date.

"Litigation Expense" means any costs and expenses incurred in connection with investigating, defending or asserting any claim, action, suit or proceeding incident to any matter indemnified against under this Agreement, including, without limitation, court filing fees, court costs, arbitration fees or costs, witness fees and reasonable fees and disbursements of legal counsel (whether incurred in any action or proceeding between the parties to this Agreement or between any party to this Agreement and any third party), investigators, expert witnesses, accountants and other professionals and all costs and expenses incurred as a result of Section 8.4.5.

"Loss" means any loss, obligation, claim, liability, settlement payment, award, judgment, tax, fine, penalty, interest charge, cost, expense, damage or deficiency or other charge, other than Litigation Expense and all costs and expenses incurred as a result of Section 8.4.5.

"Material Contracts" has the meaning set forth in Section 3.18.

"Merger" shall mean the merger of Acquisition Subco with and into Recap Co.

"Multiemployer Plans" has the meaning set forth in Section 3.15.1.

"NewCanCo" has the meaning set forth in Section 2.1.1.

"Net Underfunding Amount" has the meaning set forth in subparagraph (vii) of the definition of Excluded Liabilities.

"Non-U.S. Benefit Plans" has the meaning set forth in Section 3.15.13.

"Other Consents" has the meaning set forth in Section 6.2.5.

"Parent Canada" has the meaning set forth at the beginning of this Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Permits" has the meaning set forth in Section 3.14.

"Permitted Encumbrances" means: (i) those encumbrances disclosed in Schedule 1.1.4 of the Disclosure Schedule; (ii) those encumbrances disclosed in the notes to the Audited Financial Statements, excluding encumbrances in respect of Excluded Liabilities; (iii) liens for Taxes, assessments and other governmental charges not yet due and payable or due but not delinquent or being timely contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (iv) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other like liens arising or incurred in the ordinary course of business and securing obligations which are not past due or being timely contested in good faith by appropriate proceedings; (v) Capital Leases and equipment leases with third parties entered into in the ordinary course of business excluding Capital Leases constituting Excluded Debt; (vi) with respect to Real Property: (A) easements, quasi-easements, leases, licenses, restrictive covenants, rights-of-way and other similar encumbrances, provided that none of the same (individually or in the aggregate) could reasonably be expected to result in Costs in excess of $350,000, (B) any conditions that would be shown on or disclosed by a current survey, provided that none of the same (individually or in the aggregate) could reasonably be expected to result in Costs in excess of $350,000, and (C) restrictions imposed by any applicable Law, including zoning and building Laws; and (vii) all rights in Intellectual Property requiring subsequent recording or registration to perfect title.

"Person" means any individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an association, an unincorporated organization, a Governmental Entity and any other entity.

"Plans" has the meaning set forth in Section 3.15.1.

"Premises" means the real property presently owned, leased or licensed by or for the CRL Business.

"Purchase Price" means $443,000,000.

"Purchased Shares" means the shares of Recap Co Common Stock issued to Acquisition Co in the Merger.

"Real Property" has the meaning set forth in Section 3.12.

"Recapitalization" has the meaning set forth in Section 2.2.

"Recapitalization Documents" means all credit facilities, notes, indentures, securities purchase agreements, security documents and other agreements, instruments or documents entered into in connection with the Recapitalization.

"Recap Co" has the meaning set forth at the beginning of this Agreement.

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

"Recap Co Sub Note" means the subordinated, pay-in-kind promissory note to be issued by Recap Co to CRL on the Closing Date in substantially the form of Exhibit 2.3.1.

"Recap Subco" has the meaning set forth at the beginning of this Agreement.

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

"Recap Co Preferred Stock" means the Series A Redeemable Preferred Stock, par value $.01 per share, of Recap Co.

"Recap Subco Preferred Stock" means the Series A Redeemable Preferred Stock, par value $.01 per share, of Recap Subco.

"Recap Subsidiaries" means the corporations and other entities whose capital stock or equity interests are owned by Recap Subco as and in the percentages listed on Schedule 3.3 of the Disclosure Schedule, and shall mean and include Recap Co.

"Receivables" has the meaning set forth in the definition of CRL Business Assets.

"Redemptions" means the series of transactions whereby Recap Co redeems Common Stock held by CRL, SPAFAS, and International and Preferred Stock held by WPLP, in each case as described in Section 2.3.

"Releases" means each Agreement and Release, dated the date hereof, among each Person who is a party to the Retention Agreements, Recap Subco and Seller Parent.

"Representative" has the meaning set forth in Section 5.1.

"Required Consents" means, collectively, the Governmental Consents and the Third Party Consents.

"Retention Agreements" means the agreements set forth on Schedule 5.6.5.

"Section 338(h)(10) Election" has the meaning set forth in Section 5.5.5.

"Seller Indemnified Parties" has the meaning set forth in Section 8.3.

"Seller Parent" has the meaning set forth at the beginning of this Agreement.

"Sellers" means CRL, SPAFAS, WPLP and International.

"Seller's Equity Percentage" shall mean the number of shares of Recap Co Common Stock that CRL or any Affiliate of CRL owns at such time divided by the total number of issued and shares of Recap Co Common Stock.

"SERP" means the Charles River Laboratories Executive Life Insurance/Supplemental Retirement Income Plan, as amended and restated.

"SPAFAS" has the meaning set forth at the beginning of this Agreement.

"Stage 1 Reorganization" means the transactions which occurred on July 9, 1999 pursuant to the Contribution Agreement between Recap Subco and CRL, the Contribution Agreement between Recap Subco and International, the Contribution Agreement between Recap Subco and SPAFAS, and the Contribution Agreement between Recap Subco and CRL (with respect to the transfer of all of the issued and outstanding shares of CRL U.K. Limited) (collectively, the "Contribution Agreements").

"Stage 2 Reorganization" has the meaning set forth in Section 2.1.

"Tax" means any federal, state, local, foreign or provincial income, gross receipts, property, sales, service, use, license, lease, excise, franchise, employment, payroll, withholding, employment, unemployment insurance, workers' compensation, social security, alternative or added minimum, ad valorem, value added, stamp, business license, occupation, premium, environmental windfall profit, customs, duties, estimated, transfer or excise tax, or any other tax, custom, duty, premium, governmental fee or other assessment or charge of any kind whatsoever, together with any interest or penalty imposed by any Governmental Entity.

"Tax Returns" means all returns, reports, estimates, information returns and statements any nature with respect to Taxes.

"Tax Sharing Agreements" has the meaning set forth in Section 3.17.1.

"Transfer Taxes" has the meaning set forth in Section 9.3.

"Transfer Tax Returns" has the meaning set forth in Section 9.3.

"Unaudited Financial Statements" has the meaning set forth in Section 5.21.

"Update" has the meaning set forth in Section 5.8.

"WPLP" has the meaning set forth at the beginning of this Agreement.

"Year 2000 Compliant" has the meaning set forth in Section 3.20.

1.2 Construction.

1.2.1 References in this Agreement to any gender shall include references to all genders. Unless the context otherwise requires, references in the singular include references in the plural and vice versa. References to a party to this Agreement or to other agreements described herein means those Persons executing such agreements. The words "include," "including" or "includes" shall be deemed to be followed by the phrase "without limitation" or the phrase "but not limited to" in all places where such words appear in this Agreement. Except with respect to Sections 3.2 and 4.2, the representation or statement that an agreement is "enforceable" shall be deemed to include an exception to the extent that enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting the enforcement of creditor's rights generally, and general equitable principles, whether considered in a proceeding in equity or at law. The words "the transactions contemplated by this Agreement" shall include the Redemptions, the Merger, the

Recapitalization and the execution and delivery of the Recap Co Sub Note and the Investors' Agreement. This Agreement is the joint drafting product of Seller Parent and Buyer and each provision has been subject to negotiation and agreement and, in the event of an ambiguity or question of intent or interpretation, shall not be construed for or against either party as drafter thereof.

1.2.2 The phrases "have heretofore been provided" or "has provided" or similar words mean that Seller Parent has delivered copies of such information to Buyer. The phrase "has provided access" or similar words means that Seller Parent has allowed Buyer to review such information if requested by Buyer.

1.3 Accounting Conventions. All references in the Agreement to financial terms shall be deemed to refer to such terms as they are defined under GAAP, unless specifically identified otherwise.

1.4 Disclosure Schedule. The Disclosure Schedule shall be prepared by Seller Parent and delivered to Buyer simultaneously with the execution of this Agreement and shall be arranged in Schedules corresponding to the numbered Sections contained in this Agreement. The disclosures in any Schedule shall qualify any other Schedule or Section to the extent that such information is pertinent unless the Section specifies a specific Schedule and all contracts, agreements or other documents referred to on any Schedule are hereby incorporated by reference. The inclusion of any contract, agreement or matter on any Schedule shall not be deemed an admission by Seller Parent or Recap Co that such contract, agreement or matter is material or required to be disclosed or that all similar contracts, agreements or matters have been disclosed except as otherwise expressly required by the terms of this Agreement.

ARTICLE 2

REORGANIZATION, MERGER RECAPITALIZATION, REDEMPTIONS AND CLOSING

2.1 Reorganization; Merger. Upon the terms and subject to the conditions of this Agreement, the parties agree that the following transactions will take place immediately prior to the Closing in the order set forth below (with the steps set forth in Section 2.1.1 through 2.1.5 being hereinafter referred to as the "Stage 2 Reorganizations"):

2.1.1 Recap Subco shall form a wholly owned Canadian Corporation ("NewCanCo").

2.1.2 WPLP shall contribute all of its CRL Business Assets used in the CRL Business to Recap Subco and, in exchange therefor, Recap Subco shall issue to WPLP the Recap Subco Preferred Stock pursuant to a contribution agreement in substantially the form of the Contribution Agreements.

2.1.3 Each of CRL, SPAFAS, and International shall exchange all of Recap Subco Common Stock owned by it for the same number of shares of Recap Co Common Stock and WPLP shall exchange all of the Recap Subco Preferred Stock for the same number of shares of Recap Co Preferred Stock.

2.1.4 CRL shall purchase shares of Recap Co Common Stock in exchange for cash, Recap Co shall purchase shares of Recap Subco Common Stock in exchange for cash and Recap Subco shall purchase shares of NewCanCo common stock in exchange for cash.

2.1.5 Parent Canada shall sell all of its CRL Business Assets used in the CRL Business to NewCanCo in exchange for cash pursuant to an Asset Purchase Agreement in substantially the form of the Contribution Agreements.

2.1.6 Buyer shall form a wholly owned Delaware corporation ("Acquisition Co") and contribute at least $90,000,000 thereto in exchange for shares of common stock of Acquisition Co.

2.1.7 Buyer and Seller Parent shall cause Acquisition Co to merge with and into Recap Co with Recap Co being the surviving entity and with Buyer receiving such number of shares of Recap Co Common Stock constituting 87.5% of the total number of shares of Recap Co Common Stock which shall be issued and outstanding following the Redemptions.

2.2 Recapitalization of Recap Co. Upon the terms and subject to the conditions of this Agreement, prior to the Closing Date, Buyer will use its Commercial Efforts to assist Recap Co and Recap Subco to obtain debt financing all upon the terms and conditions set forth in the Commitment Letters (the "Recapitalization"). On the Closing Date, Seller Parent shall cause Recap Co and Recap Subco to enter into the Recapitalization Documents. The proceeds of the Recapitalization together with the Recap Co Sub Note will be used to consummate the Redemptions.

2.3 Redemptions. Upon the terms and subject to the conditions of this Agreement,
at the Closing:

2.3.1 Recap Co shall redeem all of the shares of Recap Co Preferred Stock owned by WPLP for $242,000,000 in cash payable by wire transfer of immediately available funds to such account as is designated by WPLP, and WPLP shall deliver to Recap Co certificates, duly endorsed for transfer, representing such shares of Recap Co Preferred Stock.

2.3.2 Recap Co shall redeem all of the shares of Recap Co Common Stock owned by SPAFAS for $10,000,000 in cash payable by wire transfer of immediately available funds to such account as is designated by SPAFAS, and SPAFAS shall deliver to Recap Co certificates, duly endorsed for transfer, representing such shares of Recap Co Common Stock.

2.3.3 Recap Co shall redeem all of the shares of Recap Co Common Stock owned by International for $8,000,000 in cash payable by wire transfer of immediately available funds to such account as is designated by International, and International shall deliver to Recap Co certificates representing such shares of Recap Co Common Stock.

2.3.4 Recap Co shall redeem such number of shares of Recap Co Common Stock owned by CRL constituting 87.5% of the total number of shares of Recap Co Common Stock then issued and outstanding following the redemptions set forth in Sections 2.3.1 through 2.3.3 so that immediately after all of the Redemptions CRL shall own 12.5% of the issued and outstanding shares of Recap Co Common Stock for $140,000,000 in cash, payable by wire

transfer of immediately available funds to such account as is designated by CRL, and $43,000,000 in principal amount of the Recap Co Sub Note, and CRL shall deliver to Recap Co certificates, duly endorsed for transfer, representing such shares of Recap Co Common Stock.

2.3.5 By execution and delivery of this Agreement, Buyer and the other parties to this Agreement hereby and as of the Closing Date consents to the Redemptions.

2.4 Closing. Unless this Agreement shall have been terminated and the transactions contemplated herein have been abandoned pursuant to Article 7, the Closing of the Stage 2 Reorganization, Recapitalization, Redemptions and Merger (the "Closing") shall take place at 10:00 a.m. at the offices of Nixon, Peabody LLP, 437 Madison Avenue, New York, New York 10022 on the later of September 24, 1999 (with an effective date upon the close of business on September 25, 1999) or the tenth calendar day following the satisfaction of all conditions in Article 6 or such other time and place as may be agreed to by Seller Parent and Buyer (the "Closing Date").

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER PARENT

Seller Parent represents and warrants to Buyer as of the date hereof as follows:

3.1 Organization, Good Standing and Power. Except as set forth in the Disclosure Schedule, each of Seller Parent, Recap Co, Recap Subco, CRL, SPAFAS, International and Parent Canada is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Seller Parent, Recap Co, Recap Subco and each Seller (other than WPLP) has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. WPLP is a limited partnership duly organized under the laws of the State of Delaware. WPLP has all requisite partnership power and authority to enter into this Agreement and to perform its obligations hereunder. Each of the Celtics Companies has all requisite corporate power and authority to own, lease and operate the CRL Business Assets owned by it. As of the Closing Date, Recap Co, Recap Subco and each of the Recap Subsidiaries will be duly authorized, qualified or licensed to do business as a foreign corporation and, where such concept is applicable, in good standing, in each of the jurisdictions in which its ownership of the CRL Business Assets owned by it as of the Closing Date, or the conduct of the CRL Business by it as of the Closing Date, requires such authorization, qualification or licensing, except where the failure to so qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to have a CRL Business Material Adverse Effect.

3.2 Authorization and Validity. The execution, delivery and performance by Seller Parent, Recap Co, Recap Subco and each Seller (except WPLP) of this Agreement and the consummation by such corporations of the transactions contemplated by this Agreement and the Internal Reorganization has been duly authorized by the Boards of Directors of Seller Parent, Recap Co, Recap Subco and each Seller (except WPLP), respectively. As of the Closing Date, no other corporate or stockholder action on the part of Seller Parent, Recap Co, Recap Subco, CRL, SPAFAS, International or Parent Canada will be necessary for the authorization,

execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby or the Internal Reorganization. The execution, delivery and performance by WPLP of this Agreement has been duly authorized by all partnership action required on its part. This Agreement has been duly executed and delivered by each of Seller Parent, Recap Co, Recap Subco and each Seller and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms.

3.3 Capitalization of Recap Subco and Recap Subsidiaries. The Disclosure Schedule sets forth all classes or series, and the number of shares of capital stock or other equity interests of Recap Co and Recap Subco authorized, issued and outstanding and the beneficial and record holders thereof. Except as described in this Agreement (including the Stage 2 Reorganization) or the Recapitalization Documents and except for arrangements, understandings, agreements or commitments to which Buyer is a party or plans of Buyer, there are no outstanding options, calls, warrants, subscriptions or other rights or agreements to acquire, or any plans, agreements, or commitments providing for the issuance or redemption of or the right to acquire: (i) any capital stock or other equity interest of Recap Subco or any Recap Subsidiary, or (ii) any securities or other obligations or rights convertible into, exercisable for or exchangeable for the capital stock or other equity interests of Recap Subco or any Recap Subsidiary. Other than the Recap Subsidiaries, neither Recap Co nor Recap Subco has any equity ownership interest in any other Person. Except as set forth in the Disclosure Schedule, as of the Closing Date, all of the issued and outstanding shares of capital stock or other equity interests of each of the Recap Subsidiaries will be owned, directly or indirectly, by Recap Co, free and clear of all liens, encumbrances and transfer restrictions of any kind. All of the issued and outstanding shares of common stock and other capital stock of each Recap Subsidiary have been duly and validly authorized and issued and are fully paid and non-assessable.

3.4 Consent and Approvals; No Conflict. Except as described in the Disclosure Schedule and except for the pre-merger notification requirements of the HSR Act, the expiration or early termination of the waiting periods thereunder and such filings, notifications and approvals as are required under foreign antitrust or competition Laws, the execution, delivery and performance of this Agreement by Seller Parent, Recap Co, Recap Subco and by each Seller, and the consummation by each of them of the transactions contemplated hereby and the Internal Reorganization: (i) did not (with respect to the Stage 1 Reorganization) and will not (with respect to the Stage 2 Reorganization and the transactions contemplated hereby), with or without the giving of notice or the lapse of time or both, violate, or require any of them to obtain any consent, approval, or authorization to make any filing or to give any notice to any Governmental Entity under any provision of any Law except where the failure to obtain, make or give any such consents, approvals, filings or notices would not, individually or in the aggregate, reasonably be expected to result in Costs in excess of $350,000; and (ii) did not (with respect to the Stage 1 Reorganization) and will not (with respect to the Stage 2 Reorganization and the transactions contemplated hereby), with or without the giving of notice or the lapse of time or both, conflict with, result in the breach or termination of any provision of, constitute a Default under, result in the acceleration of the performance of an obligation of the CRL Business, or result in the creation of a lien, charge or encumbrance upon any of the CRL Business Assets pursuant to any of the organizational documents of Recap Subco, or any Recap Subsidiary, or any Contract to which Seller Parent (with respect to the CRL Business), any Seller (with respect to the CRL Business), Recap Subco or any Recap Subsidiary is a party or by which Seller Parent (with

respect to the CRL Business), any Seller (with respect to the CRL Business), Recap Subco or any Recap Subsidiary or any of the CRL Business Assets is bound, except for such conflicts, breaches, terminations, Defaults, accelerations, liens, charges or encumbrances which would not, individually or in the aggregate, reasonably be expected to result in Costs in excess of $350,000. Seller Parent has delivered to Buyer a true, complete and correct copy of each agreement or other document relating to the Stage 1 Reorganization prior to the date hereof.

3.5 Purchased Shares in Merger. The Purchased Shares are duly authorized, validly issued, fully paid and non-assessable. The issuance of the Purchased Shares in the Merger are not subject to any preemptive, right of first refusal, first offer, or other rights on behalf of any Person. At the Closing, upon the issuance of the Purchased Shares to the Buyer in the Merger, Buyer will have good and valid title to the Purchased Shares free and clear of all liens, restrictions or other encumbrances of any kind.

3.6 Financial Statements.

3.6.1 Seller Parent has delivered to Buyer the most recent draft of the consolidated balance sheets of the CRL Business as of December 26, 1998 and December 27, 1997, and the related consolidated statements of income, changes in shareholder's equity, and cash flows, including the notes thereto, for each of the three years in the period ended December 26, 1998 (the "Draft Audited Financial Statements"). Seller Parent has also delivered to Buyer the most recent draft of the unaudited consolidated balance sheet of the CRL Business as of June 26, 1999, and the related unaudited consolidated statements of income and cash flows, including the notes thereto, for the six-month periods ended June 26, 1999 and June 27, 1998 (collectively, the "Draft Unaudited Financial Statements" and together with the Draft Audited Financial Statements, the "Draft Financial Statements"). Upon delivery of the Financial Statements to Buyer pursuant to Sections 5.21.1 and 5.21.2, they will have been prepared from the books and records of the CRL Business and in accordance with GAAP consistently applied and maintained throughout the periods indicated (except that the Unaudited Financial Statements will not include comprehensive footnotes) and will fairly present in all material respects the financial condition of the CRL Business as at their respective dates and the results of its operations and cash flows for the periods covered thereby. Upon delivery of the Unaudited Financial Statements to Buyer pursuant to Section 5.21.2, they will include all adjustments, which consist only of normal recurring adjustments, necessary for such fair presentation.

3.6.2 Notwithstanding anything contained herein to the contrary, neither Seller Parent nor Recap Co make any representation or warranty as to any tax or accounting treatment which may or may not be available to Recap Co or Buyer upon consummation of the transactions contemplated by this Agreement, including the availability of any step-up in basis for tax purposes or the availability of leveraged recapitalization accounting treatment and the existence of goodwill (or the amount thereof) that is or may be required to be in any financial statements of Recap Co for periods after the Closing Date.

3.7 Absence of Undisclosed Liabilities. Except as set forth in or reserved against in the Balance Sheet and except as set forth in the Disclosure Schedule, the CRL Business does not have any liabilities of any nature (whether accrued, absolute, contingent or otherwise, whether due or to become due, and whether or not the amount thereof is readily ascertainable or required

by GAAP to be disclosed on a balance sheet (or a footnote thereto)), except for current liabilities (determined in accordance with GAAP consistently applied) incurred after the Balance Sheet Date in the ordinary course of business consistent with past practice; provided, however in no event shall the representation and warranty contained in this Section 3.7 cover or be deemed to cover any matter, subject, category or event which is covered by or addressed in any other representation or warranty of Seller Parent contained in this Agreement.

3.8 Absence of Certain Changes. Except as set forth in the Disclosure Schedule, since the Balance Sheet Date, the CRL Business has been conducted in the ordinary course of business consistent with past practice, and other than in the ordinary course of business, there has not been with respect to the CRL Business any: (i) sale, assignment, pledge, hypothecation or other transfer of any of the CRL Business Assets which, individually or in the aggregate, could reasonably be expected to have a value in excess of $350,000, except for the sale of inventory, collection of accounts receivable and the disposal of obsolete or worn out equipment, in any case in the ordinary course of business consistent with past practice, (ii) termination or material amendment of any Material Contract, (iii) suffered any damage, destruction or other casualty loss (whether or not covered by insurance) which, individually or in the aggregate, have resulted or are reasonably likely to result, in Costs in excess of $350,000, (iv) except for salary, bonuses and incentive compensation paid or adjusted in the ordinary course of business consistent with past practices, increase or amend the compensation payable or to become payable to any Highly Compensated Employee or increase or amend any employee benefit plan, payment or arrangement for any such Highly Compensated Employee; (v) labor dispute or, to the Knowledge of Seller Parent, threatened labor dispute involving any Highly Compensated Employee or any group of employees, (vi) actual or threatened dispute with, or loss of business from, any material customer or supplier, or to the Knowledge of Seller Parent, any event or circumstances which could reasonably be expected to result in any such dispute or loss of business, (vii) change in the method or procedures for billing or collection of customer accounts or recording of customer accounts receivable or reserves for doubtful accounts, or any method of accounting or accounting principles, (viii) cancellation of debts or waiver of any claim or right which could reasonably be expected to have a value, individually or in the aggregate, in excess of $350,000, (ix) agreements or commitments for capital expenditures in excess of $350,000 (individually or in the aggregate) other than as set forth in the 1999 capital expenditure budget of the CRL Business heretofore delivered to Buyer or other than as approved by Buyer in writing, (x) security interest, lien or other encumbrances with respect to any of the CRL Business Assets other than Permitted Encumbrances, (xi) adverse change which is reasonably likely to have a CRL Business Material Adverse Effect, (xii) amendment of any charter, by-laws or other governing documents of Recap Subco or any Recap Subsidiary, (xiii) employment or consulting agreement entered into with any Employee or any increase in the compensation of any Employee, except for increases in the ordinary course of business consistent with past practice or as a result of any collective bargaining, employment or other agreement, or pursuant to any policy or any bonus, pension, profit-sharing or other plan or commitment set forth in the Disclosure Schedule, (xiv) loans or any other transaction with any Affiliate other than transactions entered into in the ordinary course of business consistent with past practice, (xv) establishment, amendment or contribution to any pension, retirement, profit sharing, or stock bonus plan or multiemployer plan covering any of the employees of the CRL Business, except as required by Law or in accordance with past practice, or (xvi) an agreement to do any of the foregoing.

3.9 Entire CRL Business. Except for the Excluded Assets or as set forth on Schedule 3.9 of the Disclosure Schedule and except for such assets or rights the failure of which to have would be reasonably likely to result in Costs in excess of $350,000, the CRL Business Assets constitute all of the assets, properties and rights used to conduct the CRL Business as conducted on the date of this Agreement and will constitute all of the assets, properties and rights used to conduct the CRL Business on the Closing Date.

3.10 Legal Proceedings. Except as described in the Disclosure Schedule, there is no litigation, proceeding, action, suit, order, judgment or decree before, of or by, or to the Knowledge of Seller Parent, investigation by, any Governmental Entity or any claim in writing outside of the ordinary course of business which is pending against Seller Parent, any Seller or any CRL Company with respect to the CRL Business or, to the Knowledge of Seller Parent, threatened in writing against Seller Parent, any Seller or any CRL Company or the CRL Business: (i) relating to the CRL Business Assets or the CRL Business as to which there is a reasonable likelihood of an outcome or outcomes that would, individually or in the aggregate, reasonably be expected to result in Costs in excess of $350,000, or (ii) which seeks to question, delay or prevent the consummation of the transactions contemplated by this Agreement or the Internal Reorganization.

3.11 Employees and Labor Relations Matters.

3.11.1 The Disclosure Schedule contains a list of all employees of the CRL Business whose projected 1999 annual base compensation equals or exceeds $100,000 (each, a "Highly Compensated Employee").

3.11.2 Except as described in the Disclosure Schedule, to the Knowledge of Seller Parent, there are no strikes, walk-outs, lock-outs or other concerted work actions or union organization activity involving a material number of employees of the CRL Business pending or threatened with respect to the CRL Business which, individually or in the aggregate, could reasonably be expected to result in Costs in excess of $350,000. Neither Recap Subco nor any Recap Subsidiary nor any Seller is a party to any collective bargaining agreements with respect to the CRL Business with any labor union or other representative of employees with respect to employees of the CRL Business located in the United States.

3.11.3 Except as set forth in the Disclosure Schedule, no CRL Company nor any Seller is a party to any collective bargaining agreements with any labor union or other representative of employees or any works' council or similar entity under applicable Laws with respect to employees of the CRL Business located outside of the United States, including local agreements, amendments, supplements, letters and memoranda of understanding of any kind, nor, to the Knowledge of Seller Parent, is there any pending or threatened union organization activity by or among any such employees.

3.11.4 Except as set forth in the Disclosure Schedule, there are no material violations of any Federal, state, local or foreign statutes, ordinances, rules, regulations, orders, directives or other Laws with respect to the employment of individuals by, or the employment practices or work conditions of, Recap Subco or any Recap Subsidiary or any Seller with respect the conduct of the CRL Business, or the terms and conditions of employment, wages and hours of employees

of the CRL Business. Neither Recap Subco nor any Recap Subsidiary nor any Seller with respect to the CRL Business is engaged in any unfair labor practice or other unlawful employment practice and, except as set forth in the Disclosure Schedule, there are no charges of unfair labor practices or other employee-related complaints pending or, to the Knowledge of Seller Parent, threatened against any such Person before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Review Commission, the Department of Labor or any other Governmental Entity.

3.12 CRL Business Tangible Assets; Real Property.

(a) Except as set forth in the Disclosure Schedule, as of the Closing Date, (i) Recap Subco or one of the Recap Subsidiaries will have good, valid and marketable title to all of the CRL Business Assets which constitute owned real property, (ii) Recap Subco or one of the Recap Subsidiaries will have good and valid title to all of the CRL Business Assets which constitute personal, mixed or other (except Intellectual Property, as to which Section 3.13 relates) property, (iii) Recap Subco or one of the Recap Subsidiaries will have a valid and binding leasehold interest in all of the CRL Business Assets which constitute leased property, and (iv) Recap Subco or one of the Recap Subsidiaries will have good and valid title to the percentage of outstanding capital stock or other equity interests of all of the Recap Subsidiaries as set forth in Schedule 3.3 of the Disclosure Schedule, in each case, except to the extent that such CRL Business Assets have been sold or otherwise disposed of prior to the Closing Date in the ordinary course of business or otherwise in accordance with this Agreement, and in each case free and clear of all liens, charges and other encumbrances of any kind, except Permitted Encumbrances.

(b) The Disclosure Schedule sets forth a complete and accurate list of all real property leased to or owned by any of the CRL Companies and all other real property in which any of the CRL Companies has any interest (collectively, the "Real Property").

3.13 Intellectual Property. Except as described in the Disclosure Schedule, as of the Closing Date, Recap Subco or one of the Recap Subsidiaries will own good and valid title to, or be licensed to use, all material Intellectual Property used to conduct the CRL Business as presently conducted. Except as set forth in the Disclosure Schedule, to the Knowledge of Seller Parent (i) there are no actions or proceedings pending or threatened in writing which challenge the CRL Business' right to use any of the Intellectual Property necessary to conduct the CRL Business, and (ii) neither Seller Parent nor any of its Affiliates has received any written notice of, nor has knowledge of any facts which indicate the likelihood of, any infringement by the CRL Business as presently conducted of the trademark rights of others in any manner which would, individually or in the aggregate, reasonably be expected to result in Costs in excess of $350,000 and (iii) neither Seller Parent nor any of its Affiliates has received any written notice of, nor has knowledge of any facts which indicate the likelihood of, any infringement by, or any conflict with any third party with respect to, the patents included in the Intellectual Property (including, without limitation, any demand or request that Seller Parent or its Affiliates license any rights from a third party). Notwithstanding anything to the contrary contained in this Agreement, except for the representations and warranties contained in this Section 3.13, neither Seller Parent nor any other Person makes any express or implied representation or warranty on behalf of Seller Parent, Recap Subco or any Recap Subsidiary with respect to Intellectual Property.

3.14 Compliance with Applicable Laws. Except as set forth in the Disclosure Schedule, and without admitting any liability with respect thereto (except to a Buyer Indemnified Party in the event of a breach of the representation and warranty contained in this Section 3.14 which entitles such Buyer Indemnified Party to indemnification pursuant to Section 8.2(a)), the CRL Business and each of Seller Parent (with respect to the CRL Business), Sellers (with respect to the CRL Business), Recap Subco and the Recap Subsidiaries, has been and is operated and conducted so as to comply with all applicable Laws, except where the failure to comply with such Laws would not, individually or in the aggregate, reasonably be expected to result in Costs in excess of $350,000. Except as described in the Disclosure Schedule, as of the Closing Date, to the Knowledge of Seller Parent, Recap Subco and Recap Subsidiaries shall have all licenses, permits, consents, approvals, authorizations, qualifications and orders of each Governmental Entity required for the ownership of the CRL Business Assets and conduct of the CRL Business as presently conducted (collectively, "Permits"), except where the failure to have such licenses, permits, consents, approvals, authorizations, qualifications and orders would not, individually or in the aggregate, reasonably be expected to result in costs in excess of $350,000.

3.15 Employee Benefit Plans.

3.15.1 The Disclosure Schedule sets forth with respect to all United States locations of the CRL Business each pension, profit-sharing, savings, bonus, incentive or deferred compensation, severance pay, vacation pay, medical, life insurance, welfare or other employee benefit plan in which employees of Recap Subco or any of the Recap Subsidiaries participate or that Recap Subco or any of the Recap Subsidiaries maintains or sponsors, or to which Recap Subco or any of the Recap Subsidiaries is required to make contributions. All pension, profit-sharing, savings, bonus, incentive or deferred compensation, severance pay, medical, life insurance, welfare or other employee benefit plans within the meaning of Section 3(3) of ERISA in which the U.S. employees of Recap Subco or any of the Recap Subsidiaries participate (such plans and related trusts, insurance and annuity contracts, funding media and related agreements and arrangements, other than any "multiemployer plan" (within the meaning of Section 3(37) of ERISA), being hereinafter referred to as the "Benefit Plans" and any such multiemployer plans being hereinafter referred to as the "Multiemployer Plans") comply with all requirements of the Department of Labor (the "DOL") and the IRS, and with all other applicable Laws, except where the failure to comply with such Laws (individually or in the aggregate) would not reasonably be expected to result in Costs in excess of $350,000. The CRL Companies have furnished to Buyer copies of all Benefit Plans and all financial statements, actuarial reports and annual reports and returns filed with the IRS with respect to such Benefit Plans for a period of two years prior to the date hereof. To the Knowledge of Seller Parent, such financial statements, actuarial reports and annual reports and returns are true and accurate in all material respects.

3.15.2 Except as set forth in the Disclosure Schedule, each Benefit Plan intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS as to its qualification under Section 401(a) of the Code, and nothing has occurred in the operation of any such Benefit Plan which, either individually or in the aggregate, would reasonably be expected to cause the loss of such qualification or the imposition of any liability, penalty or tax under ERISA or the Code which would reasonably be expected to result in Costs in excess of $350,000.

3.15.3 No Benefit Plan which is a "defined benefit plan" (within the meaning of Section 3(35) of ERISA) (hereinafter referred to as the "Defined Benefit Plans") has incurred an "accumulated funding deficiency" (within the meaning of Section 412(a) of the Code), whether or not waived.

3.15.4 Except as set forth in the Disclosure Schedule, in the last six (6) years there has been no "reportable event" (within the meaning of Section 4043 of ERISA) for which there has been a nonwaiveable notice requirement imposed under Section 4043 of ERISA with respect to any Defined Benefit Plan.

3.15.5 To the Knowledge of Seller Parent, no "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975(c) of the Code) has occurred with respect to any Benefit Plan.

3.15.6 None of the CRL Companies has incurred any liability to the PBGC, except for required premium payments. No notice of termination has been filed by the plan administrator (pursuant to Section 4041 of ERISA) or issued by the PBGC (pursuant to Section 4042 of ERISA) with respect to any Benefit Plan subject to ERISA. There has been no termination of any Defined Benefit Plan or any related trust by any of the CRL Companies.

3.15.7 As of the date of the most recent actuarial report, the excess of the aggregate present value of accrued benefits over the aggregate value of the assets of any Defined Benefit Plan (computed both on a termination basis and on an ongoing basis) is not more than $-0-, and there are no unfunded vested benefits (within the meaning of PBGC Reg. ss. 4006.4) with respect to any Defined Benefit Plan.

3.15.8 There are no overdue contributions which are required to be made by any of the CRL Companies to trusts in connection with any Benefit Plan that is a "defined contribution plan" (within the meaning of Section 3(34) of ERISA).

3.15.9 Other than claims in the ordinary course for benefits with respect to the Benefit Plans, there are no actions, suits or claims (including claims for income taxes, interest, penalties, fines or excise taxes with respect thereto) pending with respect to any Benefit Plan, or, to the Seller Parent's Knowledge, any circumstances which would reasonably be expected to give rise to any such action, suit or claim (including claims for income taxes, interest, penalties, fines or excise taxes with respect thereto).

3.15.10 All material reports, returns, notices and similar documents with respect to the Benefit Plans required to be filed with the IRS, the DOL, the PBGC or any other Governmental Entity have been so filed.

3.15.11 Except as set forth in the Disclosure Schedule, none of the CRL Companies has any obligation to provide health or other welfare benefits to former, retired or terminated employees in the CRL Business, except as specifically required under Section 4980B of the Code or Section 601 of ERISA. Each of the CRL Companies has complied with the notice and continuation requirements of Section 4980B of the Code and Section 601 of ERISA and the regulations thereunder.

3.15.12 None of the CRL Companies maintains, sponsors or contributes to and has never maintained, sponsored or contributed to any Multiemployer Plan.

3.15.13 The Disclosure Schedule sets forth all benefit plans, contracts and arrangements covering non-U.S. CRL Business employees ("Non-U.S. Benefit Plans"). Each of the CRL Companies and Sellers is and following the Stage 2 Reorganization each of Recap Subco and each Recap Subsidiary will be in compliance with applicable Laws and collective bargaining agreements with respect to all Non-U.S. Benefit Plans except where the failure to comply with such Laws and agreements (individually or in the aggregate) would not reasonably be expected to result in Costs in excess of $350,000. Except as set forth in the Disclosure Schedule, there are no unfunded liabilities (determined in accordance with GAAP) with respect to any Non-U.S. Benefit Plans that are defined benefit plans.

3.16 Environmental Matters. Except as set forth in the Disclosure Schedule:

(a) each of the CRL Companies has duly complied with, and the CRL Business is conducted and has been conducted in substantial compliance with, all Environmental Laws, except where the failure to comply with such Laws (individually or in the aggregate) would not reasonably be expected to result in Costs in excess of $350,000, and each of the CRL Companies has provided Buyer with copies of all Phase I and Phase II environmental site assessments and other material reports, notices and similar materials in their possession and related to Environmental Laws or Environmental Claims;

(b) none of the CRL Companies has received written notice of, nor are there any facts to Seller Parent's Knowledge which can reasonably be expected to give rise to, any Environmental Claim against or affecting any of the CRL Companies in the conduct or operation of the CRL Business as currently conducted;

(c) none of the CRL Companies, nor, to the Knowledge of Seller Parent, any other Person, has generated, treated, transported, stored, recycled, discharged, emitted, disposed of or released any Hazardous Substances or arranged for the generation, treatment, transport, storage, recycling, discharge, emission, disposal or release of any Hazardous Substances, which could reasonably be expected to give rise to any Environmental Claim or any liability or corrective or remedial obligation of any of the CRL Companies in the conduct or operation of the CRL Business under any Environmental Laws, except for such Environmental Claims, liabilities or obligations which (individually or in the aggregate) would not reasonably be expected to result in Costs in excess of $350,000;

(d) none of the Real Property, or property to which any of the CRL Companies has transported or arranged for the transportation of any Hazardous Substances, is listed on the National Priorities List promulgated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), on CERCLIS (as referred to in CERCLA) or on any similar federal or state list of sites requiring investigation or clean-up; and

(e) The New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1 K-6 et seq., and the regulations promulgated thereunder, will not be applicable to any of the Real Property

upon consummation of the transactions contemplated by this Agreement or the Internal Reorganization. The Connecticut Transfer Act, C.G.S.A., Chapter 445, 22a-134 et seq., and the regulations promulgated thereunder, will not be applicable to any of the Real Property upon consummation of the transactions contemplated by this Agreement or the Internal Reorganization.

3.17 Tax Matters.

3.17.1 Except as disclosed in the Disclosure Schedule: (i) Recap Subco and each Recap Subsidiary has filed all material Tax Returns required to be filed by it, or requests for extensions to file such Tax Returns have been timely filed, granted and have not expired; (ii) Recap Subco and each Recap Subsidiary has paid all Taxes which have become due as shown on such Tax Returns; (iii) no material claim for unpaid Taxes is being asserted in writing by a Tax authority with respect to Recap Subco or any Recap Subsidiary; and (iv) all Tax sharing agreements to which Recap Subco and any Recap Subsidiary is a party ("Tax Sharing Agreements") will be terminated as of the Closing Date and after the Closing Date none of Recap Subco nor any Recap Subsidiary shall have any liability with respect to any Tax under any such Tax Sharing Agreement.

3.17.2 CRL is a member of Seller Parent's consolidated federal income tax group, eligible to file the Section 338(h)(10) Election.

3.17.3 No election under Section 341(f) of the Code has been or will be made to treat Recap Subco or any Recap Subsidiary as a "consenting corporation" as defined therein.

3.17.4 The accrual for Taxes reflected in the Financial Statements accurately reflects the total amount of unpaid Taxes arising from or with respect to the CRL Business Assets or the operation or conduct of the CRL Business on or prior to the Closing Date, whether or not disputed and whether or not presently due and payable, of Recap Subco and each Recap Subsidiary as of the close of the periods covered by the Financial Statements. Adequate accruals and reserves have been made in the Financial Statements and the books and records of each of Recap Subco and each Recap Subsidiary for the payment of all unpaid federal, state, local, foreign and other Taxes arising from or with respect to the CRL Business Assets or the operation or conduct of the CRL Business on or prior to the Closing Date for all periods through the respective dates thereof, whether or not yet due and payable and whether or not disputed.

3.18 Contracts. Except as set forth in the Disclosure Schedule, all written and, to the Knowledge of Seller Parent, all oral contracts, employment agreements, consulting agreements, service agreements, guarantees (or other agreements or commitments relating to contingent obligations), purchase commitments for materials and other services, advertising and promotional agreements, leases, license agreements and other agreements pertaining to the CRL Business that are included in the CRL Business Assets ("Contracts") which (a) (i) may be performed in whole or in part after the Closing Date; (ii) individually involve payments or other financial commitments as of the date of this Agreement which, by its terms, must be in excess of $100,000 during any twelve month period; (iii) extend more than twelve (12) months after the date of this Agreement; and (iv) are not terminable without penalty within ninety (90) days or (b) are set forth in Schedule 3.18 of the Disclosure Schedule

(collectively the "Material Contracts") are in full force and effect and are valid and enforceable in accordance with their respective terms except where the failure to be in full force and effect and valid and enforceable would not, individually or in the aggregate, reasonably be expected to result in Costs in excess of $350,000. The Disclosure Schedule sets forth a complete and correct list of each Material Contract and all powers of attorney, if any, relating to the conduct or operation of the CRL Business. Except as set forth in the Disclosure Schedule, the CRL Business is not in Default in the performance of any obligation under any Contract except for such Defaults which, individually or in the aggregate, would not reasonably be expected to result in Costs in excess of $350,000, and the Celtics Business has not received written notice or, to Seller Parent's Knowledge, oral notice that any party to any Material Contract intends to terminate, amend or modify any such Material Contract. To the Knowledge of Seller Parent, no other party or parties to any Material Contract is in Default in the performance of any obligation thereunder except for such Defaults which, individually or in the aggregate, would not reasonably be expected to result in Costs in excess of $350,000.

3.19 Certain Fees. With the exception of fees and expenses payable to Morgan Stanley & Co. Inc., which shall be paid by Seller Parent, none of Seller Parent, any Seller, any CRL Company nor any of their Affiliates has employed any broker or finder or incurred any other liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

3.20 Year 2000. Except as set forth in the Disclosure Schedule, to the Knowledge of Seller Parent all computer software, hardware and related systems (including without limitation embedded microcontrollers in non computer equipment) (collectively, "Computer Systems") included in the CRL Business Assets are either (i) Year 2000 Compliant or (ii) designated (in the 1999 capital expenditure budget of the CRL Business heretofore delivered to Buyer) to receive upgrades or modifications to become Year 2000 compliant, except where a failure of such Computer Systems to be Year 2000 Compliant would not (individually or in the aggregate) reasonably be expected to result in Costs in excess of $350,000. For purposes of this Section 3.20, "Year 2000 Compliant" shall mean that the Computer Systems are designed, have been modified or will be modified to be able to process accurately all date/time data to be used prior to, during, and after the calendar year 2000 A.D., without error, aborts, delays or other interruptions relating to the processing, calculation, comparing, sequencing or other use of date/time data from, into and between the twentieth and twenty-first centuries.

3.21 Insider Interests; Intercompany Transactions. Except as set forth in the Disclosure Schedule, no stockholder, officer, director or Affiliate of Seller Parent or any CRL Company (a) is presently a party to any transaction, agreement or arrangement pertaining to the CRL Business or (b) owns any interest in any of the CRL Business Assets.

3.22 No Other Representations or Warranties. Except for the representations and warranties contained in this Article 3 or in any certificate executed by Seller Parent, any CRL Company or any Seller pursuant to Section 6.2.3, neither Seller Parent nor any other Person makes any express or implied representation or warranty on behalf of Seller Parent, any CRL Company or any Seller.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER AND BUYER PARENT

Buyer and Buyer Parent, jointly and severally, represent and warrant to Seller Parent and each of the Sellers as follows:

4.1 Organization, Good Standing and Power. Buyer is a limited liability company and Buyer Parent is a limited partnership, in each case, duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, as the case may be, and has all requisite limited partnership or limited liability company power and authority to own, lease and operate the assets owned by it and to conduct the business as now conducted by it. Each of Buyer and Buyer Parent has all requisite limited partnership or limited liability power and authority to enter into this Agreement and the Recapitalization Documents to which it is a party and to perform its obligations hereunder and thereunder. Each of Buyer and Buyer Parent is duly authorized, qualified or licensed to do business as a foreign corporation or entity and, where such concept is applicable, is in good standing, in each of the jurisdictions in which its ownership of assets owned by it, or the conduct of the business as now conducted by it, requires such authorization, qualification or licensing, except where the failure to so qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect. 4.2 Authorization and Validity of Agreements. The execution, delivery, and performance by Buyer and Buyer Parent of this Agreement and the consummation by Buyer and Buyer Parent of the transactions contemplated hereby have been duly authorized by all necessary limited liability company or partnership action. No other limited liability company or partnership action on the part of Buyer or Buyer Parent is necessary for the authorization, execution, delivery and performance by Buyer or Buyer Parent of this Agreement and the consummation by Buyer or Buyer Parent of the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of Buyer and Buyer Parent and constitutes a valid and legally binding obligation of each of Buyer and Buyer Parent, enforceable against each of Buyer and Buyer Parent in accordance with its terms.

4.3 Consents and Approvals; No Conflict. Except for the pre-merger notification requirements of the HSR Act, the expiration or early termination of the waiting periods thereunder and such filings, notifications and approvals as are required under foreign antitrust or competition Laws, the execution, delivery and performance of this Agreement by Buyer or Buyer Parent, and the consummation by each of them of the transactions contemplated hereby and thereby:

(a) will not violate, or require any consent, approval, filing or notice to be made by the Buyer or Buyer Parent under, any provision of any Law applicable to the Buyer or Buyer Parent; and

(b) will not conflict with, result in the breach or termination of any provision of, constitute a Default under, result in the acceleration of the performance of an obligation of Buyer or Buyer Parent under, or result in the creation of a lien, charge or encumbrance upon the assets of the Buyer or Buyer

Parent pursuant to: (i) the operating agreement, partnership agreement or by-laws (or analogous organizational documents) of Buyer or Buyer Parent, or (ii) any indenture, mortgage, deed of trust, lease, licensing agreement, contract, instrument or other agreement to which Buyer or Buyer Parent is a party or by which Buyer or Buyer Parent or any of their respective assets is bound.

4.4 Legal Proceedings. There is no litigation, proceeding or governmental investigation pending or, to the Knowledge of Buyer, threatened against Buyer or Buyer Parent, which seeks to question, delay or prevent the consummation of, or would impair the ability of Buyer or Buyer Parent to consummate, the transactions contemplated by this Agreement.

4.5 Certain Fees. With the exception of fees and expenses payable to DLJ Securities Corp. and payable as contemplated by the Commitment Letters, which shall be paid by Recap Co or Recap Subco on the Closing Date, none of Buyer, Buyer Parent nor any of their Affiliates has employed any broker or finder or incurred any other liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated hereby or thereby.

4.6 Financing. Buyer has heretofore delivered to Seller Parent true and complete copies of the Commitment Letters. As of the date of this Agreement, the Commitment Letters are in full force and effect and have not been rescinded, amended or modified in any respect.

4.7 Access and Investigation. In connection with the negotiation and execution of this Agreement, Buyer's Group has performed a comprehensive investigation of the CRL Business and, with its advisors, has made its own analysis and evaluation of the CRL Business, the Purchased Shares and Assumed Liabilities and has received from Seller Parent or its Affiliates or had access to all information that Buyer or Buyer Parent deems necessary or desirable in deciding whether to acquire the Purchased Shares. Buyer's Group has had the opportunity to ask questions of and receive answers from officers and other representatives of Seller Parent, Recap Co and other management of the CRL Business regarding the terms and conditions of its acquisition of the Purchased Shares. In entering into this Agreement, Buyer's Group has relied solely upon its own investigation and analysis and the representations, warranties and other provisions of this Agreement and acknowledges that none of the Seller Parent, Recap Co or any other of their Affiliates, employees, agents or representatives makes or has made any representation, express or implied, with respect to the CRL Business or the Purchased Shares except as expressly set forth in this Agreement or any certificate delivered pursuant hereto. Buyer, by reason of its business or financial experience, or the business and financial experience of its professional advisors has the capacity to evaluate and protect its own interests in the acquisition of the Purchased Shares. Buyer, and each of its equity owners, has the financial capacity to bear the risk of, including the entire loss of, its investment in the Purchased Shares. Nothing contained in this Section 4.7 shall prohibit or in any way limit Buyer and Buyer Parent from relying upon the representations and warranties of Seller Parent contained in Article 3 nor from being indemnified pursuant to Article 8.

4.8 No Other Representations or Warranties. Except for the representations and warranties contained in this Article 4 or in any certificates or other documents executed by Buyer or Buyer Parent in connection with the transactions contemplated by this Agreement, neither Buyer, Buyer

Parent nor any other Person makes any express or implied representation or warranty on behalf of Buyer or Buyer Parent.

ARTICLE 5

COVENANTS OF THE PARTIES

5.1 Access to Information; Confidentiality. Each of Seller Parent and Recap Co agrees that, during the period commencing on the date hereof and ending on the Closing Date, it will (a) give or cause to be given to Buyer and its counsel, financial advisors, auditors, lenders, investors and their respective authorized representatives in connection with the Recapitalization (collectively, "Representatives") access to the properties, books and records of the CRL Business and each of the CRL Companies to the extent that Buyer may from time to time reasonably request such access, (b) furnish or cause to be furnished to Buyer or its Representatives such financial and operating data and other information relating to the CRL Business, the CRL Business Assets and each of the CRL Companies as Buyer may from time to time reasonably request, (c) provide Buyer and its Representatives such access as Buyer may reasonably request to the representatives, officers and employees of its Affiliates actively involved in the CRL Business, and (d) assist Buyer and its Representatives as reasonably requested by Buyer in connection with the Recapitalization and related transactions, provided that such assistance will not unreasonably interfere with the conduct of the CRL Business; provided, however, that (i) access to the properties, books, records, representatives, officers and employees shall only be provided during normal business hours, upon reasonable advance notice and in such manner as will not unreasonably interfere with the operation of the CRL Business, (ii) all requests for access shall be directed to Alan H. Farnsworth, Vice President Business Development of Seller Parent, or such other person as Seller Parent shall designate from time to time, and (iii) Seller Parent shall have the right to have a representative present at all times access to properties, books, records representatives, officers and employees is provided. Buyer agrees that, prior to the Closing, it will, and will cause its Affiliates and Representatives to, continue to treat all information so obtained from Seller Parent or any of its Affiliates as "Confidential Information" under the Confidentiality Agreement entered into between Seller Parent and Buyer dated January 4, 1999 (the "Confidentiality Agreement"), and will continue to honor its obligations thereunder and that if requested by Seller Parent, Buyer will cause any of its Representatives so requested to enter into a written agreement acknowledging the terms of the Confidentiality Agreement and agreeing to be bound thereby.

5.2 Approvals under Competition Laws.

5.2.1 Seller Parent and Buyer will, (i) as promptly as practicable but in no event later than ten (10) Business Days after the date of this Agreement, file with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ") in materially accurate and complete form, the notification and report form, if any, required for the transactions contemplated hereby pursuant to the HSR Act and (ii) as promptly as practicable, make such filings or notifications and seek such approvals as are required for the transactions contemplated hereby under foreign antitrust or competition Laws. Each of Seller Parent and Buyer shall furnish to the other such necessary information and reasonable assistance as the other may request in

connection with its preparation of any filing or submission that is necessary under the HSR Act or under foreign antitrust or competition Laws. Seller Parent and Buyer shall promptly notify the other of the status of any communications with, and inquiries or requests for additional information from, the FTC, the DOJ and the Governmental Entities which administer the foreign antitrust or competition Laws and shall comply promptly with any such inquiry or request. Each of Seller Parent and Buyer will use its Commercial Efforts to obtain as promptly as possible any clearance required under the HSR Act and the foreign antitrust or competition Laws for the consummation of the transactions contemplated hereby.

5.2.2 Buyer and Buyer Parent shall take or cause to be taken, and Seller Parent shall reasonably cooperate in connection therewith, any and all reasonable actions, including any divestitures of assets of (i) Buyer and/or Buyer Parent and/or their Affiliates and/or (ii) the CRL Business Assets, that may be required by any Governmental Entity pursuant to the antitrust laws of the United States or foreign antitrust or competition Laws in order to obtain required consents or non-opposition to the transactions contemplated hereby from the United States and other relevant jurisdictions or to permit the consummation of the transactions contemplated hereby on terms and conditions consistent with the terms of any judgment, decree or order issued by any court of competent jurisdiction that may be in effect on the Closing Date; provided, however, that Buyer shall not be required to violate any such judgment, decree or order, or to effect or agree to effect any divestitures of assets of Buyer and/or Buyer Parent and/or their Affiliates and/or the CRL Business Assets if the aggregate annual revenues associated with all such divested assets of Buyer and/or Buyer Parent and/or their Affiliates and/or the CRL Business Assets exceed $15,000,000 (individually or in the aggregate), using for the purposes of such calculation the most recently completed fiscal year of Buyer and with respect to the CRL Business, the fiscal year ended December 26, 1998; provided, however, that any and all proceeds of any such divestiture of assets shall be the exclusive property of Buyer (or Recap Subco or one of the Recap Subsidiaries as may be designated by Buyer).

5.3 Conduct of the CRL Business Pending the Closing Date. Seller Parent agrees that, except as permitted, required or contemplated by this Agreement or any Recapitalization Document, or the Exhibits or Disclosure Schedules attached hereto (including, without limitation, Schedule 5.3 of the Disclosure Schedule) or thereto and except that none of the restrictions set forth in this Section 5.3 shall apply to any of the Excluded Assets, during the period between the date of this Agreement and the Closing Date, without the prior written consent of Buyer which shall not be unreasonably withheld, delayed or conditioned:

5.3.1 Seller Parent will, and will cause its Affiliates to, operate the CRL Business only in the ordinary course of business consistent with past practice;

5.3.2 Seller Parent will not, and will cause its Affiliates not to, amend or modify in any material respect any Material Contract;

5.3.3 Seller Parent will not permit Recap Subco or any Recap Subsidiary to amend its charter or by-laws (or analogous organizational documents), except as may be required in connection with the consummation of the transactions contemplated by this Agreement;

5.3.4 Seller Parent will not permit Recap Subco or any Recap Subsidiary to issue or agree to issue any additional shares of capital stock of any class or series, or any securities convertible into or exchangeable for shares of capital stock, or issue any options, warrants or other rights to acquire any shares of capital stock;

5.3.5 Seller Parent will not, and will not permit any of its Affiliates to: (i) sell, transfer, dispose of or encumber any of the CRL Business Assets having a value, individually or in the aggregate, in excess of $100,000, other than in the ordinary course of business consistent with past practice; (ii) enter into any employment or consulting agreement with any employee of the CRL Business or grant any increase in the compensation of any such employee, except for increases in the ordinary course of business consistent with past practice or as a result of any collective bargaining, any industrial award or as required by any employment or other agreement, or pursuant to any policy or any bonus, pension, profit-sharing or other plan or commitment; (iii) make any loans or enter into any transaction with any Affiliate other than transactions entered into in the ordinary course of business consistent with past practice; (iv) establish, amend or contribute to any pension, retirement, profit sharing, or stock bonus plan or multiemployer plan covering any of the employees of the CRL Business except as required by Law or in the ordinary course of business consistent with past practice; (v) waive, cancel, sell or otherwise dispose of for less than the face value thereof any material claim or right that the CRL Business has against others, except in the ordinary course of business consistent with past practices; (vi) incur indebtedness at any Joint Venture which would constitute Excluded Debt; or (vii) commit, or enter into any agreement to do, any of the foregoing.

5.4 Consents. Seller Parent shall, at its sole cost and expense, use its Commercial Efforts to promptly obtain the consents, approvals and authorizations and to take the other actions set forth on Schedule 3.4. Buyer shall, on Seller Parent's request, use its Commercial Efforts to assist Seller Parent in obtaining such consents, approvals and authorizations and shall have the right, if additional assurances with respect to the assumption of obligations by Recap Subco or any of the Recap Subsidiaries after the Closing Date are requested by the Person from whom consent, approval or authorization is sought, participate, directly or through its Representatives, in the process of obtaining such consents, approvals and authorizations. The forms, terms and conditions of such consents, approvals and authorizations shall be subject to the prior approval of Buyer, which shall not be unreasonably withheld or delayed.

5.5 Tax Matters.

5.5.1 Seller Parent shall cause the CRL Business, Recap Subco and the Recap Subsidiaries to be included in the consolidated federal income Tax Returns of Seller Parent for any periods for which it is required to be so included, and in any other required state, local and foreign consolidated, affiliated, combined, unitary or other similar group income Tax Returns that include the CRL Business, for all periods ending on or prior to the Closing Date. Seller Parent shall prepare information (including schedules, worksheets and other data) necessary, in Seller Parent's judgment, to include the CRL Business, Recap Subco and the Recap Subsidiaries in such income Tax Returns for such periods. Seller Parent shall timely prepare and file, or cause to be prepared and filed, all income Tax Returns of or including the CRL Business, Recap Subco and the Recap Subsidiaries for all taxable periods ending on or before the Closing Date and shall pay, or cause to be paid, when due all income Taxes relating to such Tax Returns.

5.5.2 (a) Seller Parent shall have the right and obligation to represent the interests of the CRL Business, Recap Subco or the Recap Subsidiaries in any Tax audit or administrative or court proceeding relating to Tax Returns for any periods or portions thereof ending on or prior to the Closing Date.

(b) Following the Closing, in the event of an audit of Recap Subco or any Recap Subsidiary as referred to in Section 5.5.3, Buyer shall execute, or cause the appropriate Affiliate of Buyer to execute, a federal tax Form 2848 or comparable Power of Attorney authorizing Seller Parent or Seller Parent's designated representative to represent Recap Co or such Recap Subsidiary with respect to income Taxes for which Seller Parent may be liable pursuant to this Section 5.5 or Article 8.

5.5.3 Buyer shall promptly notify Seller Parent in writing upon receipt by Buyer or any Affiliate of Buyer of notice of any pending or threatened Tax audits or assessments of the CRL Business, Recap Subco or the Recap Subsidiaries so long as any period or portion thereof prior to the Closing Date remains open to the Knowledge of Buyer.

5.5.4 After the Closing Date, Buyer and Seller Parent shall provide each other with such cooperation and information relating to the CRL Business, Recap Subco or the Recap Subsidiaries as either party reasonably may request in filing any Tax Return (or amended Tax Return) or refund claim, determining any Tax liability or a right to a refund, conducting or defending any audit or other proceeding in respect of Taxes or effectuating the terms of this Agreement. The parties shall retain all Tax Returns, schedules, work papers and other material documents relating thereto, until the seventh anniversary of the Closing Date or, if later, the expiration of any relevant statute of limitations (and, to the extent notified by any party, any extensions thereof) and, unless such Tax Returns and other documents are offered and delivered to Seller Parent or Buyer, as applicable, until the final determination of any Tax in respect of such years. Any information obtained under this Section 5.5.4 shall be kept confidential, except as may be otherwise necessary in connection with filing any Tax Return (or amended Tax Return) or refund claim, determining any Tax liability or a right to a refund, conducting or defending any audit or other proceeding in respect of Taxes or otherwise effectuating the terms of this Agreement. Notwithstanding the foregoing, neither Seller Parent nor Buyer, nor any of their Affiliates, shall be required unreasonably to prepare any document, or determine any information not then in its possession, in response to a request under this Subsection 5.5.4; provided, however, no request shall be deemed unreasonable if made in response to the request of a taxing authority for information or documents not in the possession of the party receiving the request nor otherwise reasonably available to it.

5.5.5 CRL will join with Buyer in making a timely election under Section 338(h)(10) of the Code (the "Section 338(h)(10) Election") to treat the Merger as the deemed sale of the assets of all or some (as elected by Buyer) of Recap Co and the Recap Subsidiaries while such Persons are members of Seller Parent's consolidated group for federal income tax purposes. If requested by Buyer, CRL (unless there is a material detriment to CRL) will also join with Buyer in making any similar election under state or local law, which if made shall be treated as part of the Section 338(h)(10) Election. In order to effect a timely Section 338(h)(10) Election, at the Closing, each of CRL and Buyer shall jointly prepare and execute copies of IRS Form 8023 and all attachments required to be filed therewith in accordance with the Code and the applicable

regulations thereunder, which Form 8023 shall be completed by them to the extent practicable at the time of the Closing in a manner consistent with the parties' agreement as to the allocation of the "MADSP" among the assets of Recap Co and the Recap Subsidiaries as set forth in Schedule 5.5.5 of the Disclosure Schedule and shall be delivered to Buyer at the Closing. Following the Closing, Buyer will complete the Form 8023 and will adjust any allocation to comply with the requirements of Section 33 8(h)(10) of the Code and in a manner consistent with provisions of Schedule 5.5.5 of the Disclosure Schedule, and will file the Form 8023 with the IRS (and any applicable state or local tax authority) with a copy to CRL in order to effect a timely Section 338(h)(10) Election. CRL and Buyer agree otherwise to take all necessary action to make a timely Section 338(h)(10) Election with respect to the Merger, and shall otherwise cooperate fully with each other in the making of such election and to comply with all substantive and procedural requirements of Section 338(h)(10) of the Code, any applicable regulations thereunder and any applicable provision of state or local law. Except as required by applicable Law, neither CRL nor Buyer will take, nor permit any Affiliate to take, for federal, state or local income Tax purposes, any position inconsistent with the Section 338(h)(10) Election or the allocation set forth in the Form 8023 filed by Buyer. Buyer will make a timely election under Section 338(g) of the Code with respect to any Recap Subsidiary which is incorporated in a jurisdiction other than the United States and shall comply with all substantive and procedural requirements of Section 338(g) of the Code and any applicable regulations thereunder, unless Buyer would suffer a material detriment as a result of making such election.

5.6 Employee Matters.

5.6.1 During the period commencing on the Closing Date and ending on the eighteen (18) month anniversary of the Closing Date, Buyer shall, or shall cause Recap Subco and the Recap Subsidiaries to provide employee benefit plans, programs and arrangements having benefits not less favorable in the aggregate to the Employees of Recap Subco and the Recap Subsidiaries than the Benefit Plans and Non-U.S. Benefit Plans, as applicable, provided that nothing in this Agreement shall require Buyer, Recap Subco or any Recap Subsidiary to establish, provide, sponsor or maintain any specific plan, program or arrangement or shall require any such Person to continue the employment, or to refrain from modifying or terminating the terms of employment of any Employee. In the case of any new plan, program or arrangement, Buyer shall, or shall cause Recap Subco and the Recap Subsidiaries to the extent permitted under applicable Law, provide that periods of service with any of Recap Subco any Recap Subsidiary, any Seller or any Affiliate of any of the foregoing Persons prior to the Closing Date shall be credited for eligibility, vesting and benefits purposes (if applicable and without duplication) with respect to such plan, program or arrangement, provided that no service will be credited for purposes of calculating an employee's benefit accrual under any Defined Benefit Plan or any Non-U.S. Benefit Plan that is a defined benefit plan for any period of time that the employee did not participate in such plan on or before the Closing Date.

5.6.2 For any mass layoff or plant closing which occurs on or after the Closing Date, Buyer shall cause Recap Subco or the relevant Recap Subsidiary to give any notice to the Employees which is required under the Worker Adjustment and Retraining Notification Act or any similar federal, state, local or foreign Law.

5.6.3 On the Closing Date, Buyer shall have in effect and thereafter maintain or cause Recap Subco and the Recap Subsidiaries to have in effect and maintain all policies of worker's compensation, employer's liability or similar insurance which are required by any Governmental Entity to be in effect as of the Closing Date.

5.6.4 Buyer shall provide or shall cause Recap Subco or the Recap Subsidiaries to provide continuation health care coverage pursuant to Part 6 of Title I of ERISA to all current or former employees of Recap Subco, Recap Subsidiaries and/or their predecessors and such individuals' qualifying beneficiaries who are eligible for such coverage.

5.6.5 On the Closing Date, Seller Parent shall pay and discharge in full all Excluded Debt other than Excluded Debt with respect to Joint Ventures and terminate all related liens, security interests or other encumbrances in respect of CRL Business Assets and comply and cause Recap Subco to comply with their respective obligations under the Releases.

5.7 Additional Assurances.

5.7.1 After the Closing Date, Seller Parent shall promptly and shall cause its Affiliates promptly to, and Buyer shall promptly and shall cause Recap Co and the Recap Subsidiaries promptly to, take such additional actions and execute any such additional documents and instruments as may be reasonably necessary (i) to effectuate the transactions contemplated by this Agreement, including to fully vest good and valid title to all of the CRL Business Assets in Recap Subco and the Recap Subsidiaries, as applicable, and to fully vest good and valid title in the Excluded Assets in Seller Parent or its Affiliates free and clear of all liens, claims or other encumbrances except Permitted Encumbrances, and (ii) to cause Seller Parent or its Affiliates to retain or assume any Excluded Liabilities not retained or assumed by Seller Parent or an Affiliate prior to or on the Closing Date, or to cause Recap Subco or any Recap Subsidiary to assume any Assumed Liability not assumed by it prior to or on the Closing Date. Prior to and after the Closing Date, Seller Parent agrees to assist Buyer in any reasonable manner requested, and without unreasonable delay, in the preparation of financial statements of the CRL Business, including the interim unaudited financial statements at and for the three months ended March 27, 1999 and at and for nine months ended September 25, 1999, including so that such financial statements can be presented in conformity with the accounting rules of Regulation S-X under the Securities Act of 1933, as amended; provided however, that Buyer shall bear any out-of-pocket costs and expenses incurred by Seller Parent or any of its Affiliates in connection with providing such assistance.

5.7.2 Notwithstanding anything to the contrary contained in this Agreement, to the extent that the sale, assignment, transfer, conveyance or delivery or attempted sale, assignment, transfer, conveyance or delivery of any CRL Business Asset in the Internal Reorganization or any transaction contemplated by this Agreement is prohibited by any applicable Law or would require any Governmental Entity or other third party authorizations, approvals, consents or waivers and such authorizations, approvals, consents or waivers shall not have been obtained prior to the Closing and either such item(s) are not a condition to Closing or Buyer shall have waived in writing the applicable condition to Closing with respect to such item(s), this Agreement shall not constitute a sale, assignment, transfer, conveyance or delivery, or any attempted sale, assignment, transfer, conveyance or delivery thereof. Following

the Closing, the parties shall use Commercial Efforts and shall cooperate with each other to obtain promptly such authorizations, approvals, consents or waivers. Pending such authorization, approval, consent or waiver, the parties shall cooperate with each other in any reasonable and lawful arrangements designed to provide to Buyer, Recap Co and the Recap Subsidiaries the benefits and liabilities of use of such CRL Business Asset. Once such authorization, approval, consent or waiver for the sale, assignment, transfer, conveyance or delivery of a CRL Business Asset not sold, assigned, transferred, conveyed or delivered at the Closing is obtained, Seller Parent shall and shall cause its Affiliates to promptly assign, transfer, convey and deliver, or cause to be assigned, transferred, conveyed and delivered, such CRL Business Asset to Recap Subco or a Recap Subsidiary for no additional consideration free and clear of all liens, claims or other encumbrances except Permitted Encumbrances. To the extent that any such CRL Business Asset cannot be transferred or the full benefits and liabilities of use of any such CRL Business Asset cannot be provided to Buyer, Recap Subco and the Recap Subsidiaries following the Closing pursuant to this Section 5.7, then Buyer and Seller Parent or one or more of its Affiliates shall enter into such arrangements (including subleasing or subcontracting if permitted) designed to provide to Recap Subco and the Recap Subsidiaries the economic and operational equivalent of obtaining such authorization, approval, consent or waiver and the performance by Recap Subco and the Recap Subsidiaries of the obligations thereunder to the extent permitted by Law.

5.7.3 Subject to Section 5.4, Buyer and Seller Parent shall cooperate with each other and use their Commercial Efforts, as soon as practicable after the Closing, to take all actions, if any are required, to transfer all permits, authorizations and registrations issued to the CRL Business.

5.8 Updated Disclosure Schedule. Seller Parent shall prepare and deliver to Buyer at least five (5) Business Days prior to the Closing an update of the Disclosure Schedule for the sole purpose of disclosing events or other matters which have occurred after the date of this Agreement other than as a result of the breach of this Agreement by Seller Parent, any of the Sellers, Recap Subco or Recap Co or occurred prior to the date of this Agreement but did not require disclosure as of the date of this Agreement (an "Update"). In the event of the delivery to Buyer of an Update which sets forth the occurrence or existence of an event or other matter which would cause the condition set forth in Section 6.2.1 hereof not to be satisfied (determined without regard to the Update), Buyer shall have no obligation to complete the Closing of the transactions contemplated by this Agreement and may terminate this Agreement pursuant to and in accordance with the procedure set forth in Section 7.1.1(d) (without regard to the twenty (20) day cure period); provided that in the event that Buyer does not so terminate this Agreement and the Closing occurs, the Disclosure Schedule shall be deemed to be amended as of the date of this Agreement to include the events or other matters set forth in the Update for all purposes of this Agreement, including Article 8.

5.9 Buyer's Insurance. From and after the Closing and at all times until the Recap Co Sub Notes have been paid in full and Seller Parent and/or its Affiliates cease to beneficially own any shares of Recap Co Common Stock, Buyer shall cause Recap Co and the Recap Subsidiaries to procure and maintain in full force and effect insurance coverage in such amounts, covering such risks and liabilities and with such deductibles or self-insured retentions as is the normal industry practice for businesses of similar size operating in similar industries and markets and with similar financial conditions, including without limitation, Directors and Officers Liability Insurance with annual limits in an amount not less than $10,000,000 per occurrence and in aggregate.

5.10 Cash Management. On the Closing Date, Seller Parent shall cause the checking and all other applicable bank accounts of Recap Co and the Recap Subsidiaries to have on deposit all amounts in good funds to pay in full on or following the Closing Date all checks and drafts of the CRL Business issued but not drawn on or prior to the Closing Date.

5.11 Company Acquisition Proposal. Seller Parent covenants and agrees that, from and after the date of this Agreement and until the first to occur of its termination pursuant to Article 7 or the Closing, neither it nor any of its Affiliates nor any of its representatives shall directly or indirectly (a) take any action to solicit or initiate any Company Acquisition Proposal (as hereinafter defined), or (b) engage in discussions or negotiations with any Person with respect to any Company Acquisition Proposal, or (c) disclose any non-public information relating to the CRL Business or afford access to the employees, properties, books or records of the CRL Business to any Person that has made or, to Seller Parent's Knowledge is considering making, a Company Acquisition Proposal. Within five (5) Business Days after receipt of a Company Acquisition Proposal or any request for nonpublic information relating to the CRL Business or for access to the employees, properties, books or records of the CRL Business by any Person who indicates that they may be considering making, or has made, a Company Acquisition Proposal, Seller Parent shall notify Buyer of the fact that such event has occurred and shall notify Buyer of the Person if the Company Acquisition Proposal is received, directly or indirectly, by any Person identified on Schedule 5.11 hereto. For the purposes hereof, "Company Acquisition Proposal" shall mean any offer or proposal for (whether oral or in writing), or any indication of interest in, a merger or other business combination involving any of the CRL Business, Recap Subco or any Recap Subsidiary or any Seller or the acquisition of any equity interest in, or all or a substantial portion of the assets of, any of Recap Subco, any Recap Subsidiary or any Seller or the CRL Business, other than the transactions contemplated by this Agreement and other than transactions with respect to the Excluded Assets.

5.12 Books and Records. Seller Parent shall retain in accordance with its current records retention polices all books and records relating to the CRL Business and, unless otherwise consented to in writing by Seller Parent or Buyer (as the case may be), Buyer and Seller Parent will not, for a period of six years following the Closing Date, destroy, alter, or otherwise dispose of any of such books and records without first offering to surrender to Seller Parent or Buyer, as the case may be, such books and records or any portion thereof which Buyer or Seller Parent, as the case may be, may intend to destroy, alter, or dispose. Buyer and Seller Parent will allow the other party's representatives access to such books and records, upon reasonable request during such party's normal business hours, for the purpose of examining and copying the same (but only to the extent they relate to the CRL Business) in connection with any matter related to or arising out of this Agreement or the transactions contemplated hereby or the conduct by Buyer of the CRL Business.

5.13 Use of Names. Buyer, Recap Co and the Recap Subsidiaries are purchasing, acquiring or otherwise obtaining right, title or interest in the names "Charles River Laboratories" and "SPAFAS" and any tradenames, trademarks, identifying logos or service marks related thereto or employing the words "Charles River" or "SPAFAS" (collectively, the "Names"). Seller Parent agrees

that, neither it nor any of its Affiliates shall make any commercial use of the Names from and after the Closing Date; provided, however, Seller Parent shall retain the right to make use of the Names for purposes of reflecting its ownership of the CRL Business prior to the Closing Date. On the Closing Date, Seller Parent shall cause the name of each of its Affiliates that contains the words "Charles River" or "SPAFAS" to be changed to a name that does not contain such words.

5.14 Commitment Letters. Buyer shall use its Commercial Efforts to obtain the financing contemplated by the Commitment Letters and shall use Commercial Efforts to notify Seller Parent in writing within one (1) Business Day if any of the Commitment Letters are terminated or within five (5) Business Days of any of the terms or conditions of the Commitment Letters are amended or modified in any material respect.

5.15 Broekman Sale. In the event that the sale of the Broekman Institute B.V., a Netherlands corporation located at Schoolstraat 21,5711 CP Someran, The Netherlands, to Panning B.V. or an Affiliate thereof (the "Broekman Sale") is consummated after the Closing Date, Buyer shall cause Charles River Laboratories Europe GmbH to pay to Seller Parent all net proceeds of the Broekman Sale within two (2) Business Days after receipt of such proceeds by Charles River Laboratories Europe GmbH; provided, however, Charles River Laboratories Europe GmbH shall be entitled to retain any and all sale proceeds which are placed in escrow on the closing date of the Broekman Sale (the "Escrow Amount") and thereafter released, regardless of whether the Broekman Sale occurs prior to, on or after the Closing Date. In the event that Pharming B.V. or an Affiliate thereof (the "Broekman Purchaser ") makes a claim for indemnification under the Broekman Sale agreement, after the Closing Date Buyer shall cause Recap Subco or a Recap Subsidiary, at Seller Parent's sole cost and expense, to defend the claim, to the same extent as it would defend any claim for which it was responsible for payment. In the event the Broekman Purchaser is entitled to indemnification, such amount first shall be paid out of the sale proceeds placed in escrow to the extent of the Escrow Amount and the balance, if any, shall promptly be paid by Seller Parent. Buyer shall cause Recap Co or a Recap Subsidiary to keep Seller Parent informed on a timely basis of any and all indemnification claims and the status thereof. In the event that the Broekman Sale is consummated after the Closing Date, Seller Parent shall indemnify Recap Co and the Recap Subsidiaries for any income tax or similar tax liability arising from any income or gain realized by Recap Co or any Recap Subsidiaries on the Broekman Sale.

5.16 Stage I Reorganization Matters. Seller Parent shall use its Commercial Efforts cause to CRL, SPAFAS or International, as the case may be, to obtain the consents, approvals and authorizations and make the filings set forth in Schedule 5.16 of the Disclosure Schedule on or prior to the Closing Date.

5.17 Confidential Information. Seller Parent and the Sellers covenant and agree that none of them will, following the Closing, without the prior written consent of Buyer, disclose (or permit to be disclosed) or use in any way any confidential information of the CRL Business unless (i) compelled to disclose such confidential information by judicial or administrative process or, in the opinion of its counsel, by other requirements of Law, (ii) such confidential information is available to the public through no fault of Seller Parent or any of the Sellers, (iii) such confidential information becomes available to Seller Parent or any of the Sellers from a third party who to their

knowledge, is under no confidential fiduciary obligation to the CRL Business, Recap Co, the Recap Subsidiaries or Buyer with respect to such confidential information, or (iv) such confidential information is used in connection with reflecting, asserting or defending Seller Parent's or any of the Seller's ownership of the CRL Business prior to the Closing Date.

5.18 Closing Efforts. Each of Buyer, Buyer Parent and Seller Parent shall use their respective Commercial Efforts to consummate the transactions contemplated hereby.

5.19 Interim Financial Statements. Seller Parent will, or will cause its Affiliates to, maintain the books and records of the CRL Business, on a basis consistent with past practice, and Seller Parent will furnish, or will cause its Affiliates to furnish, Buyer for each complete fiscal quarter occurring after June 26, 1999, financial statements (the "Quarterly Financial Statements") of the CRL Business, including consolidated statements of income, changes in shareholders' equity and cash flows and a consolidated balance sheet, all prepared in accordance with GAAP (but without footnotes) on a basis consistent with the preparation of the Unaudited Financial Statements, within fifteen (15) days of the end of such fiscal quarter ending on or prior to the Closing.

5.20 Financial Assurances. As promptly as practicable after the Closing Date, Buyer shall provide to Seller Parent evidence of the release of Seller Parent or any Seller from, the cancellation of Seller Parent's or any Seller's obligation under, or the substitution of Buyer, Recap Co, Recap Subco or any Recap Subsidiary for Seller Parent or any Seller in, the financial assurances or Letters of Credit related to the CRL Business set forth on Schedule 5.20 of the Disclosure Schedule (the "Financial Assurances"), which evidence shall be in form and substance reasonably satisfactory to Seller Parent.

5.21 Financial Statements.

5.21.1 On or before August 4, 1999, Seller Parent shall deliver to Buyer the audited consolidated balance sheets of the CRL Business as of December 26, 1998 and December 27, 1997 and the related audited consolidated statements of income, changes in shareholder's equity and cash flows, including the notes thereto, for each of the three years in the period ended December 26, 1998, with an unqualified report thereon by PricewaterhouseCoopers LLP (the "Audited Financial Statements").

5.21.2 On or before August 4, 1999, Seller Parent shall deliver to Buyer the final unaudited consolidated balance sheet of the CRL Business as of June 26, 1999, and the related unaudited consolidated statements of income and cash flows, including the notes thereto, for the six-month periods ended June 26, 1999 and June 27, 1998 (the "Unaudited Financial Statements"). The Audited Financial Statements and the Unaudited Financial Statements are collectively referred to as the "Financial Statements."

5.21.3 On or before midnight on the second Business Day after the date of delivery of the Financial Statements, Buyer shall provide a written notice (the "Notice") to Seller Parent which states whether or not the Financial Statements comply with the following (the "Standards"): (i) as to the Audited Financial Statements: (A) the Audited Financial Statements are substantially

identical to the Draft Audited Financial Statements with respect to the consolidated balance sheets as at December 27, 1997 and December 26, 1998 and the related consolidated statements of income and changes in shareholder's equity for each of the three years in the period ended December 26, 1998, (B) the Audited Financial Statements are substantially identical to the Draft Audited Financial Statements with respect to the line items in the consolidated cash flow statements for each of the three years in the period ended December 26, 1998 for cash and cash equivalents at the beginning of the applicable period, cash and cash equivalents at the end of the applicable period, depreciation, amortization and capital expenditures, in each case for the applicable periods, and (C) the notes to the Audited Financial Statements are substantially identical as to form with the notes to the Draft Audited Financial Statements, and the notes to the Audited Financial Statements contain the financial information required by GAAP to be contained therein; and (ii) as to the Unaudited Financial Statements: (A) the Unaudited Financial Statements are substantially similar to the Draft Unaudited Financial Statements with respect to the consolidated balance sheet as of June 26, 1999 and the related consolidated statements of income for the six month periods ended June 26, 1999 and June 27, 1998, (B) the Unaudited Financial Statements are substantially similar to the Draft Unaudited Financial Statements with respect to the line items in the consolidated cash flow statements for the six month periods ended June 26, 1999 and June 27, 1998 for cash and cash equivalents at the beginning of the applicable period, cash and cash equivalents at the end of the applicable period, depreciation, amortization and capital expenditures, in each case for the applicable periods, and (C) the notes to the Unaudited Financial Statements are substantially similar as to form with the notes to the Draft Unaudited Financial Statements, and the notes to the Unaudited Financial Statements contain the financial information required by GAAP to be contained therein. If the Notice states that the Financial Statements are not in conformity with the Standards, or if Buyer provides a written notice to Seller Parent after August 4, 1999 that the Financial Statements have not been delivered to Buyer, this Agreement automatically shall terminate and be of no further force and effect. If the Notice states that the Financial Statements are in conformity with the Standards, or if the Notice is not timely given, this Agreement shall continue in full force and effect in accordance with its terms.

5.22 Net Underfunding Amount. Ten (10) Business Days prior to the Closing Date, Seller Parent shall deliver to Buyer its calculation of the Net Underfunding Amount, together with supporting documentation. Seller Parent and Buyer shall use their Commercial Efforts to reach agreement on the Net Underfunding Amount. In the event they are unable to reach agreement within three Business Days after Buyer's receipt of Seller Parent's calculation, Arthur Andersen LLP shall be engaged to determine the Net Underfunding Amount and Buyer and Seller Parent shall be bound by its determination. The fees and expenses of Arthur Andersen LLP shall be paid 50% by Buyer and 50% by Seller Parent.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Obligations of Buyer and Seller Parent and Recap Co. The respective obligations of Buyer, Buyer Parent, Seller Parent, the Sellers, Recap Co and Recap

Subco to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of the following conditions:

6.1.1 (a) There shall be no injunction, restraining order or decree of any nature of any Governmental Entity that is in effect that restrains or prohibits the consummation of the transactions contemplated hereby, provided that with respect to injunctions, restraining orders or decrees that do not individually, or in the aggregate, restrain the transfer of a material portion of the CRL Business Assets (an "Immaterial Injunction"), Buyer shall be required to use Commercial Efforts to remove such Immaterial Injunction by entering into an agreement with the applicable Governmental Entity to divest such enjoined CRL Business Assets after the Closing Date, or Buyer shall have the right to require Seller Parent to divest the enjoined CRL Business Assets on or prior to the Closing Date, and in either case Buyer shall be entitled to the proceeds of such divestiture.

(b) Subject to Section 5.2.2, all consents, approvals, authorizations and orders of Governmental Entities that are necessary to permit the consummation of the transactions contemplated by this Agreement and which are set forth on Schedule 6.1.1 (the "Governmental Consents") shall have been obtained in form and substance reasonably satisfactory to Buyer and Seller Parent, and, without limiting the foregoing, all applicable waiting periods specified under the HSR Act and applicable foreign antitrust and competition Laws with respect to the transactions contemplated by this Agreement, shall have lapsed or been terminated.

(c) For purposes of Section 6.1.1(a), a material portion of the CRL Business Assets shall mean CRL Business Assets generating aggregate annual revenues exceeding $15,000,000 based on the fiscal year ended December 26, 1998.

6.2 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver in writing by Buyer) at or prior to the Closing of each of the following conditions:

6.2.1 Each representation and warranty of Seller Parent contained in this Agreement shall be true and correct on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except (i) to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date, and (ii) to the extent that any inaccuracies in such representations and warranties, individually or in the aggregate, have not had, and would not reasonably be expected to have, a CRL Business Material Adverse Effect.

6.2.2 Seller Parent, Recap Subco and each Seller shall have performed all obligations and agreements, and complied with all covenants and conditions, contained in this Agreement to be performed or complied with by each of them prior to or on the Closing Date except to the extent that any breaches of such obligations, agreements, covenants and conditions, individually or in the aggregate, have not had, and would not reasonably be expected to have, a CRL Business Material Adverse Effect.

6.2.3 Buyer shall have received a certificate of Seller Parent, dated the Closing Date and executed by an officer of Seller Parent, to the effect that each of the representations and warranties of Seller Parent contained in this Agreement is true and correct on the Closing Date as if made on such Date, except as set forth in the Update, and that the Update is true and correct.

6.2.4 The Affiliates of Parent, other than the CRL Business employees, who are directors and officers of Recap Subco and the Recap Subsidiaries and who have been requested to resign by Buyer shall have tendered their resignations effective as of the Closing Date.

6.2.5 Buyer shall have received evidence satisfactory to Buyer of receipt of the consents or approvals to the consummation of the transactions contemplated by this Agreement and the Internal Reorganization under (or, as applicable, the taking of the indicated action in connection with the transactions contemplated by this Agreement and the Internal Reorganization with respect to) the contracts, agreements, leases, other instruments, licenses and other items which have been designated with an asterisk in Schedule 3.4 of the Disclosure Schedule, which consents, approvals and actions shall be in form and substance reasonably satisfactory to Buyer.

6.2.6 On the Closing Date, Seller Parent shall have delivered to Buyer all of the following:

(i) stock certificates representing the Purchased Shares. Each such certificate evidencing the Purchased Shares shall be duly endorsed in blank, or be accompanied by stock transfer powers duly executed in blank, and shall be accompanied by all requisite documentary or stock transfer taxes affixed thereto and canceled;

(ii) all stock certificates, minute books, stock books, ledgers and registers, corporate seals and other corporate records relating to the organization, ownership and maintenance of Recap Subco and each Recap Subsidiary which are not located at Recap Subco or any Recap Subsidiary in Wilmington, Massachusetts or at the principal place of business of Recap Subco or any Recap Subsidiary;

(iii) original or copies of consents, filings, authorizations, approvals and other actions described in Sections 5.5.5, 6.1.1(b) or 6.2.5;

(iv) certificates as to the valid existence and good standing of Recap Subco and each Recap Subsidiary which is organized under the Laws of the United States of America (or other appropriate certificates in those jurisdictions that do not issue such good standing certificates) from the Secretary of State or other appropriate Governmental Entity of each of such Person's respective jurisdiction of incorporation, organization or formation, as the case may be, dated as of a date within thirty (30) days of the Closing Date; and

(v) a true and correct copy of the certificate of incorporation or articles of organization, as the case may be, by-laws or other organizational

documents of each of Recap Co, Recap Subco and each Recap Subsidiary which is organized under the Laws of the United States of America, certified as true and correct by the Secretary or Assistant Secretary of Seller Parent.

6.2.7 Seller Parent, Recap Co and each other stockholder of Recap Co (other than Buyer) shall have executed and delivered to Buyer the Investors' Agreement.

6.2.8 Buyer, Recap Co and Recap Subco shall have received debt and equity proceeds in the amounts and on the terms and conditions set forth in the Commitment Letters or such other terms and conditions satisfactory to Buyer.

6.2.9 Buyer shall have received an opinion of counsel for Seller Parent, Recap Co, Recap Subco and the Sellers, dated the date of the Closing, in form and substance reasonably satisfactory to Buyer.

6.3 Conditions to Obligations of Seller Parent, the Sellers, Recap Co and Recap Subco. The obligations of Seller Parent, each Seller, Recap Co and Recap Subco to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver in writing by Seller Parent) at or prior to the Closing of each of the following conditions:

6.3.1 Each of the representations and warranties of Buyer contained in this Agreement shall be true and correct on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except (i) to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date, and (ii) to the extent that any inaccuracies in such representations and warranties, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Buyer Material Adverse Effect.

6.3.2 Buyer shall have performed all obligations and agreements, and complied with all covenants and conditions, contained in this Agreement to be performed or complied with by it prior to or on the Closing Date except to the extent that any breaches of such obligations, agreements, covenants and conditions, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Buyer Material Adverse Effect.

6.3.3 Seller Parent shall have received a certificate of Buyer, dated the Closing Date and executed by an officer of Buyer, to the effect that the conditions specified in Sections 6.3.1 and 6.3.2 above have been fulfilled.

6.3.4 Buyer, Recap Co and each other stockholder of Recap Co (other than CRL) shall have executed and delivered to Seller Parent the Investors' Agreement.

6.3.5 Seller Parent shall have received an opinion of counsel for Buyer and Buyer Parent, dated the date of the Closing, in form and substance reasonably satisfactory to Seller Parent.

ARTICLE 7

TERMINATION AND ABANDONMENT

7.1 Termination.

7.1.1 This Agreement maybe terminated at anytime prior to the Closing Date:

(a) by mutual written consent of Seller Parent and Buyer;

(b) by either Seller Parent or Buyer, if: (i) the Redemptions, Merger and Recapitalization shall not have been consummated on or prior to the date which is three (3) months after the date hereof; provided, however, that the right to terminate this Agreement pursuant to this Section 7.1.1(b) shall not be available to any party whose breach of any of its representations, warranties, covenants or other agreements under this Agreement or failure to perform any of its obligations under this Agreement results in the failure of the transactions contemplated by this Agreement to be consummated by such time; or (ii) subject to Section 5.2.2 any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement and such order, decree or ruling or other action shall have become final and non-appealable (but only if the terminating party (if it has standing to do so) shall have used its Commercial Efforts to cause such order, decree or ruling or other action to be lifted or vacated);

(c) by Seller Parent, if (i) Buyer or Buyer Parent shall have breached any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform is incapable of being cured or has not been cured within 20 days after the giving of written notice thereof to Buyer and such breach, individually or in the aggregate, has had or would reasonably be expected to have, a Buyer Material Adverse Effect; provided, however, that Seller Parent may not terminate this Agreement pursuant to this Section 7.1.1(c) if Seller Parent, Recap Subco, Recap Co or any Seller is then in breach in any material respect of any of such Person's representation, warranty, covenant or agreement contained in this Agreement, or (ii) one or more of the Commitment Letters have been terminated or have expired and substitute commitment letters, on substantially the same terms and conditions, have not been entered into by Buyer at the time of such termination or expiration.

(d) by Buyer, if Seller Parent, Recap Co, Recap Subco or any Seller shall have breached any of such Person's representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform is incapable of being cured or has not been cured within 20 days after the giving of written notice thereof to Seller Parent and such breaches, individually or in the aggregate, have had or would reasonably be expected to have, a CRL Business Material Adverse Effect; provided, however, that Buyer may not terminate this Agreement pursuant to this Section 7.1.1(d) if Buyer is then in breach in any material respect of any representation, warranty, covenant or agreement contained in this Agreement.

7.1.2 The party desiring to terminate this Agreement pursuant to Section 7.1.1 shall give written notice of such termination to the other party in accordance with Section 9.5 below.

7.1.3 This Agreement shall automatically terminate under the circumstances set forth in Section 5.21.3.

7.2 Effect of Termination and Abandonment. In the event of termination of this Agreement and the abandonment of the transactions contemplated by this Agreement pursuant to this Article 7, this Agreement (other than as set forth in this Section 7.2 and Sections 9.1 (Public Announcement), 9.2 (Expenses), 9.5 (Notices) and 9.14 (Applicable Law)) shall become void and of no effect with no liability on the part of any party hereto (or of any of its directors, officers, employees, agents, legal or financial advisors or other representatives); except nothing contained in this Agreement shall relieve any party from any liability for any inaccuracy, misrepresentation or breach of any representation, warranty, covenant or agreement contained in this Agreement prior to such termination.

ARTICLE 8

SURVIVAL AND INDEMNIFICATION

8.1 Survival of Representations, Warranties and Covenants. The representations and warranties of the parties contained in this Agreement shall survive the Closing for the periods set forth in this Section 8.1. The representations and warranties of Seller Parent and Recap Co shall survive the Closing and the representations and warranties of Buyer and Buyer Parent shall survive the Closing until the close of business on March 31, 2001 (the "Expiration Date"), provided, however, that the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.5, 3.12(a)(i), (ii) and (iv), 4.1, 4.2, 4.3., and 4.7 shall survive the Closing until the sixth year anniversary of the Closing Date with respect to claims which may be asserted in connection with a breach thereof, the representations and warranties contained in Section 3.16 shall survive the Closing for four years with respect to claims which may be asserted in connection with a breach thereof, and the representations and warranties that are the subject of any indemnification claim shall survive indefinitely, but only with respect to such indemnification claim until such claim is finally resolved. The covenants and agreements made by any party which are to be performed after the Closing Date shall survive until fully performed and the covenants and agreements made by any party which are to be performed at or prior to the Closing Date shall expire at the Closing other than Article 2 and Sections 5.6.5, 5.10 and 5.11.

8.2 Indemnification by Seller Parent. Subject to the applicable limitations set forth in Section 8.4 and in the manner herein provided, from and after the Closing Date, Seller Parent shall indemnify and hold harmless Recap Co, Recap Subco, each Recap Subsidiary, Buyer and its Affiliates, and their respective employees, directors, agents and representatives (collectively, the "Buyer Indemnified Parties"), from and against any and all Loss and Litigation Expense, which they or any of them may suffer or incur as a result of or arising from any of the following: (a) any misrepresentation or breach of any representation or warranty of Seller Parent contained in this Agreement or in any certificate delivered pursuant hereto including, without limitation, pursuant to Section 6.2.3 or as a result of an Update; or (b) the failure by Seller Parent, any Seller, Recap Co or Recap Subco to perform any of such Person's covenants and agreements under this Agreement (in the case of Recap Co and Recap Subco, covenants and agreements to be performed on or prior to the Closing Date); or (c) any Excluded Liability.

8.3 Indemnification by Recap Co. Subject to the applicable limitations set forth in Section 8.4 and in the manner herein provided, from and after the Closing Date, Recap Co shall indemnify and hold harmless Seller Parent, its Affiliates and their respective employees, directors, agents and representatives (collectively, the "Seller Indemnified Parties"), from and against any and all Loss and Litigation Expense which they, or any of them, may suffer or incur as a result of or arising from any of the following: (a) any misrepresentation or breach of warranty of Buyer or Buyer Parent contained in this Agreement; (b) the failure by Buyer, Buyer Parent or, after the Closing Date, Recap Co or Recap Subco to perform any of such Person's covenants and agreements under this Agreement (in the case of Recap Co and Recap Subco, covenants and agreements to be performed after the Closing Date); (c) any Assumed Liability; or (d) the conduct of the CRL Business after the Closing Date except to the extent the Losses or Litigation Expense resulted from the conduct of the CRL Business prior to the Closing Date. Any indemnity payable pursuant to Section 8.3(a) or Section 8.3(b) (but only with respect to the covenants and agreements, contained in Section 5.15), shall be increased by an amount equal to the sum of (i) such Loss and Litigation Expense and (ii) the product of such amount and Seller's Equity Percentage at the time.

8.4 Certain Limitations on Indemnities

8.4.1 Subject to the terms hereof, the aggregate liability of Seller Parent or Recap Co, as the case may be, for Losses and Litigation Expenses under Sections 8.2(a) or 8.3(a), respectively, other than Losses and Litigation Expenses arising from any inaccuracy or breach of any of the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.5, 3.12(a)(iv), 4.1, 4.2, 4.3, and 4.7 (in which case the limits set forth in this Section 8.4.1 shall be inapplicable), is, and shall be, limited to an amount equal to $100,000,000.

8.4.2 No Buyer Indemnified Party nor any Seller Indemnified Party shall be entitled to indemnification pursuant to Sections 8.2(a) or 8.3(a) hereof unless and until the aggregate amount of all Losses and Litigation Expenses sustained or incurred by all Buyer Indemnified Parties or all Seller Indemnified Parties, as the case may be, under Sections 8.2(a) or 8.3(a), respectively, exceeds an aggregate amount (the "Basket Amount") equal to $4,000,000, and then only for the amount of such excess, provided however, that the limit set forth in this Section 8.4.2 shall not be applicable for Losses or Litigation Expenses for any indemnification obligation arising under (a) Section 8.2(a) (to the extent relating to misrepresentations, inaccuracies or breaches of the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.5, 3.9, 3.12(a)(iv)) or (b) Section 8.3(a) (to the extent relating to misrepresentations, inaccuracies or breaches of the representations and warranties contained in Sections 4.1, 4.2, 4.3, or 4.7).

8.4.3 Any indemnity payable pursuant to this Agreement shall be decreased to the extent of any insurance proceeds (net of all Costs payable in connection therewith) actually received by a Buyer Indemnified Party or Seller Indemnified Party or which a Buyer Indemnified Party or a Seller Indemnified Party is unconditionally entitled to receive in respect of the Loss giving rise to such indemnity payment.

8.4.4 The indemnifying party under Sections 8.2(a) and 8.3(a) shall not be liable to any Indemnified Party with respect to any occurrence, event, circumstance, act, omission or conduct unless such matter or a series of related matters arising from the same or similar occurrences, events, circumstances,

acts, omissions or conduct which causes a representation or warranty under Sections 8.2(a) or 8.3(a) to be breached results in Costs of $25,000 or more, and then only for the amount of such excess.

8.4.5 Each indemnified party shall be obligated, in connection with any claim for indemnification under Section 8.2 or 8.3, to use Commercial Efforts to mitigate Losses upon and after becoming aware of any event which could reasonably be expected to give rise to such Losses.

8.5 Procedure. Promptly after acquiring knowledge of any Loss, or any action, suit, investigation, proceeding, demand, assessment, audit, judgment, or claim ("Claim") which may result in a Loss or Litigation Expense, the Person seeking indemnity under this Article 8 (the "Indemnitee") shall give written notice thereof to the party from whom indemnity is sought (the "Indemnitor"); provided, however, that the failure to promptly notify the Indemnitor shall not affect the indemnification obligation hereunder if the Indemnitor was not prejudiced thereby and the failure to promptly notify was inadvertent. The Indemnitor shall have the right, at its expense, to defend or contest (subject to the third to last sentence of this Section 8.5) such Claim, through counsel of its choice (unless such Indemnitor is relieved of its liability hereunder with respect to such Claim and Loss and Litigation Expense by the Indemnitee) and shall not then be liable for fees or expenses of the Indemnitee's attorneys (unless the Indemnitor and Indemnitee are parties to the action and there exists a conflict of interest between the Indemnitor and the Indemnitee, in which event the Indemnitor will be responsible for the reasonable fees and expenses of one firm of counsel for all Indemnitees), and the Indemnitee and the Indemnitor shall provide to each other all necessary and reasonable cooperation in the defense of all Claims, including, but not limited to, reasonable access to employees who are familiar with the transactions out of which such Claim or Loss may have arisen. In the event that the Indemnitor shall undertake to defend any Claim, it shall promptly notify the Indemnitee of its intention to do so within thirty (30) days of being notified of any such Claim. In the event that the Indemnitor, after written notice from Indemnitee, fails to take timely action to defend the same, the Indemnitee shall have the right to defend the same by counsel of its own choosing, but at the cost and expense of the Indemnitor, provided no settlement of a Claim by Indemnitee (other than a Claim relating to an Excluded Liability) shall be effected without the consent of the Indemnitor which shall not be unreasonably withheld or delayed unless Indemnitee waives any right to indemnification therefor. The Indemnitor may settle or compromise any Claim without the prior written consent of Indemnitee except for settlement or compromise of a Claim (i) which includes the unconditional release by the Person asserting the Claim and any related claimants of Indemnitee from all liability with respect to such Claim in form and substance reasonably satisfactory to Indemnitee, (ii) which would not adversely affect the Indemnitee and its Affiliates to own, hold, use and operate their respective assets and businesses, and (iii) for money damages only. Seller Parent and Buyer shall treat any payment under this Article 8 for all Tax purposes as an adjustment of the Purchase Price and as allocable to the assets deemed purchased under the Section 338(h)(10) Election as shall reasonably be determined by the Indemnitee, except to the extent such treatment is not permitted under applicable Law.

8.5.1 (a) The amount of any indemnification payment otherwise determined to be due under this Article 8 shall be reduced (but not increased) by the amount of the "Actual Tax Savings" (as hereinafter defined), if any, realized by the Indemnitee with respect to the

indemnified Loss. For purposes hereof, the amount of an Indemnitee's Actual Tax Savings shall be equal to the excess, if any, of the Actual Tax Benefit Amount over the Actual Tax Detriment Amount, each as defined below and each of which shall be calculated taking into account only those items of tax savings or tax liabilities actually incurred by the Indemnitee in the taxable year in which the indemnification payment is made (taking into account all of the indemnitee's tax attributes for the period or periods in question).

(b) The Actual Tax Benefit Amount shall equal the actual amount of any reduction of the Indemnitee's federal, state

or local (but not foreign) income tax liability for the taxable year in which the indemnification payment is made, which reduction would not have been realized but for the occurrence of the event in respect of which the indemnification payment is made or the receipt of the indemnification payment. The Actual Tax Detriment Amount shall equal the actual amount of any increase in the Indemnitee's federal, state or local (but not foreign) income tax liability for the taxable year in which the indemnification payment is made, which increase would not have been realized but for the occurrence of the event in respect of which the indemnification payment is made or the receipt of the indemnification payment.

(c) The parties agree that any determination made under this Section 8.5.1 shall be made by the Indemnitee, who shall provide the Indemnitor with its calculation of the Actual Tax Savings in writing. The parties shall attempt to resolve any dispute over such determination in good faith, provided that if such dispute is not resolved by the parties such determination shall be made by the national accounting firm regularly employed by the Indemnitee.

8.6 No Consequential Damages. NEITHER ANY PARTY TO THIS AGREEMENT NOR THEIR AFFILIATES SHALL BE LIABLE FOR CONSEQUENTIAL DAMAGES SUFFERED BY A PARTY OR ITS AFFILIATES WITH RESPECT TO ANY TERM OR THE SUBJECT MATTER OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT THIS WAIVER SHALL NOT LIMIT ANY LIABILITY OF ANY PARTY TO INDEMNIFY THE APPLICABLE INDEMNIFIED PARTIES FOR LOSS OR LITIGATION EXPENSES ARISING FROM COSTS OF SUCH TYPE WHICH THE INDEMNIFIED PARTY IS REQUIRED TO PAY TO ANY OTHER PERSON.

8.7 Exclusive Remedy. If the Closing occurs, the exclusive remedies for any breach of any representation, warranty, covenant or agreement hereunder shall be the indemnification provided by this Article 8, and each party expressly waives any other rights or remedies it may have, whether under this Agreement or otherwise, or (other than in the case of fraudulent conduct) at law or in equity, provided, however, that equitable relief, including the remedies of specific performance and injunction shall be available with respect to any actual or attempted breach of this Agreement occurring before the Closing Date or with respect to the breach of any covenant to be performed after the Closing Date.

8.8 Validity. The indemnification agreements provided for in this Article 8 shall apply notwithstanding any knowledge of, or any investigation made at any time by or on behalf of, any party hereto.

8.9 Waiver. It is understood and agreed that neither Seller Parent nor any Seller shall be entitled to any indemnification, right of contribution or other right of recovery from Recap Co, Recap Subco or any Recap Subsidiary in connection with any claim made by any Buyer Indemnification Party(s) against Seller Parent hereunder, all of which are hereby irrevocably and unconditionally waived and released by Seller Parent and each Seller; provided, however, such waiver shall not preclude Seller Parent or any Seller from contesting any such claims made by any Buyer Indemnified Party, including, without limitation, on the basis that the alleged Loss or Litigation Expense arose, in whole or in part, as a result of the operation of the CRL Business after the Closing Date or arose out of an Assumed Liability.

Article 9

MISCELLANEOUS

9.1 Public Announcement. Except in furtherance by Buyer and Buyer Parent of its covenants in Sections 5.14 and 5.18 and notwithstanding anything contained in this Agreement, no news release or other public announcement pertaining in any way to the transactions contemplated by this Agreement will be made by any party without the prior consent of the other parties (which consent shall not be unreasonably withheld, conditioned or delayed) unless such release or announcement is required by applicable Laws or pursuant to any applicable listing agreement with, or rules or regulations of, the NYSE, in which case the disclosing party, prior to making such announcement, shall consult with the other parties. In the event the transactions contemplated by this Agreement are not consummated, each party shall return to the other all documents, work papers and other materials, including any extracts, summaries, analyses, compilations or other documents prepared by the receiving party or its representatives from such information (including any copies thereof whether in written, electronic or other format) or destroy such materials and provide to the other a written certification of such destruction and will hold in absolute confidence any information obtained from the other party except to the extent (i) such party is required to disclose such information by Law or such disclosure is necessary or desirable in connection with the pursuit or defense of a claim relating to the transactions contemplated hereby, (ii) such information was known by such party prior to such disclosure or was thereafter developed or obtained by such party independent of such disclosure, or (iii) such information becomes generally available to the public or is otherwise no longer confidential. Prior to any disclosure of information pursuant to the exception in clause (i) of the preceding sentence, the party intending to disclose the same shall so notify the party that provided the same in order that such party may seek a protective order or other appropriate remedy should it choose to do so.

9.2 Expenses. Subject to the provisions of Sections 7.2 and 9.3, whether or not the transactions contemplated by this Agreement are completed, each of the parties hereto shall pay the fees and expenses incurred by it in connection with the negotiation, preparation, execution and performance of this Agreement, including, without limitation, attorneys', accountants', brokers' and other advisors' fees.

9.3 Transfer Taxes and Recording Expenses. All excise, sales, use, transfer, stamp, documentary, filing, recording and other similar taxes or fees which may be imposed or assessed

as the result of the transactions contemplated hereby, including, without limitation, the Merger and Redemptions ("Transfer Taxes"), together with any interest or penalties with respect thereto, shall be shared by the Seller Parent and Recap Co as follows: the first $100,000 shall be paid by Seller Parent, the second $100,000 shall be paid by, and all amounts in excess of $200,000 shall be paid 50% by Recap Co and 50% by Seller Parent. All excise, sales, use, transfer, stamp, documentary, filing, recording and other similar taxes or fees which may be imposed or assessed as the result of the Internal Reorganization, together with any interest or penalties with respect thereto ("Reorganization Transfer Taxes"), shall be paid 56.25% by Recap Co and 43.75% by Seller Parent. All Tax Returns required to be filed in connection with any Transfer Taxes or Reorganization Transfer Taxes ("Transfer Tax Returns") shall be prepared and filed when due by the party responsible under applicable Law or custom to file such Transfer Tax Returns. The filing party shall promptly provide the other applicable parties with copies of such Transfer Tax Returns. All Transfer Tax Returns shall be prepared on a basis consistent with Schedule 5.5.5 of the Disclosure Schedule. From time to time but not later than ninety (90) days after the Closing Date, Seller Parent shall provide notice to Buyer of any Transfer Taxes and Reorganization Transfer Taxes paid by Seller Parent or its Affiliates and Buyer shall promptly reimburse Seller Parent or its Affiliates as applicable in accordance with the provisions of this Section 9.3. From time to time but not later than ninety (90) days after the Closing Date, Buyer shall provide notice to Seller Parent of any Transfer Taxes and Reorganization Transfer Taxes paid by Buyer or its Affiliates and Seller Parent shall promptly reimburse Buyer or its Affiliates as applicable in accordance with the provisions of this Section 9.3. Seller Parent shall pay all interest or penalty charges associated with Seller Parent's failure to pay when due any Transfer Taxes or any Reorganization Transfer Taxes, provided that such failure is not the result of Buyer's failure to remit amounts agreed to be paid under this Section 9.3 to Seller Parent promptly upon request.

9.4 Knowledge. Whenever used in this Agreement, the words "knowledge" of Seller Parent or similar words or phrases shall mean the actual knowledge of those officers of Seller Parent or the CRL Business who are listed on Schedule 9.4(a) and the words "knowledge" of Buyer or similar words or phrases shall mean the actual knowledge of those officers of Buyer, Buyer Parent or its Affiliates who are listed on Schedule 9.4(b).

9.5 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, if sent by telecopier or facsimile or sent by a recognized overnight courier service or mailed, first class mail, postage prepaid, return receipt requested, as follows:

(a) If to Seller Parent or, prior to the Closing Date, to Recap Co or Recap Subco:

Bausch & Lomb Incorporated
One Bausch & Lomb Place
Rochester, New York 14604-2701
Attention: Alan H. Farnsworth
Vice President - Business Development
Fax: (716)338-8706

with copies to:

Bausch & Lomb Incorporated
One Bausch & Lomb Place
Rochester, New York 14604-2701
Attention: Robert B. Stiles, Esq.

Senior Vice President and General Counsel
Fax: (716)338-5043

Nixon Peabody LLP

P.O. Box 1051
Clinton Square

Rochester, New York 14604
Attention: Lori B. Green, Esq.
Fax: (716) 263-1600

(b) If to Buyer or Buyer Parent or, after the Closing Date, to Recap Co or Recap Subco:

DLJ Merchant Banking Partners
277 Park Avenue
New York, New York 10172
Attention: Ivy Dodes
Fax: (212) 892-2609

with a copy to:

Haythe & Curley
237 Park Avenue
New York, New York 10017
Attention: Bradley P. Cost, Esq.
Fax: (212) 682-0200

or to such other address as either party shall have specified by notice in writing to the other party. All such notices, requests, demands and communications shall be deemed to have been given on the date of personal delivery or upon confirmed receipt to the person to whom addressed if sent by telecopier, overnight courier service or mail.

9.6 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected by such invalidity or unenforceability.

9.7 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the parties further agree that each party shall be entitled to an injunction or restraining order to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, all without the necessity of posting any bond or other security and without the need to show any actual damages or that money damages would not afford an adequate remedy, this being in addition to any other right or remedy to which such party may be entitled under this Agreement, at law or in equity.

9.8 No Conflict of Interest. Each of the parties to this Agreement hereby agrees that Nixon Peabody LLP (or its successor) may serve as counsel to Seller Parent and its Affiliates and Haythe & Curley (or its successor) may serve as counsel to Buyer and its Affiliates in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder and that either Nixon Peabody LLP (or its successor) or Haythe & Curley (or any successor) may serve as counsel to Seller Parent, Seller Parent's Affiliates, Buyer, Buyer's Affiliates or any director, officer, employee or affiliate of any one or more of them in connection with any litigation arising out of or relating to this Agreement or the transactions contemplated by this Agreement, each of the parties hereto hereby consenting thereto and waiving any conflict of interest arising therefrom. This Agreement shall not limit, impair or modify any existing agreement, arrangement or understanding relating to the representation by Nixon Peabody LLP (or its successor) or Haythe & Curley (or its successors) of any of the parties hereto or any beneficial owner of any such party.

9.9 Binding Effect; Benefit. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Except as provided in Article 8 with respect to indemnification, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

9.10 Assignability. This Agreement shall not be assigned by Seller Parent, Parent Canada, any Seller, Recap Subsidiary or Recap Co without the prior written consent of Buyer or by Buyer without the prior written consent of Seller Parent; provided, however, that at and after the Closing, Buyer's, Recap Co's and Recap Subco's rights or interest under this Agreement may be assigned, upon at least 30 days (or two (2) days in the case of clause (a) below) prior written notice to Seller Parent, (a) to any Affiliate of Buyer, and (b) in connection with a sale of all or substantially all of the assets of Buyer or any of its corporate parents, or direct or indirect consolidated subsidiaries; and provided further that at and after the Closing, Buyer's, Recap Co's and Recap Subco's rights or interests under this Agreement may be assigned to any bank, financial institution or other Person which has extended credit to Recap Co, Recap SubCo, Buyer or any Affiliate of Buyer. Any attempted assignment in violation of this Section 9.10 shall be null and void.

9.11 Amendment, Waiver. This Agreement may be amended, supplemented or otherwise modified only by a written instrument executed by Seller Parent and Buyer. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. Except as provided in the preceding sentence, no

action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained herein or in any other document delivered in connection herewith. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

9.12 Section Headings. The Section headings contained in this Agreement and the table of contents to this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

9.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

9.14 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflicts of laws principles thereof.

9.15 Submission to Jurisdiction. The parties hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the federal courts of the United States of America located in Monroe County, New York for any actions, suits or proceedings arising out of or relating to this Agreement, the Recapitalization Documents or the transactions contemplated hereby or thereby, and the parties agree not to commence any action, suit or proceeding relating thereto except in such courts, and further agree that service of any process, summons, notice or document by U.S. registered mail shall be effective service of process for any action, suit or proceeding brought against the parties in any such court. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, any Recapitalization Document or the transactions contemplated hereby or thereby, in the federal courts of the United States of America located in Monroe County, New York, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

9.16 Entire Agreement. This Agreement, including the Exhibits and the Disclosure Schedule hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written (other than the Confidentiality Agreement which shall not survive the Closing). There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein.

IN WITNESSETH WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

Bausch & Lomb, Incorporated

By:

Name: Alan H. Farnsworth
Title: Vice President

CRL Holdings, Inc.

By:

Name: Alan H. Farnsworth
Title: Vice President

Endosafe, Inc.

By:

Name: Alan H. Farnsworth
Title: Vice President

Bausch & Lomb International, Inc.

By:

Name: Alan H. Farnsworth
Title: Vice President

Charles River SPAFAS, Inc.

By:

Name: Alan H. Farnsworth
Title: Vice President

Charles River Laboratories, Inc.

By:

Name: Alan H. Farnsworth
Title: Vice President

Wilmington Partners, L.P.

By: Wilmington Management Corp.,
a General Partner

By:

Name: Alan H. Farnsworth
Title: Vice President

Bausch & Lomb Canada, Inc.

By:

Name: Alan H. Farnsworth
Title: Vice President

CRL Acquisition LLC

By:

Name: Reid Perper
Title: President

DLJ Merchant Banking Partners II, L.P.

By:

Name: Ari Benacerraf
Title: Principal

EXHIBIT 2.2

AMENDMENT NO. 1

TO

RECAPITALIZATION AGREEMENT

AMENDMENT dated as of September 29, 1999 (this "Amendment") to Recapitalization Agreement dated as of the July 25, 1999 (the "Recapitalization Agreement") by and among Bausch & Lomb Incorporated, a New York corporation ("Seller Parent') and CRL Acquisition LLC, a Delaware limited liability company ("Buyer"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Recapitalization Agreement.

W I T N E S S E T H

WHEREAS, Seller Parent, Buyer, Sellers, Parent Canada, Recap Co, Recap Subco and Buyer Parent have entered into the Recapitalization Agreement; and

WHEREAS, the parties hereto desire to amend certain of the provisions of the Recapitalization Agreement pursuant to Section 9.11 thereof as more particularly described below.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I.

AMENDMENTS TO RECAPITALIZATION AGREEMENT

1.1 The parties hereto acknowledge and agree that Section 2.1 of the Recapitalization Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"2.1 Reorganization and Stock Split. Upon the terms and subject to the conditions of this Agreement, the parties agree that the following transactions will take place immediately prior to the Closing in the order set forth below (with the steps set forth in Section 2.1.2 through 2.1.5 being hereinafter referred to as the "Stage 2 Reorganization"):

2.1.1 Recap Co shall redeem 29,000 shares of Recap Co Common Stock owned by Recap Subco in exchange for $1.00.

2.1.2 Recap Subco shall form a wholly owned Canadian Corporation ("NewCanCo").

2.1.3 WPLP shall contribute all of its CRL Business Assets used in the CRL Business to Recapo Subco and, in exchange therefor, Recap Subco shall issue to WPLP the Recap Subco Preferred Stock pursuant to a contribution agreement in substantially the form of the Contribution Agreements.

2.1.4 CRL shall purchase shares of Recap Subco Common Stock in exchange for cash and Recap Subco shall purchase shares of NewCanCo common stock in exchange for cash.

2.1.5 Parent Canada shall sell all of its CRL Business Assets used in the CRL Business to NewCanCo in exchange for cash pursuant to an Asset Purchase Agreement in substantially the form of the Contribution Agreements.

2.1.6 Each of CRL, SPAFAS, and International shall exchange all of the Recap Subco Common Stock owned by it for the same number of shares of Recap Co Common Stock and WPLP shall exchange all of the Recap Subco Preferred Stock for the same number of shares of Recap Co Preferred Stock."

2.1.7 Recap Co shall redeem 1,000 shares of Recap Co Common Stock owned by Recap Subco in exchange for $1.00.

2.1.8 Recap Co shall, by way of a stock dividend, effect a stock split of the issued and outstanding shares of Recap Co Common Stock by declaring and paying a stock dividend of 46.6190509259 shares of Recap Co Common Stock in respect of each issued and outstanding share of Recap Co Common Stock (the "Stock Split").

2.1.9 Buyer shall form a wholly owned Delaware corporation ("Acquisition Co") and contribute at least $90,000,000 thereto in exchange for shares of common stock of Acquisition Co."

1.2 (a) The parties hereto acknowledge and agree that Section 2.3 of the Recapitalization Agreement is hereby amended by deleting the caption thereto in its entirety and replacing such caption with the following: "Redemptions; Merger."

(b) The parties hereto acknowledge and agree that Section 2.3 of the Recapitalization Agreement is hereby amended by deleting Section 2.3.4 thereof in its entirety and replacing such Section 2.3.4 with the following:

"2.3.4 Recap Co shall redeem 5,227,167 shares of Recap Co Common

Stock owned by CRL for $50,000,000 in cash, payable by wire transfer of immediately available funds to such account as is designated by CRL, and $43,000,000 in principal amount of the Recap Co Sub Note, and CRL shall deliver to Recap Co certificates, duly endorsed for transfer, representing such shares of Recap Co Common Stock."

(c) The parties hereto acknowledge and agree that Section 2.3 of the Recapitalization Agreement is hereby amended by adding a new Section 2.3.5 thereof to read in its entirety as follows:

"2.3.5 Buyer and Seller Parent shall cause Acquisition Co to merge with and into Recap Co with Recap Co being the surviving entity (the "Merger"). At the effective time of the Merger, (i) CRL shall receive, as the sole shareholder of Recap Co, in exchange for each one share of the 5,058,548 shares of Recap Co Common Stock issued and outstanding immediately prior to the effective time of the Merger, $17.7916666996 and .254166808341 shares of Recap Co Common Stock as the surviving corporation in the Merger, and (ii) Buyer shall receive 9,000,000 shares of Recap Co Common Stock in exchange for all of the issued and outstanding shares of Acquisition Co common stock, constituting 87.5% of the total number of shares of Recap Co Common Stock issued and

outstanding following all of the Redemptions and the Merger, including the number of shares so issued. The parties acknowledge that the Merger will be treated for tax purposes as a qualified stock purchase within the meaning of section 338(d)(3) of the Internal Revenue Code, section 1.338-1(c)(8) of the regulations thereunder and Rev. Rul. 90-95, 1990-2 C.B. 67."

(d) The parties hereto acknowledge and agree that Section 2.3 of the Recapitalization Agreement is hereby amended by renumbering Section 2.3.5 as Section 2.3.6.

1.3 The parties hereto acknowledge and agree that Section 5.5.5 of the Recapitalization Agreement is hereby amended by deleting the phrase ", at the Closing," in the third sentence of Section 5.5.5 and replacing such phrase with the following:

",within sixty (60) calendar days after the Closing,"

1.4 The parties hereto acknowledge and agree that Section 8.3 of the Recapitalization Agreement is hereby amended by deleting clause 8.3(d) thereof in its entirety and replacing such clause with the following:

"(d) the conduct of the CRL Business after the Closing Date except to the extent the Losses or Litigation Expense resulted from the conduct of the CRL Business prior to the Closing Date. Any indemnity payable pursuant to Section 8.3(a) or Section 8.3(b) (but only with respect to the covenants and agreements, contained in Section 5.15), shall be increased by an amount equal to the product of (i) such Loss and Litigation Expense and (ii) the Seller's Equity Percentage at the time."

1.5 The parties hereto acknowledge and agree that Section 8.5 of the Recapitalization Agreement is hereby amended by deleting the fifth sentence thereof in its entirety and replacing such sentence with the following:

"The Indemnitor may not settle or compromise any Claim without the prior written consent of Indemnitee except for settlement or compromise of a Claim (i) which includes the unconditional release by the Person asserting the Claim and any related claimants of Indemnitee from all liability with respect to such Claim in form and substance reasonably satisfactory to Indemnitee, (ii) which would not adversely affect the Indemnitee and its Affiliates to own, hold use and operate their respective assets and businesses, and (iii) for money damages only."

1.6 The parties hereto acknowledge and agree that Section 9.3 of the Recapitalization Agreement is hereby amended by deleting the first sentence thereof in its entirety and replacing such sentence with the following:

"All excise, sales, use, transfer, stamp, documentary, filing, recording and other similar taxes or fees which may be imposed or assessed as the result of the transactions contemplated hereby, including, without limitation, the Merger and Redemptions ("Transfer Taxes"), together with any interest or penalties with respect thereto, shall be shared by the Seller Parent and Recap Co as follows: the first $100,000 shall be paid by Seller Parent, the second $100,000 shall be paid by Recap Co, and all amounts in excess of $200,000 shall be paid 50% by Recap Co and 50% by Seller Parent."

ARTICLE II.

MISCELLANEOUS

2.1 Invalidity, Etc. The provisions of this Amendment shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Amendment, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Amendment and the application of such provision to other persons, entities or circumstances shall not be affected by such invalidity or unenforceability.

2.2 Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflicts of laws principles thereof.

2.3 Recitals. The section headings contained in this Amendment are for reference purposes only and shall not affect the meaning or interpretation of this Amendment.

2.4 Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

2.5 Ratification. The parties hereto hereby ratify and approve the Recapitalization Agreement, as amended hereby, and the parties hereto acknowledge that all of the terms and provisions of the Recapitalization Agreement as amended hereby, are and remain in full force and effect.

* * *

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

BAUSCH & LOMB, INCORPORATED

By:

Name: Alan H. Farnsworth
Title: Vice President-Business Development

CRL ACQUISITION LLC

By:

Name: Reid Perper
Title: President

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ENDOSAFE, INC.", CHANGING ITS NAME FROM "ENDOSAFE, INC." TO "CHARLES RIVER LABORATORIES HOLDINGS, INC.", FILED IN THIS OFFICE ON THE THIRTY-FIRST DAY OF AUGUST, A.D. 1999, AT 9 O'CLOCK A.M.

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

[SEAL OF THE SECRETARY OF STATE]

2375407 8100

AUTHENTICATION: 9974575
DATE: 09-17-99

991388750

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 08/31/1999
991364074-2375407

CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
ENDOSAFE, INC.

Endosafe, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation, by the unanimous written consent to its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation:

RESOLVED: That the Certificate of Incorporation of Endosafe, Inc. be amended by changing the FIRST Article thereof so that, as amended, said Article shall be and read as follows:

FIRST: The name of the Corporation is Charles River Laboratories Holdings, Inc.

SECOND: That in lieu of a meeting and vote of the stockholders, the stockholders have given written consent to said amendment in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Endosafe, Inc. has caused this certificate to be signed by Alan H. Resnick, its Treasurer, this 31st day of August, 1999.

Endosafe, Inc.

By /s/ Alan H. Resnick

Alan H. Resnick
Treasurer

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ENDOSAFE, INC.", FILED IN THIS OFFICE ON THE TWELFTH DAY OF AUGUST, A.D. 1999, AT 9 O'CLOCK A.M.

/s/ Edward J. Freel

[SEAL OF THE SECRETARY OF STATE]

Edward J. Freel, Secretary of State

2375407 8100

AUTHENTICATION: 9974576

DATE: 09-17-99

991388750

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

ENDOSAFE, INC.

(Pursuant to Section 242 of the General
Corporation Law of the State of Delaware)

Endosafe, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The name of the Corporation is Endosafe, Inc.

2. Article FOURTH of the Certificate of Incorporation is hereby amended to read in its entirety as follows:

"FOURTH: The Corporation is authorized to issue two (2) classes of shares to be designated, respectively, Common Stock ("Common Stock") and Preferred Stock ("Preferred Stock"). The total number of shares of stock that the Corporation shall be authorized to issue is Five Hundred Thousand (500,000). The total number of shares of Common Stock that the Corporation shall be authorized to issue is Two Hundred Fifty Thousand (250,000) shares of Common Stock with a par value of $.01 per share. The total number of shares of Preferred Stock that the Corporation shall be authorized to issue is Two Hundred Fifty Thousand (250,000) shares of Series A Redeemable Preferred Stock with a par value of $.01 per share.

The rights, preferences and limitations granted to and imposed on the authorized stock are as set forth below in this Article FOURTH:

A. Common Stock. The Common Stock shall have the rights, preferences and limitations granted to and imposed upon the Common Stock as are set forth in the following sections.

Section 1. Dividend Rights. After payment in full of any dividends then accrued with respect to the Preferred Stock, dividends payable in cash, stock or otherwise, as may be declared by the Board of Directors, may be declared and paid on the Common Stock from time to time out of any funds lawfully available therefor.

Section 2. Voting Rights. The holders of the Common Stock shall be entitled to one (1) vote per share.

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED ON 09:00 AM 08/12/1999
991335443 - 2375407

Section 3. Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary and after payment in full of the amount payable in respect of the Preferred Stock, as provided in Paragraph B, Section 1(b) below, the holders of the shares of Common Stock shall share ratably in the distribution of the Residual Assets as defined in Paragraph B, Section 1(b) below.

B. Preferred Stock. The Preferred Stock shall consist of Two Hundred Fifty Thousand (250,000) shares having a par value of $.01 per share and shall be designated as "Series A Redeemable Preferred Stock" (the "Series A Preferred Stock"). The rights, preferences and limitations granted to and imposed on the Preferred Stock are as set forth in the following sections:

Section 1. Rights, Preferences and Limitations of Series A Preferred Stock.

(a) Dividends. The holders of the Series A Preferred Stock, in preference to the holders of all Common Stock, shall be entitled to receive when, as and if declared by the Board of Directors out of funds legally available for the purpose, cumulative dividends as provided in this Paragraph. Dividends on each share of Series A Preferred Stock shall be payable in cash, and shall accrue at the Dividend Rate on the sum of (i) the Purchase Price and (ii) all accumulated and unpaid dividends accrued thereon pursuant to this Paragraph from the date of issuance thereof (the "Series A Dividends"); the sum of the Purchase Price and the Series A Dividends is referred to herein as the "Series A Preference Amount." Such dividends will be calculated and compounded annually in arrears on December 31 of each year (each a "Dividend Date") in respect of the prior twelve month period, prorated on a daily basis for partial periods. Such dividends shall commence to accrue on each share of Series A Preferred Stock from the date of issuance thereof whether or not declared by the Board of Directors, and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and shall continue to accrue thereon until the Series A Preference Amount is paid in full in cash.

(b) Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, subject to the rights of holders of other series of preferred stock of the Corporation, each holder of outstanding shares of Series A Preferred Stock and Common Stock shall be entitled to be paid out of the assets of the Corporation available for distribution to stockholders, whether such assets are capital, surplus, or earnings as follows: (i) first, the holders of the outstanding shares of Series A Preferred Stock shall receive an amount in cash equal to the Purchase Price together with any accrued but unpaid dividends to which the holders of outstanding shares of such series are entitled pursuant to Section 1(a) hereof (the "Series A Liquidation Preference") before any payment shall be made to the holders of any Common Stock or of any other series of preferred stock of the Corporation; and (ii) second, the holders of the outstanding shares of Common Stock shall share ratably in the distribution of the assets of the Corporation remaining for distribution to stockholders, whether such assets are capital, surplus, or earnings (the "Residual Assets").

(c) Voting Rights. The holders of Series A Preferred Stock shall not be entitled to vote except as required by law.

(d) Conversion. The Series A Preferred Stock shall not be convertible into Common Stock or any other security of the Corporation.

(e) Redemption Rights.

(i) Redemption Rights of the Holder. At any time or from time to time after the issuance of any shares of Series A Preferred Stock and prior to the completion of a Public Offering, any holder of such shares shall have the right to cause the Corporation to redeem its shares by notifying the Corporation in writing of its intent to exercise the rights afforded by this Paragraph and specifying a date not less than two (2) days (or such shorter period as may be determined by mutual agreement of the holder and the Corporation) nor more than thirty (30) days from the date of such notice on which the shares designated therein shall be redeemed (the "Optional Redemption Date"). The Corporation shall redeem on the Optional Redemption Date all shares of Series A Preferred Stock which have been tendered for redemption in accordance with the foregoing, together with stock powers duly endorsed for transfer to the Corporation.

(ii) Redemption Rights of the Corporation. Subject to compliance with applicable law, at any time or from time to time the Corporation shall have the right to redeem any or all of the then outstanding shares of Series A Preferred Stock. The Corporation shall notify the holders of Series A Preferred Stock of its intent to exercise the rights afforded by this Paragraph and specify a date not less than two (2) days (or such shorter period as may be determined by mutual agreement of the holder and the Corporation) nor more than thirty (30) days from the date of such notice on which the shares designated therein shall be redeemed (the "Mandatory Redemption Date"). The recipient of such notice shall tender to the Corporation the shares of Series A Preferred Stock specified therein on or before such date, together with stock powers duly endorsed for transfer to the Corporation.

(iii) Payment of Redemption Price. The total amount payable to a holder of Series A Preferred Stock upon redemption of the shares hereunder shall be the Series A Preference Amount of such shares (the "Redemption Price"). The Redemption Price shall be paid in cash by wire transfer of immediately available funds on the Optional Redemption Date or the Mandatory Redemption Date, as applicable.

(iv) Statutory Limitations. If the Corporation does not have sufficient funds legally available to redeem all shares for which redemption is requested hereunder, then it shall redeem such shares on a pro rata basis among the holders of the Series A Preferred Stock which requested redemption in proportion to the shares of Series A Preferred Stock then held by them to the extent possible and shall redeem the remaining shares to be redeemed as soon as sufficient funds are legally available therefor.

(f) No Reissuance of Preferred Stock. No share or shares of Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled. The Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

(g) Definitions.

"Certificate of Incorporation" shall mean the Certificate of Incorporation of the Corporation, as amended from time to time.

"Common Stock" shall mean the Corporation's Common Stock, $.01 par value per share.

"Dividend Date" shall have the meaning set forth in Paragraph B(1)(a) hereof.

"Dividend Rate" shall mean 7.5% per annum.

"Person" shall mean an individual, partnership, corporation, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof.

"Public Offering" shall mean any underwritten offering by the Corporation of its equity securities to the public pursuant to an effective registration statement under the Securities Act of 1933 or any comparable statement under any similar federal statute then in force, other than an offering of shares being issued as consideration in a business acquisition or combination or an offering in connection with an employee benefit plan.

"Purchase Price" of any share of Series A Preferred Stock shall be $1,000.

"Series A Preference Amount" shall have the meaning set forth in Paragraph B(1)(a).

"Series A Preferred Stock" shall mean the Corporation's Series A Redeemable Preferred Stock, $.01 par value.

3. The Board of Directors of the Corporation, by unanimous written consent in lieu of a meeting pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, duly adopted resolutions declaring advisable this Certificate of Amendment.

4. In lieu of a meeting and vote of stockholders, the stockholders have approved this Certificate of Amendment by written consent in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and the By-laws of the Corporation, and notice of the taking of such action was duly given to stockholders not consenting in writing to such action.

5. This Certificate of Amendment was duly adopted in accordance with Sections 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, ENDOSAFE, INC. has caused this Certificate of Amendment to be signed by its President, this 10th day of July, 1999.

ENDOSAFE, INC.

By: /s/ David R. Shaughnessy

David R. Shaughnessy, President

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ENDOSAFE, INC.", FILED IN THIS OFFICE ON THE THIRD DAY OF FEBRUARY, A.D. 1994, AT 12:30 O'CLOCK P.M.

/s/ Edward J. Freel

[SEAL OF THE SECRETARY OF STATE]

Edward J. Freel, Secretary of State

2375407 8100

AUTHENTICATION: 9969334

DATE: 09-14-99

991382279

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED ON 12:30 PM 02/03/1994
944013232 - 2375407

CERTIFICATE OF INCORPORATION

of

ENDOSAFE, INC.

FIRST: The name of this Corporation is: Endosafe, Inc.

SECOND: The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by this Corporation is as follows:

To engage in any, lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 200,000 shares of Common Stock, $.01 par value per share.

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

FIFTH: The name and mailing address of the sole incorporator are as follows:

NAME	MAILING ADDRESS
David P. Johst	c/o Charles River Laboratories, Inc. 211 Ballardvale Street Wilmington, MA 01887

SIXTH: In furtherance of and not in limitation of powers conferred by statute, it is further provided:

1. Election of directors need not be by written ballot.

2. The Board of Directors is expressly authorized to adopt, amend or repeal the By-Laws of the Corporation.

SEVENTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of section 279 of Tide 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

EIGHTH: Except to the extent that the General Corporation Law of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

NINTH: The Corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware, as amended from time to time, indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom.

Indemnification may include payment by the Corporation of expenses in defending an action or proceeding in advance of the final disposition of such action or proceeding upon receipt of an undertaking by the person indemnified to repay such payment if it is ultimately determined that such person is not entitled to indemnification under this Article, which undertaking may be accepted without reference to the financial ability of such person to make such repayment.

The Corporation shall not indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person unless the initiation thereof was approved by the Board of Directors of the Corporation.

The indemnification rights provided in this Article (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any law, agreement or vote of stockholders or disinterested directors or otherwise, and (ii) shall inure to the benefit of the heirs, executors and administrators of such persons. The Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

TENTH: 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 this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

EXECUTED at Wilmington, Massachusetts, on February 3, 1994.

/s/ David P. Johst

Incorporator

EXHIBIT 3.1.2

BY-LAWS

OF

ENDOSAFE, INC.

BY-LAWS

TABLE OF CONTENTS

BY-LAWS

OF

ENDOSAFE, INC.

ARTICLE I - Stockholders

1.1 Place of Meetings. All meetings of stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Board of Directors or the President or, if not so designated, at the registered office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board of Directors or the President (which date shall not be a legal holiday in the place where the meeting is to be held) at the time and place to be fixed by the Board of Directors or the President and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu of the annual meeting, and any action taken at that special meeting shall have the same effect as if it had been taken at the annual meeting, and in such case all references in these By-Laws to the annual meeting of the stockholders shall be deemed to refer to such special meeting.

1.3 Special Meetings. Special meetings of stockholders may be called at any time by the President or by the Board of Directors. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings

shall state the place, date and hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

1.5 Voting List. The officer who has charge of the stock ledger of the corporation shall prepare, at least 10 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 10 days prior to the meeting, at a place within the city 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 of the meeting, and may be inspected by any stockholder who is present.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business.

1.7 Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or, if no stockholder is present, by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided in the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to

corporate action in writing without a meeting, may vote or express such consent or dissent in person or may authorize another person or persons to vote or act for him by written proxy executed by the stockholder or his authorized agent and delivered to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, the holders of a majority of the stock present or represented and voting on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of a majority of the stock of that class present or represented and voting on a matter) shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, the Certificate of Incorporation or these By-Laws. Any election by stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote at the election.

1.10 Action without Meeting. 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, is 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 on such action were present and voted. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE 2 - Directors

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2.2 Number; Election and Qualification. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the stockholders or the Board of Directors, but in no event shall be less than one. The number of directors may be decreased at any time and from time to time either by the stockholders or by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the corporation.

2.3 Enlargement of the Board. The number of directors may be increased at any time and from time to time by the stockholders or by a majority of the directors then in office.

2.4 Tenure. Each director shall hold office until the next annual meeting and until his successor is elected and qualified, or until his earlier death, resignation or removal.

2.5 Vacancies. Unless and until filled by the stockholders, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board may be filled by vote of a majority of the directors then In office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next annual meeting of stockholders and until his successor is elected and qualified, or until his earlier death, resignation or removal.

2.6 Resignation. Any director may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.7 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.8 Special Meetings. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Delaware, designated in a call by the Chairman of the Board, President, two or more directors, or by one director in the event that there is only a single director in office.

2.9 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person or by telephone at least 48 hours in advance of the meeting, (ii) by sending a telegram or telex, or delivering written notice by hand, to his last known business or home address at least 48 hours in advance of the meeting, or (iii) by mailing written notice to his last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.10 Meetings by Telephone Conference Calls. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.11 Quorum. A majority of the total number of the whole Board of Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number so fixed constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.12 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these By-Laws.

2.13 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting,

if all members of the Board or committee as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board or committee.

2.14 Removal. Except as otherwise provided by the General Corporation Law of Delaware, any one or more or all of the directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

2.15 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, 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 and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the Board of Directors.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE 3 - Officers

3.1 Enumeration. The officers of the corporation shall consist of a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including a Chairman of the Board, a Vice-Chairman of the Board, and one or more Vice Presidents, Assistant Treasurers, and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws, each officer shall hold office until his successor is elected and qualified, unless a different term is specified in the vote choosing or appointing him, or until his earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Any officer may be removed at any time, with or without cause, by vote of a majority of the entire number of directors then in office.

Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise, unless such compensation is expressly provided in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified, or until his earlier death, resignation or removal.

3.7 Chairman of the Board and Vice-Chairman of the Board. The Board of Directors may appoint a Chairman of the Board and may designate the Chairman of the Board as Chief Executive Officer. If the Board of Directors appoints a Chairman of the Board, he shall perform such duties and possess such powers as are assigned to him by the Board of Directors. If the Board of Directors appoints a Vice-Chairman of the Board, he shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as may from time to time be vested in him by the Board of Directors.

3.8 President. The President shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the corporation. Unless otherwise provided by the Board of Directors, he shall preside at all meetings of the stockholders, if he is a director, at all meetings of the Board of Directors. Unless the Board of Directors has designated the Chairman of the Board or another officer as Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The President shall perform such other duties and shall have such other powers as the Board of Directors may from time to time prescribe.

3.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.10 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such

powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary, (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.11 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him by the Board of Directors or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-Laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer, (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.12 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

ARTICLE 4 - Capital Stock

4.1 Issuance of Stock. Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. Every holder of stock of the corporation shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by him in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chairman or Vice-Chairman, if any, of the Board of Directors, or the President or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the By-Laws, applicable securities laws or any agreement among any number of shareholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

4.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-Laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote

with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-Laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining Stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

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.

ARTICLE 5 - General Provisions

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January in each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these By-Laws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

5.4 Voting of Securities. Except as the directors may otherwise designate, the President or Treasurer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-Laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time,

5.7 Transactions with Interested Parties. No contract or transaction between the corporation and one or more of the directors or officers, or between the corporation and any other corporation partnership, association, or other organization in which one or more of the 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 a committee of the Board of Directors which authorizes the contract or transaction or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his 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 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;

(2) The material facts as to his relationship or interest and as to the contract or transaction 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

(3) 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 of the Board of Directors, 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 contractor transaction.

5.8 Severability, Any determination that any provision of these By-Laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-Laws.

5.9 Pronouns. All pronouns used in these By-Laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE 6 - Amendments

6 1 By the Board of Directors. These By-Laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

6.2 By the Stockholders. These By-Laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any regular meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

==========

CHARLES RIVER LABORATORIES HOLDINGS, INC.

Warrants to Purchase
591,366 Shares of Common Stock

WARRANT AGREEMENT

Dated as of September 29, 1999

STATE STREET BANK AND TRUST COMPANY

Warrant Agent

==========

WARRANT AGREEMENT, dated as of September 29, 1999, between Charles River Laboratories Holdings, Inc., a Delaware corporation (the "Company"), and State Street Bank and Trust Company, as warrant agent (the "Warrant Agent").

WHEREAS, the Company proposes to issue warrants (the "Warrants") to initially purchase up to an aggregate of 591,366 shares of Common Stock, par value $.01 per share (the "Common Stock"), of the Company (the Common Stock issuable on exercise of the Warrants being referred to herein as the "Warrant Shares"), in connection with the offering (the "Offering") by Charles River Laboratories, Inc. ("Charles River") of 150,000 Units (the "Units"), each consisting of $1,000 principal amount at maturity of Charles River's 13 1/2% Senior Subordinated Notes due 2009 (the "Notes") and one Warrant, each Warrant initially representing the right to purchase 3.94244 Warrant Shares.

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act in connection with the issuance of Warrant Certificates (as defined) and other matters as provided herein.

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

SECTION 1. CERTAIN DEFINITIONS.

As used in this Agreement, the following terms shall have the following respective meanings:

"144A Global Warrant" means a global Warrant substantially in the form of Exhibit A hereto bearing the Global Warrant Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee.

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For purposes of this definition, "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 or policies of such specified Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Warrant, the rules and procedures of the Depositary, Euroclear and Cedelbank that apply to such transfer or exchange.

"Business Day" means any day other than a Legal Holiday.

"Cedelbank" means Cedelbank, a limited liability company (a societe anonyme) organized under Luxembourg law.

"Closing Date" means the date hereof.

"Commission" means the Securities and Exchange Commission.

"Depositary" means, with respect to the Warrants issuable or issued in whole or in part in global form, the Person specified in Section 3.3 hereof as the Depositary with respect to the Warrants, and any and all successors thereto appointed as Depositary hereunder and having become such pursuant to the applicable provision of the Indenture.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

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

"Global Warrants" means, individually and collectively, each of the Restricted Global Warrants and the Unrestricted Global Warrants, substantially, in the form of Exhibit A hereto issued in accordance with Section 3.1(b) and 3.5 hereof.

"Global Warrant Legend" means the legend set forth in Section 3.5(g)(ii), which is required to be placed on all Global Warrants issued under this Warrant Agreement.

"Holder" means a person who is listed as the record owner of Registrable Securities.

"IAI Global Warrant" means the global Warrant substantially in the form of Exhibit A hereto bearing the Global Warrant Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee.

"Indenture" means the indenture, dated the date hereof, between Charles River, the Guarantors that are party thereto and State Street Bank and Trust Company, as trustee relating to the Notes.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Warrant through a Participant.

"Initial Purchaser" means Donaldson, Lufkin & Jenrette Securities Corporation.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, which is not also a QIB.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or the city in which the principal corporate trust office or the Warrant Agent is located or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Warrant Agent in form and substance reasonably acceptable to the Warrant Agent. The counsel may be an employee of or counsel to the Company, any subsidiary of the Company or the Warrant Agent.

"Participant" means, with respect to the Depositary, Euroclear or Cedelbank, a Person who has an account with the Depositary, Euroclear or Cedelbank, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Cedelbank).

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business.

"Private Placement Legend" means the legend set forth in Section 3.5(g)(i) to be placed on all Warrants issued under this Warrant Agreement except where otherwise permitted by the provisions of this Warrant Agreement.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registrable Securities" shall mean the Warrants, the Warrant Shares and any other securities issued or issuable with respect to the Warrants or the Warrant Shares by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization; provided that a security ceases to be a Registrable Security when it is no longer a Transfer Restricted Security. The Registrable Securities are entitled to the benefits of the Warrant Registration Rights Agreement.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Warrant" means a global Warrant in the form of Exhibit A hereto bearing the Global Warrant Legend, the Private

Placement Legend and the Regulation S Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee.

"Regulation S Legend" means the legend set forth in Section 3.5(g)(iv) to be placed on all Registrable Securities issued pursuant to Regulation S.

"Restricted Definitive Warrant" means a Definitive Warrant bearing the Private Placement Legend.

"Restricted Global Warrant" means a Global Warrant bearing the Private Placement Legend.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

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

"Separation Date" means the earliest of (i) 180 days after the closing of the Offering, (ii) the date on which a registration statement with respect to a registered exchange offer for the Notes is declared effective under the Securities Act, (iii) the date a shelf registration statement with respect to the Notes is declared effective under the Securities Act, (iv) such date as Donaldson, Lufkin & Jenrette Securities Corporation in its sole discretion shall determine and (v) the occurrence of a Change of Control (as defined in the Indenture).

"Transfer Restricted Securities" shall mean (a) each Warrant and Warrant Share held by an Affiliate of the Company and (b) each other Warrant and Warrant Share until the earlier to occur of (i) the date on which such Warrant or Warrant Share (other than any Warrant Share issued upon exercise of a Warrant in accordance with a Registration Statement (as defined in the Warrant Registration Rights Agreement)) has been disposed of in accordance with a Registration Statement and (ii) the date on which such Warrant or Warrant Share (or the related Warrant) is distributed to the public pursuant to Rule 144 under the Act.

"Trustee" means the trustee under the Indenture.

"Unrestricted Global Warrant" means a global Warrant substantially in the form of Exhibit A attached hereto that bears the Global Warrant Legend and that has the "Schedule of Exchanges of Interests in the Global Warrant" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Warrants that do not bear the Private Placement Legend.

"Unrestricted Definitive Warrant" means one or more Definitive Warrants that do not bear and are not required to bear the Private Placement Legend.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"Warrant Registration Rights Agreement" means the registration rights agreement, dated as of September 29, 1999, between the Company and the Initial Purchaser relating to the Warrants and the Warrant Shares.

SECTION 2. APPOINTMENT OF WARRANT AGENT.

The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions set forth hereinafter in this Agreement and the Warrant Agent hereby accepts such appointment.

SECTION 3. ISSUANCE OF WARRANTS; WARRANT CERTIFICATES.

3.1. FORM AND DATING.

(a) General.

The Warrants shall be substantially in the form of Exhibit A hereto (the "Warrant Certificates"). The Warrants may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Warrant shall be dated the date of the countersignature.

The terms and provisions contained in the Warrants shall constitute, and are hereby expressly made, a part of this Warrant Agreement. The Company and the Warrant Agent, by their execution and delivery of this Warrant Agreement, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Warrant conflicts with the express provisions of this Warrant Agreement, the provisions of this Warrant Agreement shall govern and be controlling.

(b) Global Warrants.

Warrants issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Warrant Legend thereon and the "Schedule of Exchanges of Interests in the Global Warrant" attached thereto). Warrants issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Warrant Legend thereon and without the "Schedule of Exchanges of Interests in the Global Warrant" attached

thereto). Each Global Warrant shall represent such of the outstanding Warrants as shall be specified therein and each shall provide that it shall represent the number of outstanding Warrants from time to time endorsed thereon and that the number of outstanding Warrants represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Warrant to reflect the amount of any increase or decrease in the number of outstanding Warrants represented thereby shall be made by the Warrant Agent in accordance with instructions given by the Holder thereof as required by Section 3.5 hereof.

(c) Euroclear and Cedelbank Procedures Applicable.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedelbank" and "Customer Handbook" of Cedelbank shall be applicable to transfers of beneficial interests in the Regulation S Global Warrant that are held by Participants through Euroclear or Cedelbank.

3.2. EXECUTION.

An Officer shall sign the Warrants for the Company by manual or facsimile signature.

If the Officer whose signature is on a Warrant no longer holds that office at the time a Warrant is countersigned, the Warrant shall nevertheless be valid.

A Warrant shall not be valid until countersigned by the manual signature of the Warrant Agent. The signature shall be conclusive evidence that the Warrant has been properly issued under this Warrant Agreement.

The Warrant Agent shall, upon a written order of the Company signed by an Officer (a "Warrant Countersignature Order"), countersign Warrants for original issue up to the number stated in the preamble hereto.

The Warrant Agent may appoint an agent acceptable to the Company to countersign Warrants. Such an agent may countersign Warrants whenever the Warrant Agent may do so. Each reference in this Warrant Agreement to a countersignature by the Warrant Agent includes a countersignature by such agent. Such an agent has the same rights as the Warrant Agent to deal with the Company or an Affiliate of the Company.

3.3. WARRANT REGISTRAR.

The Company shall maintain an office or agency where Warrants may be presented for registration of transfer or for exchange ("Warrant Registrar"). The Warrant Registrar shall keep a register of the Warrants and of their transfer and exchange. The Company may appoint one or more co-Warrant Registrars. The term "Warrant Registrar" includes any co-Warrant Registrar. The Company may change any Warrant Registrar without notice to any holder. The Company shall notify the Warrant Agent in writing of the name and address of any agent not a party to this Warrant Agreement. If the Company fails to appoint or maintain another entity as Warrant Registrar, the Warrant Agent shall act as such. The Company or any of its subsidiaries may act as Warrant Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Warrants.

The Company initially appoints the Warrant Agent to act as the Warrant Registrar with respect to the Global Warrants.

3.4. HOLDER LISTS.

The Warrant Agent shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Warrant Agent is not the Warrant Registrar, the Company shall promptly furnish to the Warrant Agent at such times as the Warrant Agent may request in writing, a list in such form and as of such date as the Warrant Agent may reasonably require of the names and addresses of the Holders.

3.5. TRANSFER AND EXCHANGE.

(a) Transfer and Exchange of Global Warrants.

A Global Warrant may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Warrants will be exchanged by the Company for Definitive Warrants if (i) the Company delivers to the Warrant Agent notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary or (ii) the Company in its sole discretion determines that the Global Warrants (in whole but not in part) should be exchanged for Definitive Warrants and delivers a written notice to such effect to the Warrant Agent. Upon the occurrence of either of the preceding events in (i) or (ii) above, Definitive Warrants shall be issued in such names as the Depositary shall instruct the Warrant Agent. Global Warrants also may be exchanged or replaced, in whole or in part, as provided in Sections 3.6 and 3.7 hereof. A Global Warrant may not be exchanged for another Warrant other than as provided in this Section 3.5(a), however, beneficial interests in a Global Warrant may be transferred and exchanged as provided in Section 3.5(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Warrants.

The transfer and exchange of beneficial interests in the

Global Warrants shall be effected through the Depositary, in accordance with the provisions of this Warrant Agreement and the Applicable Procedures. Beneficial interests in the Restricted Global Warrants shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Warrants also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Warrant. Beneficial interests in any Restricted Global Warrant may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Warrant in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Warrant may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant. No written orders or instructions shall be required to be delivered to the Warrant Registrar to effect the transfers described in this Section 3.5(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Warrants. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 3.5(b)(i) above, the transferor of such beneficial interest must deliver to the Warrant Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Warrant in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Warrant in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Warrant Registrar containing information regarding the Person in whose name such Definitive Warrant shall be registered. Upon effectiveness of the Registration Statement (as defined in the Warrant Registration Rights Agreement) by the Company in accordance with Section 3.5(f) hereof, the requirements of this Section 3.5(b)(ii) shall be deemed to have been satisfied upon receipt by the Warrant Registrar of a certification required by the Company in connection with such Registration Statement delivered by the Holder of such beneficial interests in the Restricted Global Warrants. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Warrants contained in this Agreement and the Warrants or otherwise applicable under the Securities Act, the Warrant Agent shall adjust the principal amount of the relevant Global Warrant(s) pursuant to Section 3.5(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Warrant. A beneficial interest in any Restricted Global Warrant may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Warrant if the transfer complies with the requirements of Section 3.5(b)(ii) above and the Warrant Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Warrant, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Warrant, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Warrant, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Warrant for Beneficial Interests in the Unrestricted Global Warrant. A beneficial interest in any Restricted Global Warrant may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Warrant or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant if the exchange or transfer complies with the requirements of Section 3.5(b)(ii) above and:

(A) such transfer is effected pursuant to the Registration Statement in accordance with the Warrant Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Warrant, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Warrant proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Warrant Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) above at a time when an Unrestricted Global Warrant has not yet been issued, the Company shall issue and, upon receipt of an Warrant Countersignature Order in accordance with Section 3.2 hereof, the Warrant Agent shall countersign one or more Unrestricted Global Warrants in the number equal to the number of beneficial interests transferred pursuant to subparagraph (B) above.

(c) Transfer and Exchange of Beneficial Interests for Definitive Warrants.

(i) Beneficial Interests in Restricted Global Warrants to Restricted Definitive Warrants. If any holder of a beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a Restricted Definitive Warrant or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Warrant, then, upon receipt by the Warrant Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a Restricted Definitive Warrant, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Warrant Agent shall cause, in accordance with the standing instructions and procedures existing between the Depositary and the Warrant Agent, the number of Warrants represented by the Global Warrant to be reduced by the number of Warrants to be represented by the Definitive Warrant pursuant to Section 3.5(h) hereof, and the Company shall execute and the Warrant Agent shall countersign and deliver to the Person designated in the instructions a Definitive Warrant in the appropriate amount. Any Definitive Warrant issued in exchange for a beneficial interest in a Restricted Global Warrant pursuant to this Section 3.5(c) shall be registered in such name or names as the holder of such beneficial interest shall instruct the Warrant Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Warrant Agent shall deliver such Definitive Warrants to the Persons in whose names such Warrants are so registered. Any Definitive Warrant issued in exchange for a beneficial interest in a Restricted Global Warrant pursuant to this Section 3.5(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Warrants to Unrestricted Definitive Warrants. A holder of a beneficial interest in a Restricted Global Warrant may exchange such beneficial interest for

an Unrestricted Definitive Warrant or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Warrant only if:

(A) such transfer is effected pursuant to the Registration Statement in accordance with the Warrant Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Warrant proposes to exchange such beneficial interest for a Definitive Warrant that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Warrant proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Warrant that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Warrant Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Beneficial Interests in Unrestricted Global Warrants to Unrestricted Definitive Warrants. If any holder of a beneficial interest in an Unrestricted Global Warrant proposes to exchange such beneficial interest for a Definitive Warrant or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Warrant, then, upon satisfaction of the conditions set forth in Section 3.5(b)(ii) hereof, the Warrant Agent shall cause the amount of the applicable Global Warrant to be reduced accordingly pursuant to Section 3.5(h) hereof, and the Company shall execute and the Warrant Agent shall countersign and deliver to the Person designated in the instructions a Definitive Warrant in the appropriate principal amount. Any Definitive Warrant issued in exchange for a beneficial interest pursuant to this Section 3.5(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Warrant Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Warrant Agent shall deliver such Definitive Warrants to the Persons in whose names such Warrants are so registered. Any Definitive Warrant issued in exchange for a beneficial interest pursuant to this Section 3.5(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Warrants for Beneficial Interests.

(i) Restricted Definitive Warrants to Beneficial Interests in Restricted Global Warrants. If any Holder of a Restricted Definitive Warrant proposes to exchange such Warrant for a beneficial interest in a Restricted Global Warrant or to transfer such Restricted Definitive Warrants to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Warrant, then, upon receipt by the Warrant Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Warrant proposes to exchange such Warrant for a beneficial interest in a Restricted Global Warrant, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Warrant is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Warrant is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Warrant is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Warrant is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs

(B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Warrant is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Warrant is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Warrant Agent shall cancel the Restricted Definitive Warrant, increase or cause to be increased the amount of, in the case of clause (A) above, the appropriate Restricted Global Warrant, in the case of clause (B) above, the 144A Global Warrant, in the case of clause (C) above, the Regulation S Global Warrant, and in all other cases, the IAI Global Warrant.

(ii) Restricted Definitive Warrants to Beneficial Interests in Unrestricted Global Warrants. A Holder of a Restricted Definitive Warrant may exchange such Warrant for a beneficial interest in an Unrestricted Global Warrant or transfer such Restricted Definitive Warrant to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant only if:

(A) such transfer is effected pursuant to the Registration Statement in accordance with the Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the Holder of such Definitive Warrants proposes to exchange such Warrants for a beneficial interest in the Unrestricted Global Warrant, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Warrants proposes to transfer such Warrants to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Warrant, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Warrant Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Warrant Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 3.5(d)(ii), the Warrant Agent shall cancel the Definitive Warrants and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Warrant.

(iii) Unrestricted Definitive Warrants to Beneficial Interests in Unrestricted Global Warrants. A Holder of an Unrestricted Definitive Warrant may exchange such Warrant for a beneficial interest in an Unrestricted Global Warrant or transfer such Definitive Warrants to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Warrant at any time. Upon receipt of a request for such an exchange or transfer, the Warrant Agent shall cancel the applicable Unrestricted Definitive Warrant and increase or cause to be increased the amount of one of the Unrestricted Global Warrants.

If any such exchange or transfer from a Definitive Warrant to a beneficial interest is effected pursuant to subparagraphs (ii)(B) or (iii) above at a time when an Unrestricted Global Warrant has not yet been issued, the Company shall issue and, upon receipt of an Warrant Countersignature Order in accordance with Section 3.2 hereof, the Warrant Agent shall countersign one or more Unrestricted Global Warrants in the number equal to the number of beneficial interests of Definitive Warrants so transferred.

(e) Transfer and Exchange of Definitive Warrants for Definitive Warrants.

Upon request by a Holder of Definitive Warrants and such Holder's compliance with the provisions of this Section 3.5(e), the Warrant Registrar shall register the transfer or exchange of Definitive Warrants. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Warrant Registrar the Definitive Warrants duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Warrant Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 3.5(e).

(i) Restricted Definitive Warrants to Restricted Definitive Warrants. Any Restricted Definitive Warrant may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Warrant if the Warrant Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Restricted Definitive Warrants to Unrestricted Definitive Warrants. Any Restricted Definitive Warrant may be exchanged by the Holder thereof for an Unrestricted Definitive Warrant or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Warrant if:

(A) any such transfer is effected pursuant to the Registration Statement in accordance with the Warrant Registration Rights Agreement; or

(B) the Warrant Registrar receives the following:

(1) if the Holder of such Restricted Definitive Warrants proposes to exchange such Warrants for an Unrestricted Definitive Warrant, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Warrants proposes to transfer such Warrants to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Warrant, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (B), if the Warrant Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Warrants to Unrestricted Definitive Warrants. A Holder of Unrestricted Definitive Warrants may transfer such Warrants to a Person who takes delivery thereof in the form of an Unrestricted Definitive Warrant. Upon receipt of a request to register such a transfer, the Warrant Registrar shall register the Unrestricted Definitive Warrants pursuant to the instructions from the Holder thereof.

(f) Registration Statement.

Upon the effectiveness of the Registration Statement and sales of Warrants in connection therewith in accordance with the Warrant Registration Rights Agreement, the Company shall issue and, upon receipt of a Warrant Countersignature Order in accordance with Section 3.2, the Warrant Agent shall countersign (i) one or more Unrestricted Global Warrants in an amount equal to the amount of the beneficial interests in the Restricted Global Warrants sold under such Registration Statement and (ii) Definitive Warrants in an amount equal to the amount of the beneficial interests of the Restricted Definitive Warrants sold under such Registration Statement. Concurrently with the issuance of such Warrants, the Warrant Agent shall cause the amount of the applicable Restricted Global Warrants to be reduced accordingly, and the Company shall execute and the Warrant Agent shall countersign and deliver to the Persons designated by the Holders of Definitive Warrants so accepted Definitive Warrants in the appropriate amount.

(g) Legends.

The following legends shall appear on the face of all Global Warrants and Definitive Warrants issued under this Warrant Agreement unless specifically stated otherwise in the applicable provisions of this Warrant Agreement.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Warrant and each Definitive Warrant (and all Warrants issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS SECURITY (OR ITS PREDECESSOR) AND THE WARRANT

SHARES TO BE ISSUED UPON ITS EXERCISE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB"), (B) IT HAS ACQUIRED THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1),(2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT (AN "IAI"),

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (C) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT, (D) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (E) TO AN IAI THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE WARRANT AGENT A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS SECURITY (THE FORM OF WHICH CAN BE OBTAINED FROM THE WARRANT AGENT) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF SECURITY LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY) OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION,

(3) AGREES NOT TO ENGAGE IN HEDGING TRANSACTIONS UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND

(4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE WARRANT AGREEMENT CONTAINS A PROVISION REQUIRING THE WARRANT AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING."

(B) Notwithstanding the foregoing, any Global Warrant or Definitive Warrant issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 3.5 (and all Warrants issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Warrant Legend. Each Global Warrant shall bear a legend in substantially the following form:

"THIS GLOBAL WARRANT IS HELD BY THE DEPOSITARY (AS DEFINED IN THE WARRANT AGREEMENT GOVERNING THIS WARRANT) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE WARRANT AGENT MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 3.5 OF THE WARRANT AGREEMENT, (II) THIS GLOBAL WARRANT MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 3.5(a) OF THE WARRANT AGREEMENT, (III) THIS GLOBAL WARRANT MAY BE DELIVERED TO THE WARRANT AGENT FOR CANCELLATION PURSUANT TO SECTION 3.8 OF THE WARRANT AGREEMENT AND (IV) THIS GLOBAL WARRANT MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF CHARLES RIVER LABORATORIES HOLDINGS, INC. (THE "COMPANY")."

(iii) Unit Legend. Each Warrant issued prior to the Separation Date shall bear a legend in substantially the following form:

"THE WARRANTS EVIDENCED BY THIS CERTIFICATE ARE INITIALLY ISSUED AS PART OF AN ISSUANCE OF UNITS (THE "UNITS"), EACH OF WHICH CONSIST OF $1,000 PRINCIPAL AMOUNT AT MATURITY OF THE 13 1/2% SENIOR SUBORDINATED NOTES DUE 2009 (THE "NOTES") OF CHARLES RIVER LABORATORIES, INC. AND ONE WARRANT (THE "WARRANTS") INITIALLY ENTITLING THE HOLDER THEREOF TO PURCHASE 3.94244 SHARES, PAR VALUE $0.01 PER SHARE, OF CHARLES RIVER LABORATORIES HOLDINGS, INC.

PRIOR TO THE EARLIEST TO OCCUR OF (I) 180 DAYS AFTER THE CLOSING OF THE OFFERING OF THE UNITS, (ii) THE DATE ON WHICH A REGISTRATION STATEMENT WITH RESPECT TO A REGISTERED EXCHANGE OFFER FOR THE NOTES IS DECLARED EFFECTIVE UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), (Iii) THE DATE A SHELF REGISTRATION STATEMENT WITH RESPECT TO THE NOTES IS DECLARED EFFECTIVE UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), (iV) SUCH DATE AS DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION IN ITS SOLE DISCRETION SHALL DETERMINE AND (V) THE OCCURRENCE OF A CHANGE OF CONTROL (AS DEFINED IN THE INDENTURE GOVERNING THE NOTES), THE WARRANTS EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED OR EXCHANGED SEPARATELY FROM, BUT MAY BE TRANSFERRED OR EXCHANGED ONLY TOGETHER WITH, THE NOTES."

(iv) Regulation S. Legend. Each Warrant that is a Registrable Security and issued pursuant to Regulation S shall bear the following legend on the fact thereof:

"THIS WARRANT AND THE SECURITIES TO BE ISSUED UPON ITS EXERCISE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND THE WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON UNLESS

REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. IN ORDER TO EXERCISE THIS WARRANT, THE HOLDER MUST FURNISH TO THE COMPANY AND THE WARRANT AGENT EITHER (A) A WRITTEN CERTIFICATION THAT IT IS NOT A U.S. PERSON AND THE WARRANT IS NOT BEING EXERCISED ON BEHALF OF A U.S. PERSON OR (B) A WRITTEN OPINION OF COUNSEL TO THE EFFECT THAT THE SECURITIES DELIVERED UPON EXERCISE OF THE WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THAT THE DELIVERY OF SUCH SECURITIES IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. TERMS IN THIS LEGEND HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

(h) Cancellation and/or Adjustment of Global Warrants.

At such time as all beneficial interests in a particular Global Warrant have been exercised or exchanged for Definitive Warrants or a particular Global Warrant has been exercised, redeemed, repurchased or canceled in whole and not in part, each such Global Warrant shall be returned to or retained and canceled by the Warrant Agent in accordance with Section 3.8 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Warrant is exercised or exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Warrant or for Definitive Warrants, the amount of Warrants represented by such Global Warrant shall be reduced accordingly and an endorsement shall be made on such Global Warrant by the Warrant Agent or by the Depositary at the direction of the Warrant Agent to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Warrant, such other Global Warrant shall be increased accordingly and an endorsement shall be made on such Global Warrant by the Warrant Agent or by the Depositary at the direction of the Warrant Agent to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Warrant Agent shall countersign Global Warrants and Definitive Warrants upon the Company's order or at the Warrant Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Warrant or to a holder of a Definitive Warrant for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

(iii) All Global Warrants and Definitive Warrants issued upon any registration of transfer or exchange of Global Warrants or Definitive Warrants shall be the duly authorized, executed and issued warrants for Common Stock of the Company, not subject to any preemptive rights, and entitled to the same benefits under this Warrant Agreement, as the Global Warrants or Definitive Warrants surrendered upon such registration of transfer or exchange.

(iv) Prior to due presentment for the registration of a transfer of any Warrant, the Warrant Agent, and the Company may deem and treat the Person in whose name any Warrant is registered as the absolute owner of such Warrant for all purposes and none of the Warrant Agent, or the Company shall be affected by notice to the contrary.

(v) The Warrant Agent shall countersign Global Warrants and Definitive Warrants in accordance with the provisions of Section 3.2 hereof.

(j) Facsimile Submissions to Warrant Agent.

All certifications, certificates and Opinions of Counsel required to be submitted to the Warrant Registrar pursuant to this Section 3.5 to effect a registration of transfer or exchange may be submitted by facsimile.

Notwithstanding anything herein to the contrary, as to any certificates and/or certifications delivered to the Warrant Registrar pursuant to this Section 3.5, the Warrant Registrar's duties shall be limited to confirming that any such certifications and certificates delivered to it are in the form of Exhibits B and C attached hereto. The Warrant Registrar shall not be responsible for confirming the truth or accuracy of representations made in any such certifications or certificates. As to any Opinions of Counsel delivered pursuant to this Section 3.5, the Warrant Registrar may rely upon, and be fully protected in relying upon, such opinions.

3.6. REPLACEMENT WARRANTS.

If any mutilated Warrant is surrendered to the Warrant Agent or the Company and the Warrant Agent receives evidence to its satisfaction of the destruction, loss or theft of any Warrant, the Company shall issue and the Warrant Agent, upon receipt of a Warrant Countersignature Order, shall countersign a replacement Warrant if the Warrant Agent's requirements are met. If required by the Warrant Agent or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Warrant Agent and the Company to protect the Company, the Warrant Agent, any Agent and any agent for purposes of the countersignature from any loss that any of them may suffer if a Warrant is replaced. The Company may charge for its expenses in replacing a Warrant.

Every replacement Warrant is an additional warrant of the Company and shall be entitled to all of the benefits of this Warrant Agreement equally and proportionately with all other Warrants duly issued hereunder.

3.7. TEMPORARY WARRANTS.

Until certificates representing Warrants are ready for delivery, the Company may prepare and the Warrant Agent, upon receipt of a Warrant Countersignature Order, shall issue temporary Warrants. Temporary Warrants shall be substantially in the form of certificated Warrants but may have variations that the Company considers appropriate for temporary Warrants and as shall be reasonably acceptable to the Warrant Agent. Without unreasonable delay, the Company shall prepare and the Warrant Agent, as soon as practicable upon receipt of the written order of the Company signed by an officer of the Company, shall countersign definitive Warrants in exchange for temporary Warrants.

Holders of temporary Warrants shall be entitled to all of the benefits of this Warrant Agreement.

3.8. CANCELLATION.

Subject to Section 3.5(h) hereof, the Company at any time may deliver Warrants to the Warrant Agent for cancellation. The Warrant Registrar and Warrant Paying Agent shall forward to the Warrant Agent any Warrants surrendered to them for registration of transfer, exchange or exercise. The Warrant Agent and no one else shall cancel all Warrants surrendered for registration of transfer, exchange, exercise, replacement or cancellation and shall destroy canceled Warrants (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all canceled Warrants shall be delivered to the Company. The Company may not issue new Warrants to replace Warrants that have been exercised or that have been delivered to the Warrant Agent for cancellation.

SECTION 4. SEPARATION OF WARRANTS; TERMS OF WARRANTS; EXERCISE OF WARRANTS.

(a) The Notes and Warrants will not be separately transferable until the Separation Date. Subject to the terms of this Agreement, each Warrant holder shall have the right, which may be exercised during the period commencing at the opening of business on the Separation Date and until 5:00 p.m., New York City time on October 1, 2009 (the "Exercise Period"), to receive from the Company the number of fully paid and nonassessable Warrant Shares which the holder may at the time be entitled to receive on exercise of such Warrants and payment of the exercise price (the "Exercise Price") (i) by tendering Notes having an aggregate principal amount at maturity, plus accrued and unpaid interest, if any thereon to the date of exercise or (ii) in cash, by wire transfer or by certified or official check payable to the order of the Company, in each case, equal to the Exercise Price then in effect for such Warrant Shares; provided that holders shall be able to exercise their Warrants only if a registration statement relating to the Warrant Shares is then in effect, or the exercise of such Warrants is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of the Warrants or other persons to whom it is proposed that the Warrant Shares be issued on exercise of the Warrants reside. Each Warrant not exercised prior to 5:00 p.m., New York City time, on October 1, 2009 (the "Expiration Date") shall become void and all rights thereunder and all rights in respect thereof under this agreement shall cease as of such time. No adjustments as to dividends will be made upon exercise of the Warrants.

(b) In order to exercise all or any of the Warrants represented by a Warrant Certificate, the holder thereof must deliver to the Warrant Agent at its corporate trust office set forth in Section 15 hereof the Warrant Certificate and the form of election to purchase on the reverse thereof duly filled in and signed, which signature shall be medallion guaranteed by an institution which is a member of a Securities Transfer Association recognized signature guarantee program, and upon payment to the Warrant Agent for the account of the Company of the Exercise Price, which is set forth in the form of Warrant Certificate attached hereto as Exhibit A, as adjusted as herein provided, for the number of Warrant Shares in respect of which such Warrants are then exercised. Payment of the aggregate Exercise Price shall be made (i) in cash, by wire transfer or by certified or official bank check payable to the order of the Company or (ii) by tendering Notes in the manner provided in Section 4(a) hereof.

(c) Subject to the provisions of Section 5 hereof, upon compliance with clause (b) above, the Warrant Agent shall deliver or cause to be delivered with all reasonable dispatch, to or upon the written order of the holder and in such name or names as the Warrant holder may designate, a certificate or certificates for the number of whole Warrant Shares issuable upon the exercise of such Warrants or other securities or property to which such holder is entitled hereunder, together with cash as provided in Section 9 hereof; provided that if any consolidation, merger or lease or sale of assets is proposed to be effected by the Company as described in Section 8(m) hereof, or a tender offer or an exchange offer for shares of Common Stock shall be made, upon such surrender of Warrants and payment of the Exercise Price as aforesaid, the Warrant Agent shall, as soon as possible, but in any event not later than two business days thereafter, deliver or cause to be delivered the full number of Warrant Shares issuable upon the exercise of such Warrants in the manner described in this sentence or other securities or property to which such holder is entitled hereunder, together with cash as provided in Section 9 hereof. 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 date of the surrender of such Warrants and payment of the Exercise Price.

(d) The Warrants shall be exercisable, at the election of the holders thereof, either in full or from time to time in part. If less than all the Warrants represented by a Warrant Certificate are exercised, such Warrant Certificate shall be surrendered and a new Warrant Certificate of the same tenor and for the number of Warrants which were not exercised shall be executed by the Company and delivered to the Warrant Agent and the Warrant Agent shall countersign the new Warrant Certificate, registered in such name or names as may be directed in writing by the holder, and shall deliver the new Warrant

Certificate to the Person or Persons entitled to receive the same.

(e) All Warrant Certificates surrendered upon exercise of Warrants shall be cancelled by the Warrant Agent. Such cancelled Warrant Certificates shall then be disposed of by the Warrant Agent in a manner satisfactory to the Company. The Warrant Agent shall account promptly to the Company with respect to Warrants exercised and concurrently pay to the Company all monies received by the Warrant Agent for the purchase of the Warrant Shares through the exercise of such Warrants.

(f) The Warrant Agent shall keep copies of this Agreement and any notices given or received hereunder available for inspection by the holders during normal business hours at its office. The Company shall supply the Warrant Agent from time to time with such numbers of copies of this Agreement as the Warrant Agent may request.

SECTION 5. PAYMENT OF TAXES.

The Company will pay all documentary stamp taxes attributable to the initial issuance 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 that of the registered holder of a Warrant Certificate surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such Warrant 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 6. RESERVATION OF WARRANT SHARES.

(a) The Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock or its authorized and issued Common Stock held in its treasury, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon exercise of Warrants, the maximum number of shares of Common Stock which may then be deliverable upon the exercise of all outstanding Warrants.

(b) The Company or, if appointed, the transfer agent for the Common Stock (the "Transfer Agent") and every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of any of the rights of purchase aforesaid will be irrevocably authorized and directed at all times to reserve such number of authorized shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the Transfer Agent and with every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. The Warrant Agent is hereby irrevocably authorized to requisition from time to time from such Transfer Agent the stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement. The Company will supply such Transfer Agent with duly executed certificates for such purposes and will provide or otherwise make available any cash which may be payable as provided in Section 9 hereof. The Company will furnish such Transfer Agent a copy of all notices of adjustments, and certificates related thereto, transmitted to each holder pursuant to Section 11 hereof.

(c) Before taking any action which would cause an adjustment pursuant to Section 8 hereof to reduce the Exercise Price below the then par value (if any) of the Warrant Shares, the Company will take any corporate action which may, in the opinion of its counsel (which may be counsel employed by the Company), 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.

(d) The Company covenants that all Warrant Shares which may be issued upon exercise of Warrants will, upon issue, be fully paid, nonassessable, free of preemptive rights and free from all taxes, liens, charges and security interests with respect to the issuance thereof.

SECTION 7. OBTAINING STOCK EXCHANGE LISTINGS.

The Company will from time to time take all action which may be necessary so that the Warrant Shares, immediately upon their issuance upon the exercise of Warrants, will be listed on the principal securities exchanges, automated quotation systems or other markets within the United States of America, if any, on which other shares of Common Stock are then listed, if any.

SECTION 8. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES ISSUABLE.

The Exercise Price and the number of Warrant Shares issuable upon the exercise of each Warrant are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 8. For purposes of this Section 8, "Common Stock" means shares now or hereafter authorized of any class of common stock of the Company and any other stock of the Company, however designated, that has the right (subject to any prior rights of any class or series of preferred stock) to participate in any distribution of the assets or earnings of the Company without limit as to per share amount.

(a) Adjustment for Change in Capital Stock.

If the Company (i) pays a dividend or makes a distribution on its Common Stock in shares of its Common Stock, (ii) subdivides its outstanding shares of Common Stock into a greater number of shares, (iii) combines its outstanding shares of Common Stock into a smaller number of shares, (iv) makes a distribution on its Common Stock in shares of its capital stock other than Common Stock or (v) issues by reclassification of its Common Stock any shares of its capital stock, then the Exercise Price in effect immediately prior to such action shall be proportionately adjusted so that the holder of any Warrant

thereafter exercised may receive the aggregate number and kind of shares of capital stock of the Company which he would have owned immediately following such action if such Warrant had been exercised immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification. If, after an adjustment, a holder of a Warrant upon exercise of it may receive shares of two or more classes of capital stock of the Company, the Company shall determine, in good faith, the allocation of the adjusted Exercise Price between the classes of capital stock. After such allocation, the exercise privilege and the Exercise Price of each class of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock in this Section 8. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Adjustment for Rights Issue.

If the Company distributes any rights, options or warrants to all holders of its Common Stock entitling them for a period expiring within 45 days after the record date mentioned below to purchase shares of Common Stock at a price per share less than the Fair Value (as defined herein) per share on that record date, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{0 + NxP}{\frac{0+N}{M}}$$

where:

E' = the adjusted Exercise Price.

E = the current Exercise Price.

O = the number of shares of Common Stock outstanding on the record date.

N = the number of additional shares of Common Stock issued pursuant to such rights, options or warrants.

P = the aggregate price per share of the additional shares.

M = the Fair Value per share of Common Stock on the record date.

If adjustment shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the record date for the determination of stockholders entitled to receive the rights, options or warrants. If at the end of the period during which such rights, options or warrants are exercisable, not all rights, options or warrants shall have been exercised, the Exercise price shall be immediately readjusted to what it would have been if "N" in the above formula had been the number of shares actually issued.

(c) Adjustment for Other distributions.

If the Company distributes to all holders of its Common Stock any of its assets or debt securities or any rights or warrants to purchase debt securities of the Company, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{M - F}{M}$$

where:

E' = the adjusted Exercise Price.

E = the current Exercise Price.

M = the Fair Value per share of Common Stock on the record date mentioned below.

F = the fair market value on the record date of the assets, securities, rights or warrants to be distributed in respect o fone share of Common Stock as determined in good faith by the Board of Directors of the Company (the "Board of Directors").

The adjustment shall be made successively whenever any such distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive the distribution.

This Section 8(c) does not apply to cash dividends or cash distributions paid out of consolidated current or retained earnings as shown on the books of the Company prepared in accordance with generally accepted accounting principles. Also, this Section 8(c) does not apply to rights, options or warrants referred to in Section 8(b) hereof.

(d) Adjustment for Common Stock Issue.

If the Company issues shares of Common Stock for a consideration per share less than the Fair Value per share on the date the Company fixes the offering price of such additional shares, the Exercise Price shall be adjusted in accordance with the formula:

$$E' = E \times \frac{O + \frac{P}{M}}{A}$$

where:

E' = the adjusted Exercise Price.

E = the then current Exercise Price.

O = the number of shares outstanding immediately prior to the issuance of such additional shares.

P = the aggregate consideration received for the issuance of such additional shares.

M = the Fair Value per share on the date of issuance of such additional shares.

A = the number of shares outstanding immediately after the issuance of such additional shares.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

This subsection (d) does not apply to:

(1) any of the transactions described in subsections (a), (b) and (c) of this Section 8,

(2) the exercise of Warrants, or the conversion or exchange of other securities convertible or exchangeable for Common Stock the issuance of which caused an adjustment to be made under Section 8(e),

(3) Common Stock issued to the Company's employees (or employees of its subsidiaries) under bona fide employee benefit plans adopted by the Board of Directors and approved by the holders of Common Stock when required by law, if such Common Stock would otherwise be covered by this subsection (d) (but only to the extent that the aggregate number of shares excluded hereby and issued after the date of this Warrant Agreement shall not exceed 5% of the Common Stock outstanding at the time of the adoption of each such plan, exclusive of anti-dilution adjustments thereunder),

(4) Common Stock issued to shareholders of any person which merges into the Company, or with a subsidiary of the Company, in proportion to their stock holdings of such person immediately prior to such merger, upon such merger, provided that if such person is an Affiliate of the Company, the Board of Directors shall have obtained a fairness opinion from a nationally recognized investment banking, appraisal or valuation firm, which is not an Affiliate of the Company, stating that the consideration received in such merger is fair to the Company from a financial point of view, or

(5) the issuance of shares of Common Stock pursuant to rights, options or warrants which were originally issued in a Non-Affiliate Sale (as defined below) together with one or more other securities as part of a unit at a price per unit.

(e) Adjustment for Convertible Securities Issue.

If the Company issues any securities convertible into or exchangeable for Common Stock (other than securities issued in transactions described in subsections (b) and (c) of this Section 8) for a consideration per share of Common Stock initially deliverable upon conversion or exchange of such securities less than the Fair Value per share on the date of issuance of such securities, the Exercise Price shall be adjusted in accordance with this formula:

$$E' = E \times \frac{O + \frac{P}{M}}{O + D}$$

where:

E' = the adjusted Exercise Price.

E = the then current Exercise Price.

O = the number of shares outstanding immediately prior to the issuance of such securities.

P = the aggregate consideration received for the issuance of such securities.

M = the Fair Value per share on the date of issuance of such securities.

D = the maximum number of shares deliverable upon conversion or in exchange for such securities at the initial conversion or exchange rate.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

If all of the Common Stock deliverable upon conversion or exchange of such securities have not been issued when such securities are no longer outstanding, then the Exercise Price shall promptly be readjusted to the Exercise Price which would then be in effect had the adjustment upon the issuance of such securities been made on the basis of the actual number of shares of Common Stock issued upon conversion or exchange of such securities.

This subsection (e) does not apply to convertible securities issued to shareholders of any person which merges into the Company, or with a subsidiary of the Company, in proportion to their stock holdings of such person immediately prior to such merger, upon such merger, provided that if such person is an Affiliate of the Company, the Board of Directors shall have obtained a fairness opinion from a nationally recognized investment banking, appraisal or valuation firm, which is not an Affiliate of the Company, stating that the consideration received in such merger is fair to the Company from a financial point of view.

(f) Consideration Received.

For purposes of any computation respecting consideration received pursuant to subsections (d), and (e) of this Section 8, the following shall apply:

(1) in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions, discounts or other expenses incurred by the Company for any underwriting of the issue or otherwise in connection therewith;

(2) in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors (irrespective of the accounting treatment thereof), whose determination shall be conclusive, and described in a Board resolution which shall be filed with the Warrant Agent;

(3) in the case of the issuance of securities convertible into or exchangeable for shares, the aggregate consideration received therefor shall be deemed to be the consideration received by the Company for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Company upon the conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses (1) and (2) of this subsection); and

(4) in the case of the issuance of shares of Common Stock pursuant to rights, options or warrants which rights, options or warrants were originally issued together with one or more other securities as part of a unit at a price per unit, the consideration shall be deemed to be the fair value of such rights, options or warrants at the time of issuance thereof as determined in good faith by the Board of Directors whose determination shall be conclusive and described in a Board resolution which shall be filed with the Warrant Agent plus the additional minimum consideration, if any, to be received by the Company upon the exercise, conversion or exchange thereof (as determined in the same manner as provided in clauses (1) and (2) of this subsection).

(g) Fair Value.

In Sections 8(d) and (e) hereof, the "Fair Value" per security at any date of determination shall be (1) in connection with a sale by the Company to a party that is not an Affiliate of the Company in an arm's-length transaction (a "Non-Affiliate Sale"), the price per security at which such security is sold and (2) in connection with any sale by the Company to an Affiliate of the Company, (a) the last price per security at which such security was sold in a Non-Affiliate Sale within the three-month period preceding such date of determination (it being understood that the sale of Common Stock of the Company to DLJ Merchant Banking Partners II, L.P. and its Affiliates on September 29, 1999 was a sale to a party not then an Affiliate of the Company and therefore a Non-Affiliate Sale) or (b) if clause (a) is not applicable, the fair market value of such security determined in good faith by (i) a majority of the Board of Directors, including a majority of the Disinterested Directors, and approved in a Board resolution delivered to the Warrant Agent or (ii) a nationally recognized investment banking, appraisal or valuation firm, which is not an Affiliate of the Company, in each case, taking into account, among all other factors deemed relevant by the Board of Directors or such investment banking, appraisal or valuation firm, the trading price and volume of such security on any national securities exchange or automated quotation system on which such security is traded. Notwithstanding the foregoing, any sale to Donaldson, Lufkin & Jenrette Securities Corporation (or any successor thereto) pursuant to an underwritten public offering registered under the Securities Act shall be deemed to be and treated as a Non-Affiliate Sale.

In Sections 8(b) and (c) hereof, the "Fair Value" per security at any date of determination shall be (a) the last price per security at which such security was sold by the Company in a Non-Affiliate Sale within the three-month period preceding such date of determination or (b) if clause (a) is not applicable, the fair market value of such security determined in good faith by (i) a majority of the Board of Directors, including a majority of the Disinterested Directors, and approved in a Board resolution delivered to the Warrant Agent or (ii) a nationally recognized investment banking, appraisal or valuation firm, which is not an Affiliate of the Company, in each case, taking into account, among all other factors deemed relevant by the Board of Directors or such investment banking, appraisal or valuation firm, the trading price and volume of such security on any national securities exchange or automated quotation system on which such security is traded.

For purposes of this Section 8(g), "Disinterested Director" means, in connection with any issuance of securities that gives rise to a determination of the Fair Value thereof, each member of the Board of Directors who is not an officer, employee, director or other Affiliate of the party to whom the Company is proposing to issue the securities giving rise to such determination.

For purposes of this Section 8(g), "Affiliate" of any specified Person means (A) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and (B) any director, officer or employee of such specified person. For purposes of this definition "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 or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(h) When De Minimis Adjustment May Be Deferred.

No adjustment in the Exercise Price need be made unless the adjustment would require an increase or decrease of at least 1% in the Exercise Price. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 8 shall be made to the nearest cent or to the nearest 1/10,000th of a share, as the case may be, it being understood that no such rounding shall be made under subsection (p).

(i) When No Adjustment Required.

No adjustment need be made for a transaction referred to Section 8(a), (b), (c), (d), (e) or (f) hereof, if Warrant holders are to participate (without being required to exercise their Warrants) in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction. No adjustment need be made for (i) rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest, (ii) a change in the par value or no par value of the Common Stock or (iii) the issuance by the Company of warrants to DLJ Merchant Banking Partners II, L.P. and certain of its Affiliates on or about September 29, 1999. To the extent the Warrants become convertible into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash.

(j) Notice of Adjustment.

Whenever the Exercise Price is adjusted, the Company shall provide the notices required by Section 10 hereof.

(k) Notice of Certain Transactions.

If (i) the Company takes any action that would require an adjustment in the Exercise Price pursuant to Section 8(a), (b), (c), (d), (e) or (f) hereof and if the Company does not arrange for Warrant holders to participate pursuant to Section 8(i) hereof, (ii) the Company takes any action that would require a supplemental Warrant Agreement pursuant to Section 8(l) hereof or (iii) there is a liquidation or dissolution of the Company, then the Company shall mail to Warrant holders a notice stating the proposed record date for a dividend or distribution or the proposed effective date of a subdivision, combination, reclassification, consolidation, merger, transfer, lease, liquidation or dissolution. The Company shall mail the notice at least 15 days before such date. Failure to mail the notice or any defect in it shall not affect the validity of the transaction.

(l) Reorganization of Company.

Immediately after the date hereof, if the Company consolidates or merges with or into, or transfers or leases all or substantially all its assets to, any person, upon consummation of such transaction the Warrants shall automatically become exercisable for the kind and amount of securities, cash or other assets which the holder of a Warrant would have owned immediately after the consolidation, merger, transfer or lease if the holder had exercised the Warrant immediately before the effective date of the transaction. Concurrently with the consummation of such transaction, the corporation formed by or surviving any such consolidation or merger if other than the Company, or the person to which such sale or conveyance shall have been made, shall enter into (i) a supplemental Warrant Agreement so providing and further providing for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Section 8(l) and (ii) a supplement to the Warrant Registration Rights Agreement providing for the assumption of the Company's obligations thereunder. The successor Company shall mail to Warrant holders a notice describing the supplemental Warrant Agreement and Warrant Registration Rights Agreement. If the issuer of securities deliverable upon exercise of Warrants under the supplemental Warrant Agreement is an affiliate of the formed, surviving, transferee or lessee corporation, that issuer shall join

in the supplemental Warrant Agreement and Warrant Registration Rights Agreement. If this Section 8(l) applies, Sections 8(a), (b), (c), (d), (e) and (f) hereof do not apply.

(m) Company Determination Final.

Any determination that the Company or the Board of Directors must make pursuant to Section 8(a), (c), (d), (e), (f), (g), (h) or (i) hereof is conclusive.

(n) Warrant Agent's Disclaimer.

The Warrant Agent has no duty to determine when an adjustment under this Section 8 should be made, how it should be made or what it should be. The Warrant Agent has no duty to determine whether any provisions of a supplemental Warrant Agreement under Section 8(l) hereof are correct. The Warrant Agent makes no representation as to the validity or value of any securities or assets issued upon exercise of Warrants. The Warrant Agent shall not be responsible for the Company's failure to comply with this Section 8.

(0) When Issuance or Payment May Be Deferred.

In any case in which this Section 8 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event (i) issuing to the holder of any Warrant exercised after such record date the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise over and above the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise on the basis of the Exercise Price and (ii) paying to such holder any amount in cash in lieu of a fractional share pursuant to Section 10 hereof; provided that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Warrant Shares, other capital stock and cash upon the occurrence of the event requiring such adjustment.

(p) Adjustment in Number of Shares.

Upon each adjustment of the Exercise Price pursuant to this Section 8, each Warrant outstanding prior to the making of the adjustment in the Exercise Price shall thereafter evidence the right to receive upon payment of the adjusted Exercise Price that number of shares of Common Stock (calculated to the nearest hundredth) obtained from the following formula:

$$N' = N \times \frac{E}{E'}$$

where:

N' = the adjusted number of Warrant Shares issuable upon exercise of a Warrant by payment of the adjusted Exercise Price.

N = the number or Warrant Shares previously issuable upon exercise of a Warrant by payment of the Exercise Price prior to adjustment.

E' = the adjusted Exercise Price.

E = the Exercise Price prior to adjustment.

(q) Form of Warrants.

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.

SECTION 9. FRACTIONAL INTERESTS.

The Company shall not be required to issue fractional Warrant Shares on the exercise of Warrants. If more than one Warrant shall be presented for exercise in full at the same time by the same holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 9, be issuable on the exercise of any Warrants (or specified portion thereof), the Company shall pay an amount in cash equal to the Fair Value per Warrant Share, as determined on the day immediately preceding the date the Warrant is presented for exercise, multiplied by such fraction, computed to the nearest whole U.S. cent.

SECTION 10. NOTICES TO WARRANT HOLDERS.

(a) Upon any adjustment of the Exercise Price pursuant to Section 8 hereof, the Company shall promptly thereafter (i) cause to be filed with the Warrant Agent a certificate of a firm of independent public accountants of recognized standing selected by the Board of Directors of the Company (who may be the regular auditors of the Company) setting forth the Exercise Price after such adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such calculations are based and setting forth the number of Warrant Shares (or portion thereof) issuable after such adjustment in the Exercise Price, upon exercise of a Warrant and payment of the adjusted Exercise Price, which certificate shall be conclusive evidence of the correctness of the matters set forth therein, and (ii) cause to be given to each of the registered holders of Warrants at the address appearing on the Warrant register for each such registered holder written notice of such adjustments by first-class mail, postage prepaid. Where appropriate, such notice may be given

in advance and included as a part of the notice required to be mailed under the other provisions of this Section 10.

(b) In case:

(i) the Company shall authorize the issuance to all holders of shares of Common Stock of rights, options or warrants to subscribe for or purchase shares of Common Stock or of any other subscription rights or warrants;

(ii) the Company shall authorize the distribution to all holders of shares of Common Stock of evidences of its indebtedness or assets (other than dividends or cash distributions paid out of consolidated current or retained earnings as shown on the books of the Company prepared in accordance with generally accepted accounting principles or dividends payable in shares of Common Stock or distributions referred to in Section 10(a) hereof);

(iii) of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the conveyance or transfer of the properties and assets of the Company substantially as an entirety, or of any reclassification or change of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or a tender offer or exchange offer for shares of Common Stock;

(iv) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(v) the Company proposes to take any action (other than actions of the character described in Section 8(a) hereof) which would require an adjustment of the Exercise Price pursuant to Section 8 hereof;

then the Company shall cause to be filed with the Warrant Agent and shall cause to be given to each of the registered holders of Warrants at his address appearing on the Warrant register, at least 20 days (or 10 days in any case specified in clauses (i) or (ii) above) prior to the applicable record date hereinafter specified, or promptly in the case of events for which there is no record date, by first-class mail, postage prepaid, a written notice stating (x) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such rights, options, warrants or distribution are to be determined, (y) the initial expiration date set forth in any tender offer or exchange offer for shares of Common Stock, or (z) the date on which any such consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective or consummated, and the date as of which it is expected that holders of record of shares of Common Stock shall be entitled to exchange such shares for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up. The failure to give the notice required by this Section 11 or any defect therein shall not affect the legality or validity of any distribution, right, option, warrant, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any action.

(c) Nothing contained in this Agreement or in any of the Warrant Certificates shall be construed as conferring upon the holders of Warrants the right to vote or to consent or to receive notice as stockholders in respect of the meetings of stockholders or the election of directors of the Company or any other matter, or any rights whatsoever as stockholders of the Company.

SECTION 11. MERGER, CONSOLIDATION OR CHANGE OF NAME OF WARRANT AGENT.

(a) Any corporation into which the Warrant Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to the 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 13 hereof. In case at the time such successor to the Warrant Agent shall succeed to the agency created by this Agreement, and in case at that time 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 in case 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 to the Warrant Agent; and in all such cases such Warrant Certificates shall have the full force and effect provided in the Warrant Certificates and in this Agreement.

(b) In case 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 been changed may adopt the countersignature under its prior name, and in case 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 and effect provided in the Warrant Certificates and in this Agreement.

SECTION 12. WARRANT AGENT.

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 of Warrants, by their acceptance thereof,

shall be bound:

(a) 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 describe the Warrant Agent or action taken or to be taken by it. The Warrant Agent assumes no responsibility with respect to the distribution of the Warrant Certificates except as herein otherwise provided.

(b) 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.

(c) 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 to 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.

(d) The Warrant Agent shall incur no liability or responsibility to the Company or to any holder of any Warrant Certificate for any action taken in reliance on any Warrant Certificate, certificate of shares, 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. The Warrant Agent need not investigate any fact or matter stated in such document.

(e) The Company agrees to pay to the Warrant Agent reasonable compensation for all services rendered by the Warrant Agent in the execution of this Agreement, to reimburse the Warrant Agent for all expenses, taxes and governmental charges and other charges of any kind and nature incurred by the Warrant Agent in the execution of this Agreement. The Company shall indemnify the Warrant Agent and its agents, employees, officers, directors and shareholders for, and hold same harmless against, any and all losses, liabilities or expenses (including without limitation reasonable attorney's fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Warrant Agreement, including the costs and expenses of enforcing this Warrant Agreement against the Company and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Warrant Agent shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Warrant Agent to so notify the Company shall not relieve the Company of its obligations hereunder. At the Warrant Agent's sole discretion, the Company shall defend the claim and the Warrant Agent shall cooperate in the defense at the Company's expense. The Warrant Agent may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

(f) 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 Warrants shall furnish the Warrant Agent with reasonable security and indemnity for any costs and expenses which may be incurred, but this provision shall not affect the power of the Warrant Agent to take such action as it may consider proper, whether with or without any such security or indemnity. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without the 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 of judgment shall be for the ratable benefit of the registered holders of the Warrants, as their respective rights or interests may appear.

(g) The Warrant Agent, and any stockholder, director, officer or employee of it, 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 it were not Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(h) 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.

(i) The Warrant Agent shall not at any time be under any duty or responsibility to any holder of any Warrant Certificate to make or cause to be made any adjustment of the Exercise Price or number of the Warrant Shares or other securities or property deliverable as provided in this Agreement, or to determine whether any facts exist which may require any of such adjustments, or with respect to the nature or extent of any such adjustments, when made, or with respect to the method employed in making the same. The Warrant Agent shall not be accountable with respect to the validity or value or the kind or amount of any Warrant Shares or of any securities or property which may at any time be issued or delivered upon the exercise of any Warrant or with respect to whether any such Warrant Shares or other securities will when issued be validly issued and fully paid and nonassessable, and makes no representation with respect thereto.

SECTION 13. CHANGE OF WARRANT AGENT.

If the Warrant Agent shall become incapable of acting as Warrant Agent, the Company shall appoint a successor to such Warrant Agent. If

the Company shall fail to make such appointment within a period of 30 days after it has been notified in writing of such incapacity by the Warrant Agent or by the registered holder of a Warrant Certificate, then the registered holder of any Warrant may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Pending appointment of a successor to such Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. The holders of a majority of the unexercised Warrants shall be entitled at any time to remove the Warrant Agent and appoint a successor to such Warrant Agent. Such successor to the Warrant Agent need not be approved by the Company or the former Warrant Agent. After appointment the successor to the 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; provided that the former Warrant Agent shall deliver and transfer to the successor to the Warrant Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 13, however, or any defect therein, shall not affect the legality or validity of the appointment of a successor to the Warrant Agent.

SECTION 14. REPORTS.

(a) Whether or not required by the rules and regulations of the Commission, so long as any Warrants or the Warrant Shares are outstanding, the Company shall furnish to the Warrant Agent and the holders of Warrants or Warrant Shares (i) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Company's certified independent accountants and (ii) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports. In addition, whether or not required by the rules and regulations of the Commission, the Company shall file a copy of all such information and reports with the Commission for public availability (unless the Commission shall not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

(b) The Company shall provide the Warrant Agent with a sufficient number of copies of all such reports that the Warrant Agent may be required to deliver to the holders of the Warrants and the Warrant Shares under this Section 14.

SECTION 15. NOTICES TO COMPANY AND WARRANT AGENT.

Any notice or demand authorized by this Agreement to be given or made by the Warrant Agent or by the registered holder of any Warrant to or on the Company shall be sufficiently given or made when received if deposited in the mail, first class or registered, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent) as follows:

Charles River Laboratories Holdings, Inc.
c/o DLJ Merchant Banking Partners
277 Park Avenue
New York, New York 10172
Telecopier No.: (212) 892-7272
Attention: Reid Perper

With a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Telecopier No.: (212) 450-4800
Attention: Richard Truesdell, Jr, Esq.

In case the Company shall fail to maintain such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations may be made and notices and demands may be served at the principal office of the Warrant Agent.

Any notice pursuant to this Agreement to be given by the Company or by the registered holder(s) of any Warrant to the Warrant Agent shall be sufficiently given when and if deposited in the mail, first-class or registered, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company) to the Warrant Agent as follows:

State Street Bank and Trust Company
Goodwin Square, 23rd Floor
225 Asylum Street
Hartford, Connecticut 06103
Telecopier No.: 860-244-1897
Attention: Corporate Trust Administration

SECTION 16. 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 of Warrants in order to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Warrant Agent may deem necessary or desirable and which shall not in any way adversely affect the interests of the holders of Warrants. Any amendment or supplement to this Agreement that has an adverse effect on the interests of the holders of Warrants shall require the written consent of the holders of a majority of the then outstanding Warrants (excluding Warrants held by the Company or any of its

affiliates). The consent of each holder of Warrants affected shall be required for any amendment pursuant to which the Exercise Price would be increased or the number of Warrant Shares purchasable upon exercise of Warrants would be decreased (other than pursuant to adjustments provided in this Agreement).

SECTION 17. SUCCESSORS.

All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 18. TERMINATION.

This Agreement shall terminate at 5:00 p.m., New York City time on October 1, 2009. Notwithstanding the foregoing, this Agreement will terminate on any earlier date if all Warrants have been exercised. The provisions of Section 12 shall survive such termination.

SECTION 19. 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 construed in accordance with the internal laws of said State.

SECTION 20. BENEFITS OF THIS AGREEMENT.

Nothing in this Agreement shall be construed to give to any person or corporation other than the Company, the Warrant Agent and the registered holders of Warrants any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the registered holders of Warrants.

SECTION 21. 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 all such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

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

CHARLES RIVER LABORATORIES HOLDINGS, INC.

By:

Name:
Title:

STATE STREET BANK AND TRUST COMPANY,
as Warrant Agent

By:

Name:
Title:

EXHIBIT A

[Form of Warrant Certificate]

[Face]

Unit Legend. Each Warrant issued prior to the Separation Date shall bear the following legend (the "Unit Legend") on the face thereof:

THE WARRANTS EVIDENCED BY THIS CERTIFICATE ARE INITIALLY ISSUED AS PART OF AN ISSUANCE OF UNITS (THE "UNITS"), EACH OF WHICH CONSIST OF $1,000 PRINCIPAL AMOUNT AT MATURITY OF THE 13 1/2% SENIOR SUBORDINATED NOTES DUE 2009 (THE "NOTES") OF CHARLES RIVER LABORATORIES, INC. AND ONE WARRANT (THE "WARRANTS") INITIALLY ENTITLING THE HOLDER THEREOF TO PURCHASE 3.94244 SHARES, PAR VALUE $0.01 PER SHARE, OF CHARLES RIVER LABORATORIES HOLDINGS, INC.

PRIOR TO THE EARLIEST TO OCCUR OF (I) 180 DAYS AFTER THE CLOSING OF THE OFFERING OF THE UNITS, (II) THE DATE ON WHICH A REGISTRATION STATEMENT WITH RESPECT TO A REGISTERED EXCHANGE OFFER FOR THE NOTES IS DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (III) THE DATE A SHELF REGISTRATION STATEMENT WITH RESPECT TO THE NOTES IS DECLARED EFFECTIVE UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), (IV) SUCH DATE AS DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION IN ITS SOLE DISCRETION SHALL DETERMINE AND (V) THE OCCURRENCE OF A CHANGE OF CONTROL (AS DEFINED IN THE INDENTURE GOVERNING THE NOTES), THE WARRANTS EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED OR EXCHANGED SEPARATELY FROM, BUT MAY BE TRANSFERRED OR EXCHANGED ONLY TOGETHER WITH, THE NOTES.

Private Placement Legend: Each Warrant issued pursuant to an exemption from the registration requirements of the Securities Act shall bear the following legend (the "Private Placement Legend") on the face thereof:

THIS SECURITY (OR ITS PREDECESSOR) AND THE WARRANT SHARES TO BE ISSUED UPON ITS EXERCISE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB"), (B) IT HAS ACQUIRED THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1),(2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT (AN "IAI"),

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON

WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (C) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT, (D) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (E) TO AN IAI THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE WARRANT AGENT A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS SECURITY (THE FORM OF WHICH CAN BE OBTAINED FROM THE WARRANT AGENT) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGREEMENT PRINCIPAL AMOUNT OF SECURITY LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY) OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION,

(3) AGREES NOT TO ENGAGE IN HEDGING TRANSACTIONS UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND

(4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE WARRANT AGREEMENT CONTAINS A PROVISION REQUIRING THE WARRANT AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING.

No. _____ ____Warrants

CUSIP No. _____

Warrant Certificate

CHARLES RIVER LABORATORIES HOLDINGS, INC.

This Warrant Certificate certifies that Cede & Co., or its registered assigns, is the registered holder of Warrants expiring October 1, 2009 (the "Warrants") to purchase Common Stock, par value $.01 (the "Common Stock"), of Charles River Laboratories Holdings, Inc., a Delaware corporation. Each Warrant entitles the registered holder upon exercise at any time from 9:00 a.m. on the Separation Date referred to below (the "Exercise Date") until 5:00 p.m. New York City Time on October 1, 2009, to receive from the Company 3.94244 fully paid and nonassessable shares of Common Stock (the "Warrant Shares") at the initial exercise price (the "Exercise Price") of $10.00 per share payable upon surrender of this Warrant Certificate and payment of the Exercise Price at the office or agency of the Warrant Agent, but only subject to the conditions set forth herein and in the Warrant Agreement referred to on the reverse

hereof. The Exercise Price and number of Warrant Shares issuable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

No Warrant may be exercised after 5:00 p.m., New York City Time on October 1, 2009, and to the extent not exercised by such time such Warrants shall become void.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and 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, as such term is used in the Warrant Agreement.

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

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be signed below.

Dated: September 29, 1999

CHARLES RIVER LABORATORIES HOLDINGS, INC.

By:

Name:
Title:

Countersigned:

STATE STREET BANK AND TRUST COMPANY
as Warrant Agent

By:_____
Authorized Signature

[Reverse of Warrant Certificate]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants expiring at 5:00 p.m. New York City time on October 1, 2009 entitling the holder on exercise to receive shares of Common Stock, and are issued or to be issued pursuant to a Warrant Agreement dated as of September 29, 1999 (the "Warrant Agreement"), duly executed and delivered by the Company to State Street Bank and Trust Company, as warrant agent (the "Warrant Agent"), which 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, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company.

Warrants may be exercised at any time on or after the Separation Date and on or before 5:00 p.m. New York City time on October 1, 2009; provided that holders shall be able to exercise their Warrants only if a registration statement relating to the Warrants Shares is then in effect, or the exercise of such Warrants is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of the Warrants or other persons to whom it is proposed that the Warrant Shares be issued on exercise of the Warrants reside. In order to exercise all or any of the Warrants represented by this Warrant Certificate, the holder must deliver to the Warrant Agent at its New York corporate trust office set forth in Section 19 of the Warrant Agreement this Warrant Certificate and the form of election to purchase on the reverse hereof duly filled in and signed, which signature shall be medallion guaranteed by an institution which is a member of a Securities Transfer Association recognized signature guarantee program, and upon payment to the Warrant Agent for the account of the Company of the Exercise Price, as adjusted as provided in the Warrant Agreement, for the number of Warrant Shares in respect of which such Warrants are then exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price set forth on the face hereof may, subject to certain conditions, be adjusted. If the Exercise Price is adjusted, the Warrant Agreement provides that the number of shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted. No fractions of a share of Common Stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement.

The Company has agreed pursuant to a Warrant Registration Rights Agreement dated as of September 29, 1999 (the "Warrant Registration Rights Agreement") to file within 120 days after the issuance of the Warrants and use its reasonable best efforts to make effective on or before 180 days after such date a shelf registration statement on the appropriate form under the Securities Act, and to use its reasonable best efforts to keep such registration statement continuously effective under the Securities Act in order to permit the resale of the Warrants and Warrant Shares by the holders thereof for the period of time referred to in the immediately preceding sentence.

Warrant Certificates, when surrendered at the office of the Warrant Agent by the registered holder thereof in person or by 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 in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Warrant Agent a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

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

[Form of Election to Purchase]

(To Be Executed 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 CHARLES RIVER LABORATORIES HOLDINGS, INC., in the amount of $_____ 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 that such shares be delivered to _____, whose address is _____. If said number of shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such shares be registered in the name of _____, whose address is _____, and that such Warrant Certificate be delivered to whose address is _____.

Signature

Date:

Signature Guaranteed

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Warrant Agent, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Warrant Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF INTERESTS OF GLOBAL WARRANTS

The following exchanges of a part of this Global Warrant have been made:

Date of Exchange	Amount of decrease in Number of warrants in this Global Warrant	Amount of increase in Number of Warrants in this Global Warrant	Number of Warrants in this Global Warrant following such decrease or increase	Signature of authorized officer of Warrant Agent

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Charles River Laboratories Holdings, Inc.
c/o DLJ Merchant Banking Partners
277 Park Avenue
New York, New York 10172

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, Massachusetts 02111

Re: Warrants

Reference is hereby made to the Warrant Agreement, dated as of September 29, 1999 (the "Warrant Agreement"), between Charles River Laboratories Holdings, Inc., as issuer (the "Company"), and State Street Bank and Trust Company, as warrant agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Warrant Agreement.

_____, (the "Transferor") owns and proposes to transfer the Warrant[s] or interest in such Warrant[s] specified in Annex A hereto, in the principal amount at maturity of $_____ in such Warrant[s] or interests (the "Transfer"), to _____ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [ ] Check if Transferee will take delivery of a beneficial interest in the 144A Global Warrant or a Definitive Warrant Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Warrant is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Warrant for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Warrant and/or the Definitive Warrant and in the Warrant Agreement and the Securities Act.

2. [ ] Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Warrant or a Definitive Warrant pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United

States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Warrant and/or the Definitive Warrant and in the Warrant Agreement and the Securities Act.

3. [ ] Check and complete if Transferee will take delivery of a beneficial interest in the IAI Global Warrant or a Definitive Warrant pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Warrants and Restricted Definitive Warrants and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [ ] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) [ ] such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) [ ] such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) [ ] such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Warrant or Restricted Definitive Warrants and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Warrant Agreement and (2) if the Company requests, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Warrant and/or the Definitive Warrants and in the Warrant Agreement and the Securities Act.

4. [ ] Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Warrant or of an Unrestricted Definitive Warrant.

(a) [ ] Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Warrant Agreement and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Warrants, on Restricted Definitive Warrants and in the Warrant Agreement.

(b)[ ] Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Warrant Agreement and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Warrants, on Restricted Definitive Warrants and in the Warrant Agreement.

(c) [ ] Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Warrant Agreement and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Warrant Agreement, the transferred beneficial interest or Definitive Warrant will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Warrants or Restricted Definitive Warrants and in the Warrant Agreement.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:

Name:
Title:

Dated:

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Warrant, or

(ii) [ ] Regulation S Global Warrant, or

(iii) [ ] IAI Global Warrant; or

(b) [ ] a Restricted Definitive Warrant.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Warrant, or

(ii) [ ] Regulation S Global Warrant, or

(iii) [ ] IAI Global Warrant, or

(iv) [ ] Unrestricted Global Warrant; or

(b) [ ] a Restricted Definitive Warrant; or

(c) [ ] an Unrestricted Definitive Warrant,

in accordance with the terms of the Warrant Agreement.

EXHIBIT C
FORM OF CERTIFICATE OF EXCHANGE

Charles River Laboratories Holdings, Inc.
c/o DLJ Merchant Banking Partners
277 Park Avenue
New York, New York 10172

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, Massachusetts 02111

Re: Warrants

(CUSIP _____)

Reference is hereby made to the Warrant Agreement, dated as of September 29, 1999 (the "Warrant Agreement"), between Charles River Laboratories Holdings, Inc., as issuer (the "Company"), and State Street Bank and Trust Company, as warrant agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Warrant Agreement.

_____, (the "Owner") owns and proposes to exchange the Warrant[s] or interest in such Warrant[s] specified herein, in the amount of $_____ in such Warrant[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Warrants or Beneficial Interests in a Restricted Global Warrant for Unrestricted Definitive Warrants or Beneficial Interests in an Unrestricted Global Warrant

(a) [ ] Check if Exchange is from beneficial interest in a Restricted Global Warrant to beneficial interest in an Unrestricted Global Warrant. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Warrant for a beneficial interest in an Unrestricted Global Warrant in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Warrants and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Warrant is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) [ ] Check if Exchange is from beneficial interest in a Restricted Global Warrant to Unrestricted Definitive Warrant. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Warrant for an Unrestricted Definitive Warrant, the Owner hereby certifies (i) the Definitive Warrant is being acquired for the Owner's own account without transfer,

(ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Warrants and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Warrant is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c)[ ] Check if Exchange is from Restricted Definitive Warrant to beneficial interest in an Unrestricted Global Warrant. In connection with the Owner's Exchange of a Restricted Definitive Warrant for a beneficial interest in an Unrestricted Global Warrant, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Warrants and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) [ ] Check if Exchange is from Restricted Definitive Warrant to Unrestricted Definitive Warrant. In connection with the Owner's Exchange of a Restricted Definitive Warrant for an Unrestricted Definitive Warrant, the Owner hereby certifies (i) the Unrestricted Definitive Warrant is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Warrants and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Warrant Agreement and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Warrant is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Warrants or Beneficial Interests in Restricted Global Warrants for Restricted Definitive Warrants or Beneficial Interests in Restricted Global Warrants

(a) [ ] Check if Exchange is from beneficial interest in a Restricted Global Warrant to Restricted Definitive Warrant. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Warrant for a Restricted Definitive Warrant in a number equal to the number of beneficial interests exchanged, the Owner hereby certifies that the Restricted Definitive Warrant is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Warrant Agreement, the Restricted Definitive Warrant issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Warrant and in the Warrant Agreement and the Securities Act.

(b) Check if Exchange is from Restricted Definitive Warrant to beneficial interest in a Restricted Global Warrant. In connection with the Exchange of the Owner's Restricted Definitive Warrant for a beneficial interest in the [CHECK ONE] [ ] 144A Global Warrant, [ ] Regulation S Global Warrant, [ ] IAI Global Warrant in a number equal to the number of beneficial interests exchanged, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with

the transfer restrictions applicable to the Restricted Global Warrants and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Warrant Agreement, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Warrant and in the Warrant Agreement and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:
\ ---
Name:
Title:

Dated:

EXHIBIT D
FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Charles River Laboratories Holdings, Inc.
c/o DLJ Merchant Banking Partners
277 Park Avenue
New York, New York 10172

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, Massachusetts 02111

Re: Warrants

Reference is hereby made to the Warrant Agreement, dated as of September 29, 1999 (the "Warrant Agreement"), between Charles River Laboratories Holdings, Inc., as issuer (the "Company"), and State Street Bank and Trust Company, as warrant agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Warrant Agreement.

In connection with our proposed purchase of $_____ amount of:

(a) [ ] a beneficial interest in a Global Warrant, or

(b) [ ] a Definitive Warrant,

we confirm that:

1. We understand that any subsequent transfer of the Warrants or any interest therein is subject to certain restrictions and conditions set forth in the Warrant Agreement and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Warrants or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Warrants have not been registered under the Securities Act, and that the Warrants and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Warrants or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if requested by the Company, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Warrant

or beneficial interest in a Global Warrant from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Warrants or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Warrants purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Warrants, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Warrants or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

We agree not to engage in any hedging transactions with regard to the Warrants unless such hedging transactions are in compliance with the Securities Act.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Transferor]

By:

Name:
Title:

Dated:

EXHIBIT E

FORM OF WARRANT REGISTRATION RIGHTS AGREEMENT

EXHIBIT 4.2

INVESTORS' AGREEMENT

dated as of

September 29, 1999

among

CHARLES RIVER LABORATORIES HOLDINGS, INC.

and the

several Stockholders from time to time parties hereto

TABLE OF CONTENTS

INVESTORS' AGREEMENT

AGREEMENT dated as of September 29, 1999 among Charles River Laboratories Holdings, Inc., a Delaware corporation (the "Company"), CRL Acquisition LLC, a Delaware limited liability company (the "LLC"), DLJ Investment Partners, L.P., DLJ Investment Funding, Inc., DLJ ESC II L.P. (collectively with DLJ Investment Partners, L.P., and DLJ Investment Funding, Inc., "DLJIP"), The 1818 Mezzanine Fund, L.P. ("BB"), Carlyle High Yield Partners, L.P. ("Carlyle"), B&L CRL, Inc., a Delaware corporation ("CRL"), the TCW Entities (as defined herein) (if and when the TCW Entities execute a counterpart of this Agreement), and certain other Persons listed on the signature pages hereof (each, a "Management Stockholder", and collectively, the "Management Stockholders").

The parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, have the following meanings:

"Adverse Person" means any Person whom the Board of Directors of the Company reasonably determines is a competitor or a potential competitor of the Company or its subsidiaries in a business that is material to the Company and its subsidiaries, taken as a whole.

"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 stockholder of the Company shall be deemed an Affiliate of any other stockholder of the Company 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"), when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliated Employee Benefit Trust" means any trust that is a successor to the assets held by a trust established under an employee benefit plan subject to

ERISA or any other trust established directly or indirectly under such plan or any other such plan having the same sponsor.

"Board" means the board of directors of the Company.

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

"Bylaws" means the Bylaws of the Company, as amended from time to time.

"Charter" means the Certificate of Incorporation of the Company, as amended from time to time.

"Closing Date" means September 29, 1999.

"Common Stock" means the common stock, par value $0.01 per share, of the Company and any stock into which such Common Stock may thereafter be converted or changed, and "Common Shares" means shares of Common Stock.

"Company Securities" means the Common Stock and securities convertible into or exchangeable for Common Stock and options, warrants (including the Warrants) or other rights to acquire Common Stock or any other equity security issued by the Company, provided that notwithstanding the foregoing, the term "Company Securities" shall not include the High Yield Warrants.

"Drag-Along Portion" means, with respect to any Other Stockholder and any class of Company Securities, the number of such class of Company Securities beneficially owned by such Other Stockholder on a Fully Diluted basis (but without duplication) multiplied by a fraction, the numerator of which is the number of such class of Company Securities proposed to be sold by the LLC on behalf of the LLC and the Other Stockholders and the denominator of which is the total number of such class of Company Securities on a Fully Diluted basis beneficially owned by the Stockholders.

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

"Fully Diluted" means, with respect to Common Stock and without duplication, all outstanding Shares and all Shares issuable in respect of securities convertible into or exchangeable for Shares, options, warrants (including the Warrants) and other rights to purchase or subscribe for Shares or securities convertible into or exchangeable for Common Stock; provided that, to the extent

any of the foregoing options, warrants or other rights to purchase or subscribe for Shares are subject to vesting, the Shares subject to vesting shall be included in the definition of "Fully Diluted" only upon and to the extent of such vesting; and provided further that any Shares that vest upon and as a result of a certain transaction shall be included in the definition of "Fully Diluted" for purposes of such transaction.

"High Yield Warrants" means the warrants that are issued to purchasers of the Senior Subordinated Notes of Charles River Laboratories, Inc. on or around the Closing Date for the purchase of shares of Common Stock constituting not more than 6% of the fully diluted equity of the Company.

"Initial Ownership" means, with respect to any Stockholder and any class of Company Securities, the number of shares of such class of Company Securities beneficially owned (and without duplication) which such Persons have the right to acquire as of the date hereof, or in the case of any Person that shall become a party to this Agreement on a later date, as of such date, taking into account any stock split, stock dividend, reverse stock split or similar event.

"Initial Public Offering" means the first sale after the date hereof of Common Stock pursuant to an effective registration statement under the Securities Act (other than (1) a registration statement on Form S-8 or any successor form and (2) a shelf registration statement filed with respect to the High Yield Warrants and / or Warrants).

"Other Stockholders" means all Stockholders other than the LLC and its Permitted Transferees; provided that DLJIP, BB, Carlyle, and the TCW Entities shall be considered for purposes of this Agreement to be Other Stockholders.

"Permitted Transferee" means:

(i) in the case of the LLC: (A) any of: DLJ Merchant Banking Partners II, L.P., a Delaware limited partnership, DLJ Offshore Partners II, C.V. a Netherlands Antilles limited partnership, DLJ Merchant Banking Partners II-A, L.P., a Delaware limited partnership, DLJ Diversified Partners, L.P., a Delaware limited partnership, DLJ Diversified Partners-A, L.P., a Delaware limited partnership, DLJ EAB Partners, L.P., a Delaware limited partnership, DLJ Millennium Partners, L.P., a Delaware limited partnership, DLJ Millennium Partners-A, L.P., a Delaware limited partnership, DLJMB Funding II, Inc., a Delaware corporation, UK Investment Plan 1997 Partners, a Delaware partnership, DLJ First ESC, L.P., a Delaware limited partnership

and DLJ ESC II, L.P., a Delaware limited partnership, (each of the foregoing, a "DLJ Entity", and collectively, the "DLJ Entities"), (B) any general or limited partner of any DLJ Entity (a "DLJ Partner"), and any corporation, partnership, Affiliated Employee Benefit Trust or other entity that is an Affiliate of any DLJ Partner (collectively, the "DLJ Affiliates"), (C) any managing director, general partner, director, limited partner, officer or employee of any DLJ Entity or of any DLJ Affiliate, or the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any of the foregoing persons referred to in this clause (C) (collectively, "DLJ Associates"), (D) a trust, the beneficiaries of which, or a corporation, limited liability company or partnership, the stockholders, members or general or limited partners of which, include only DLJ Entities, DLJ Affiliates, DLJ Associates, their spouses or their lineal descendants, or (E) a voting trustee for one or more DLJ Entities, DLJ Affiliates or DLJ Associates; provided that notwithstanding the foregoing, no Other Stockholder shall be a Permitted Transferee of the LLC;

(ii) in the case of CRL, Bausch & Lomb Incorporated ("B&L"), or any wholly-owned subsidiary of B&L; and

(iii) in the case of any Management Stockholder: (A) a Person to whom Shares are transferred from such Other Stockholder (1) by will or the laws of descent and distribution or (2) by gift without consideration of any kind; provided that, in the case of clause (2), such transferee is the issue or spouse of such Management Stockholder, (B) a trust that is for the exclusive benefit of such Management Stockholder or its Permitted Transferees under (A) above, or a custodian or guardian for the exclusive benefit of the same, or (C) the Company, in a transfer approved by the Board; and

(iv) in the case of DLJIP, BB, Carlyle, and the TCW Entities: any Affiliate of such Person.

"Person" means an individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Pro Rata Portion" means the number of Shares a Stockholder holds multiplied by a fraction, the numerator of which is the number of Shares to be sold by the LLC and its Permitted Transferees in a Public Offering and the

denominator of which is the total number of Shares, on a Fully Diluted basis, held in the aggregate by the LLC and its Permitted Transferees prior to such Public Offering (excluding any Shares acquired or acquirable upon the exercise of High Yield Warrants).

"Public Offering" means an underwritten public offering of Registrable Securities of the Company pursuant to an effective registration statement under the Securities Act.

"Registrable Securities" means any Shares or Warrants until (i) a registration statement covering such Shares or Warrants has been declared effective by the SEC and such Shares or Warrants have been disposed of pursuant to such effective registration statement, (ii) such Shares or Warrants are sold under circumstances in which all of the applicable conditions of Rule 144 are met, or (iii) such Shares or Warrants are otherwise transferred, the Company has delivered a new certificate or other evidence of ownership for such Shares or Warrants not bearing the legend required pursuant to this Agreement and such Shares or Warrants may be resold without subsequent registration under the Securities Act, provided that the term "Registrable Securities" shall not apply to any Shares received upon exercise of any High Yield Warrants.

"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 Shares or Warrants), (iii) printing expenses, (iv) internal expenses of the Company (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 requested pursuant to Section 5.04(h)), (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 Stockholders participating in the offering selected (A) by the LLC, in the case of any offering in which the LLC or any Permitted Transferee of the LLC participates, or (B) in any other case, by the Other Stockholders holding the majority of Shares to be sold for the account of all Other Stockholders in the offering, (viii) fees and expenses in connection with any review of underwriting arrangements by the National Association of Securities Dealers, Inc. (the "NASD") 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 Stockholders (or the agents who manage their accounts) or any fees and expenses of underwriter's counsel.

"Restriction Termination Date" means the earlier to occur of (a) the second anniversary of the Initial Public Offering and (b) the fifth anniversary of the Closing Date.

"Rule 144" means Rule 144 and Rule 144A (or any successor provisions) under the Securities Act.

"SEC" means the Securities and Exchange Commission.

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

"Shares" means shares of Common Stock.

"Stockholder" means each Person (other than the Company) who shall be a party to or bound by this Agreement, whether in connection with the execution and delivery hereof as of the date hereof, pursuant to Section 6.06, or otherwise, so long as such Person shall (i) beneficially own (directly or indirectly) any Company Securities, or (ii) have any stock appreciation rights, options, warrants (other than High Yield Warrants) or other rights to purchase or subscribe for Company Securities.

"Subject Securities" means any Company Securities beneficially owned by the Other Stockholders.

"Tag-Along Portion" means the number of shares of Common Stock held (or, without duplication, acquirable under the Warrants) (excluding any shares of Common Stock acquired or acquirable under the High Yield Warrants) by the Tagging Person or the Selling Person, as the case may be, multiplied by a fraction, the numerator of which is the number of shares of Common Stock proposed to be sold in the Tag-Along Sale pursuant to Section 4.01, and the denominator of which is the aggregate number of shares of Common Stock on a Fully Diluted basis owned by all Stockholders (excluding any shares of Common Stock acquired or acquirable under the High Yield Warrants).

"TCW Entities" means TCW/Crescent Mezzanine Partners II, L.P., TCW/Crescent Mezzanine Trust II, Crescent/MACH I Partners, L.P., TCW Leveraged Income Trust, L.P. and TCW Leveraged Income Trust II, L.P.

"Third Party" means a prospective purchaser of Shares in an arm's-length transaction from a Stockholder where such purchaser is not a Permitted Transferee of such Stockholder.

"Warrants" means the warrants issued by the Company to the DLJ Entities for the purchase of shares of Common Stock constituting not more than 10% (the "Agreed Percentage") of the fully diluted equity of the Company, provided that the Agreed Percentage shall be subject to adjustment in the event of any disruption or adverse change in current financial or capital markets generally or in the market for new issuances of high yield securities.

"Warrant Shares" means shares of Common Stock issuable by the Company upon exercise of the Warrants.

(b) The term "LLC", to the extent the LLC shall have transferred any of its Shares to "Permitted Transferees", shall mean the LLC and the Permitted Transferees of the LLC, taken together, and any right or action that may be taken at the election of the LLC may be taken at the election of the holders of a majority of the Shares then held by the LLC and such Permitted Transferees. In the event of a distribution of Shares by the LLC to the holders of limited liability company interests in the LLC, the term "LLC" shall be deemed to mean the DLJ Entities and their Permitted Transferees, taken together, and any right or action that may be taken at the election of the DLJ Entities may be taken at the election of the holders of a majority of the Shares then held by the DLJ Entities and such Permitted Transferees.

(c) The term "Other Stockholders", to the extent such stockholders shall have transferred any of their Shares to "Permitted Transferees", shall mean the Other Stockholders and the Permitted Transferees of the Other Stockholders, taken together, and any right or action that may be taken at the election of the Other Stockholders may be taken at the election of the Other Stockholders and such Permitted Transferees.

(d) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Applicable Holdback Period	5.03
beneficially own	1.01(a)
Demand Registration	5.01(e)
DLJSC	6.03

Drag-Along Rights	4.02(a)
Exercise Period	6.04
Holders	5.01(a)
Incidental Registration	5.01(e)
Indemnified Party	5.07
Indemnifying Party	5.07
Inspectors	5.04(g)
Maximum Offering Size	5.01(e)
Nominee	2.03(a)
Put	6.04
Records	5.04(g)
Section 4.01 Response Notice	4.01(a)
Section 4.02 Notice	4.02(a)
Section 4.02 Notice Period	4.02(a)
Section 4.02 Sale	4.02(a)
Section 4.02 Sale Price	4.02(a)
Selling Person	4.01(a)
Selling Stockholder	5.01(e)
Tag-Along Notice	4.01(a)
Tag-Along Notice Period	4.01(a)
Tag-Along Offer	4.01(a)
Tag-Along Right	4.01(a)
Tag-Along Sale	4.01(a)
Tagging Person	4.01(a)
transfer	3.01

ARTICLE 2
CORPORATE GOVERNANCE

SECTION 2.01. Composition of the Board. (a) The Board shall consist initially of nine directors, (i) seven of whom (including the Chairman) will be designated by DLJ Merchant Banking Partners II, L.P., (ii) one of whom will be designated by CRL, and (iii) one of whom will be the Chief Executive Officer appointed by the Board. DLJIP shall be entitled to designate one observer to the Board, who shall be entitled to receive a copy of any materials distributed to all members of the Board, until the date on which DLJIP owns (directly or indirectly) less than 50% of the equity interest in the Company which it owned (indirectly) as of the Closing Date.

(b) Each Stockholder (other than CRL) entitled to vote for the election of directors to the Board agrees that it will vote its Shares or execute written consents, as the case may be, and take all other necessary action (including

causing the Company to call a special meeting of stockholders) in order to ensure that the composition of the Board is as set forth in this Section 2.01; provided that no Other Stockholder shall be required to vote for the board-designees of DLJ Merchant Banking Partners II, L.P. if the aggregate number of Common Shares held by the LLC is less than 10% of its Initial Ownership of Common Shares, and provided further that no party hereto shall be required to vote for the board- designee of CRL if the aggregate number of Common Shares held by CRL is less than 40% of the Initial Ownership of CRL.

SECTION 2.02. Removal. Each Stockholder (other than CRL) agrees that if, at any time, it is then entitled to vote for the removal of directors of the Company, it will not vote any of its Shares in favor of the removal of any director who shall have been designated or nominated pursuant to Section 2.01 unless such removal shall be for cause or the Persons entitled to designate or nominate such director shall have consented to such removal in writing.

SECTION 2.03. Vacancies. If, as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, there shall exist or occur any vacancy of the Board:

(a) the Person or Persons entitled under Section 2.01 to designate or nominate such director whose death, disability, retirement, resignation or removal resulted in such vacancy may designate another individual (the "Nominee") to fill such capacity and serve as a director of the Company; and

(b) each Stockholder (other than CRL) then entitled to vote for the election of the Nominee as a director of the Company agrees that it will vote its Shares, or execute a written consent, as the case may be, in order to ensure that the Nominee is elected to the Board.

SECTION 2.04. Meetings. The Board shall hold a regularly scheduled meeting at least once every calendar quarter, and notice of each meeting shall be given to all directors at least five Business Days prior to such meeting.

SECTION 2.05. Action by the Board. (a) A quorum of the Board shall consist of four directors, of whom at least three must be designees of DLJ Merchant Banking Partners II, L.P.; provided that the LLC shall have the right at any time to change the number of directors necessary to constitute a quorum of the Board. All actions of the Board shall require the affirmative vote of at least a majority of the directors present at a duly convened meeting of the Board at which a quorum is present or the unanimous written consent of the Board; provided that, in the event there is a vacancy on the Board and an individual has been nominated to fill such vacancy, the first order of business shall be to fill such vacancy.

(b) CRL shall have the right to send an observer who is an employee of B&L or an Affiliate of B&L to any meeting of the Board that the director who is designated by CRL is unable to attend. The observer shall have the privilege of voice but no vote with respect to any matter and shall be given a copy of any materials distributed to the Board members for such meeting.

(c) The Board may create executive, compensation and audit committees, as well as such other committees as it may determine. DLJ Merchant Banking Partners II, L.P. shall be entitled to designate a majority of the directors on any committee created by the Board.

SECTION 2.06. Conflicting Charter or Bylaw Provisions. Each Stockholder shall vote its Shares or execute written consents, as the case may be, and take all other actions necessary, to ensure that the Company's Charter and Bylaws facilitate and do not at any time conflict with any provision of this Agreement.

ARTICLE 3
RESTRICTIONS ON TRANSFER

SECTION 3.01. General. Each Stockholder understands and agrees that the Company Securities purchased pursuant to the applicable subscription agreement have not been registered under the Securities Act and are restricted securities. Each Stockholder agrees that it will not, directly or indirectly, sell, assign, transfer, grant a participation in, pledge or otherwise dispose of ("transfer") any Company Securities (or solicit any offers to buy or otherwise acquire, or take a pledge of any Company Securities) except in compliance with the Securities Act and the terms and conditions of this Agreement.

Any attempt to transfer any Company Securities not in compliance with this Agreement shall be null and void and the Company shall not, and shall cause any transfer agent not to, give any effect in the Company's stock records to such attempted transfer.

No transferee other than a Permitted Transferee or a party hereto shall be required or permitted to become a party to this Agreement or have the benefit of any rights hereunder or the burden of any obligations hereunder.

Except as set forth in the first sentence of this Section 3.01, transfers by the LLC are not subject to any restrictions.

SECTION 3.02. Legends. In addition to any other legend that may be required, each certificate for shares of Common Stock and each Warrant that is issued to any Stockholder shall bear a legend in substantially the following form:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH. THIS SECURITY IS ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE INVESTORS' AGREEMENT DATED AS OF SEPTEMBER 29, 1999, COPIES OF WHICH MAY BE OBTAINED UPON REQUEST FROM CHARLES RIVER LABORATORIES HOLDINGS, INC. OR ANY SUCCESSOR THERETO."

If any Company Securities shall cease to be Registrable Securities under clause (i) or clause (ii) of the definition thereof, the Company shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such securities without the first sentence of the legend required by this Section endorsed thereon. If any Company Securities cease to be subject to any and all restrictions on transfer set forth in this Agreement, the Company shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such Company Securities without the second sentence of the legend required by this Section endorsed thereon.

SECTION 3.03. Permitted Transferees. Notwithstanding anything in this Agreement to the contrary, any Stockholder may at any time transfer any or all of its Company Securities to one or more of its Permitted Transferees without the consent of the Board or any other Stockholder or group of Stockholders and without compliance with Sections 3.04, 3.05, 3.06 and 4.01 so long as (a) such Permitted Transferee shall have agreed in writing to be bound by the terms of this Agreement and (b) the transfer to such Permitted Transferee is not in violation of applicable federal or state securities laws.

SECTION 3.04. Restrictions on Transfers by Management Stockholders.

(a) Each Management Stockholder and each Permitted Transferee of such Management Stockholder may transfer its Company Securities only as follows:

(i) in a transfer made in compliance with Section 4.01 or 4.02;

(ii) subject to the Public Offering Limitations, in a Public Offering in connection with the exercise of its rights under Article 5 hereof;

(iii) after the Initial Public Offering, pursuant to the exemption from registration provided under Rule 144, provided that until the later of (A) the third anniversary of the IPO and (B) the Restriction Termination Date, such sales cannot reduce the Stockholder's ownership to (or occur at a time when such Stockholder's ownership is otherwise) below the greater of (X) 50% of his or her Initial Ownership and (Y) that percentage of his or her Initial Ownership as equals the percentage of the LLC's Initial Ownership remaining after previous dispositions by the LLC; or

(iv) following the Restriction Termination Date, to (A) any Third Party other than an Adverse Person or any person deemed inappropriate by the Board or (B) any Third Party through a national securities exchange, in each case for consideration consisting solely of cash, provided, however, that the amount sold in any 12-month period may not exceed 20% of the Management Stockholder's Initial Ownership.

For purposes of this Agreement, "Public Offering Limitations" means (A) no Management Stockholder shall be permitted to sell any Shares in the Initial Public Offering, (B) in the first public offering following the Initial Public Offering, no Management Stockholder may sell more than the lesser of (x) 50% of his or her Pro Rata Portion and (y) 20% of his or her holdings prior to the offering and (C) in each public offering thereafter, each Management Stockholder may sell no more than the lesser of (x) his or her Pro Rata Portion and (y) 50% of his or her holdings prior to the offering.

(b) The provisions of Section 3.04(a) shall terminate upon the earliest to occur of (i) the tenth anniversary of the Closing Date and (ii) the date upon which the shareholdings of the LLC fall below 10% of its Initial Ownership. Notwithstanding the foregoing sentence, the provisions of Section 3.04(a) shall not terminate with respect to any Management Stockholder's Shares which shall have been pledged to the Company as security in connection with any indebtedness for borrowed money owed by such Management Stockholder to the Company unless the proceeds from the sale of such Shares are applied to repay such indebtedness in full.

SECTION 3.05. Restrictions on Transfers by CRL.

(a) CRL may transfer its Company Securities only as follows:

(i) in a transfer made in compliance with Section 4.01 or 4.02;

(ii) in a Public Offering in connection with the exercise of its rights under Article 5 hereof;

(iii) after the Initial Public Offering, pursuant to the exemption from registration provided under Rule 144, provided, however, that the amount sold in any 12-month period pursuant to this clause (iii) may not exceed 25% of CRL's Initial Ownership.

(iv) following the Restriction Termination Date, to (A) any Third Party other than an Adverse Person or any person deemed inappropriate by the Board or (B) any Third Party through a national securities exchange, in each case for consideration consisting solely of cash.

(b) The provisions of Section 3.05(a) shall terminate upon the earliest to occur of (i) the tenth anniversary of the Closing Date and (ii) the date upon which the shareholdings of the LLC fall below 10% of its Initial Ownership.

SECTION 3.06. Restrictions on Transfers by New Minority Shareholders; Right of First Refusal.

(a) Each of DLJIP, BB, Carlyle, and the TCW Entities (a "New Minority Shareholder") may transfer its Company Securities only as follows:

(i) in a transfer made in compliance with Section 4.01 or 4.02;

(ii) in a Public Offering in connection with the exercise of its rights under Article 5 hereof;

(iii) after the Initial Public Offering, pursuant to the exemption from registration provided under Rule 144;

(iv) after the earlier of (A) 3 years from the Closing Date or (B) the Initial Public Offering, to any Third Party other than an Adverse Person or any person deemed inappropriate by the Board, provided in the case of any transfer prior to the Initial Public Offering that the transferor shall first have complied with Section 3.06(b) and that the consideration shall consist solely of cash; or

(v) to the limited partners of such New Minority Shareholder, as part of a general distribution of all assets held by such New Minority Shareholder to its limited partners; provided that any transferees pursuant to this clause (v) shall be deemed not to be Permitted Transferees.

(b) Right of First Refusal.

(i) If, prior to an Initial Public Offering, a New Minority Shareholder proposes to transfer Company Securities owned by such New Minority Shareholder in a transaction pursuant to and permitted by Section 3.06(a)(iv), such New Minority Shareholder shall provide DLJ Merchant Banking II, Inc. and the Company written notice of such proposed transfer. The notice shall identify the number of Company Securities proposed to be transferred, the cash price at which a transfer is proposed to be made and all other material terms and conditions of the offer.

(ii) The receipt of a such notice by DLJ Merchant Banking II, Inc. and the Company from a New Minority Shareholder shall constitute an offer by such New Minority Shareholder to sell first, to the DLJ Entities and, if not accepted or only accepted in part by the DLJ Entities, second to the Company, for cash, the Company Securities at the price and on the other terms and conditions set forth in such notice. Such offer shall be irrevocable for 10 Business Days after receipt of such notice by the DLJ Entities and the Company. During such period, any of the DLJ Entities and the Company shall have the right to accept such offer as to all or a portion of the Company Securities (provided that first priority of the right to accept is given to the DLJ Entities; and provided further that the aggregate number of Company Securities accepted by the DLJ Entities and the Company together equals the total number of Company Securities subject to the offer) by giving a written notice of acceptance to such Ne Minority Shareholder prior to the expiration of the offer period.

(iii) Any Person who has accepted the offer shall purchase and pay for all Company Securities accepted within 30 days after such acceptance.

(iv) Upon the failure to accept the offer in full prior to the expiration of the offer period or the failure to consummate the purchase within 30 days after the acceptance of the offer, there shall commence a 60-day period during which the New Minority Shareholder that gave the notice shall have the right to transfer to a third party any or all of the Company Securities subject to such offer at a price in cash not less than 90% of the price indicated in the applicable notice to DLJ Merchant Banking II, Inc. and the Company, and on the other terms and conditions set forth therein, provided that the transfer to such third party is not in violation of applicable federal or state or foreign securities laws. If such New Minority Shareholder does not consummate the sale in accordance with the foregoing time limitations, such New Minority Shareholder may

not thereafter transfer any Company Securities in a transaction pursuant to Section 3.06(a)(iv) without repeating the foregoing procedures.

(c) The provisions of Section 3.06(a) shall terminate upon the earliest to occur of (i) the tenth anniversary of the Closing Date and (ii) the date upon which the shareholdings of the LLC fall below 10% of its Initial Ownership.

ARTICLE 4
TAG-ALONG RIGHTS; DRAG-ALONG RIGHTS

SECTION 4.01. Rights to Participate in Transfer. (a) If the LLC (the "Selling Person") proposes to transfer a number of Shares equal to or exceeding 25% of the outstanding Shares in a single transaction or in a series of related transactions on the date of the proposed sale (a "Tag-Along Sale"), the Other Stockholders may, at their option, elect to exercise their rights under this Section 4.01 (each such Stockholder, a "Tagging Person"), provided that no such rights shall apply to transfers of Shares (i) in a Public Offering or pursuant to Rule 144 (defined for these purposes to exclude Rule 144A under the Securities Act), (ii) to any Permitted Transferee of the LLC (defined for these purposes to exclude, except in the case of a general distribution to DLJ Partners, any Permitted Transferee who is a Permitted Transferee solely by reason of being an Affiliate of a DLJ Partner), or (iii) to holders of limited liability company units in the LLC ("Units"). In the event of such a proposed transfer, the Selling Person shall provide each Other Stockholder written notice of the terms and conditions of such proposed transfer ("Tag-Along Notice") and offer each Tagging Person the opportunity to participate in such sale. The Tag-Along Notice shall identify the number and type of Company Securities subject to the offer ("Tag-Along Offer"), the cash price at which the transfer is proposed to be made, and all other material terms and conditions of the Tag-Along Offer, including the form of the proposed agreement, if any. From the date of the Tag-Along Notice, each Tagging Person shall have the right (a "Tag-Along Right"), exercisable by written notice ("Section 4.01 Response Notice") given to the Selling Person within 15 Business Days (the "Tag-Along Notice Period"), to request that the Selling Person include in the proposed transfer the number of Company Securities held by such Tagging Person as is specified in such notice; provided that if the aggregate number of Company Securities proposed to be sold by the Selling Person and all Tagging Persons in such transaction exceeds the number of Company Securities which can be sold on the terms and conditions set forth in the Tag-Along Notice, then only the Tag-Along Portion of Company Securities of each Tagging Person shall be sold pursuant to the Tag-Along Offer and the Selling Person shall sell its Tag-Along Portion of Company Securities and such

additional Company Securities as permitted by Section 4.01(d). If the Tagging Persons exercise their Tag-Along Rights hereunder, each Tagging Person shall deliver, together with its Section 4.01 Response Notice, to the Selling Person the certificate or certificates representing the Company Securities of such Tagging Person to be included in the transfer, together with a limited power-of-attorney authorizing the Selling Person to transfer such Securities on the terms set forth in the Tag-Along Notice. Delivery of such certificate or certificates representing the Company Securities to be transferred and the limited power-of-attorney authorizing the Selling Person to transfer such Company Securities shall constitute an irrevocable acceptance of the Tag-Along Offer by such Tagging Persons. If, at the end of a 120 day period after such delivery, the Selling Person has not completed the transfer of all such Company Securities on substantially the same terms and conditions set forth in the Tag-Along Notice (provided, however, that the cash price payable in any such sale may exceed the cash price specified in the Tag-Along Notice by up to 10%), the Selling Person shall return to each Tagging Person the limited power-of-attorney (and all copies thereof) together with all certificates representing the Company Securities which such Tagging Person delivered for transfer pursuant to this Section 4.01.

(b) Concurrently with the consummation of the Tag-Along Sale, the Selling Person shall notify the Tagging Persons thereof, shall remit to the Tagging Persons the total consideration (by bank or certified check) for the Company Securities of the Tagging Persons transferred pursuant thereto, and shall, promptly after the consummation of such Tag-Along Sale, furnish such other evidence of the completion and time of completion of such transfer and the terms thereof as may be reasonably requested by the Tagging Persons.

(c) If at the termination of the Tag-Along Notice Period any Tagging Person shall not have elected to participate in the Tag-Along Sale, such Tagging Person will be deemed to have waived its rights under Section 4.01(a) with respect to the transfer of its securities pursuant to such Tag-Along Sale, but not with respect to any future sales.

(d) If any Stockholder declines to exercise its Tag-Along Rights or elects to exercise its Tag-Along Rights with respect to less than such Tagging Person's Tag-Along Portion, the Tagging Persons who do respond and the LLC shall be entitled to transfer, pursuant to the Tag-Along Offer, an additional number of Company Securities equal to the number of Company Securities constituting their pro rata portion of such Tagging Person's Tag-Along Portion with respect to which Tag-Along Rights were not exercised.

(e) The LLC and any Tagging Person who exercises the Tag-Along Rights pursuant to this Section 4.01 may sell the Company Securities subject to

the Tag-Along Offer on the terms and conditions set forth in the Tag-Along Notice (provided, however, that the cash price payable in any such sale may exceed the cash price specified in the Tag-Along Notice by up to 10%) within 120 days of the date on which Tag-Along Rights shall have been waived, exercised or expire.

(f) In the event that the DLJ Entities propose to transfer a number of Units equal to or exceeding 40% of the outstanding Units in a single transaction or in a series of related transactions on the date of the proposed sale, other than transfers of Units (i) in a Public Offering or pursuant to Rule 144 (defined for these purposes to exclude Rule 144A under the Securities Act) or (ii) to any Permitted Transferee of the LLC (defined for these purposes to exclude, except in the case of a general distribution to DLJ Partners, any Permitted Transferee who is a Permitted Transferee solely by reason of being an Affiliate of a DLJ Partner), the Board of Directors shall in good faith determine an appropriate procedure which shall mutatis mutandis reflect the procedures of this Section 4.01 to allow Company Securities to be sold proportionally by Other Stockholders as part of such sale, and shall in good faith determine an appropriate valuation for such Company Securities reflecting the price per Unit at which the DLJ Entities propose to sell the Units.

(g) This Section 4.01 shall terminate upon the Initial Public Offering.

SECTION 4.02. Right to Compel Participation in Certain Transfers. (a) If (i) the LLC proposes to transfer not less than 50% of its Initial Ownership of Common Stock to a Third Party in a bona fide sale or (ii) the LLC proposes an arms-length transfer in which the shares of Common Stock to be transferred by the LLC and its Permitted Transferees constitute more than 50% of the outstanding shares of Common Stock (a "Section 4.02 Sale"), the LLC may at its option require all Other Stockholders to sell the Drag-Along Portion of the Subject Securities ("Drag-Along Rights") then held by every Other Stockholder, and (subject to and at the closing of the Section 4.02 Sale) to exercise all, but not less than all, of the options held by every Other Stockholder and to sell all of the shares of Common Stock received upon such exercise to such Third Party, for the same consideration per share of Common Stock and otherwise on the same terms and conditions as the LLC; provided that any Other Stockholder who holds options the exercise price per share of which is greater than the per share price at which the Shares are to be sold to the Third Party may, if required by the LLC to exercise such options, in place of such exercise, submit to irrevocable cancellation thereof without any liability for payment of any exercise price with respect thereto. In the event the Section 4.02 Sale is not consummated with respect to any shares acquired upon exercise of such options, or the Section 4.02 Sale is not consummated, such options shall be deemed not to have been exercised or

canceled, as applicable. The LLC shall provide written notice of such Section 4.02 Sale to the Other Stockholders (a "Section 4.02 Notice") not later than the 15th Business Day prior to the proposed Section 4.02 Sale. The Section 4.02 Notice shall identify the transferee, the number of Subject Securities, the consideration for which a transfer is proposed to be made (the "Section 4.02 Sale Price") and all other material terms and conditions of the Section 4.02 Sale. The number of shares of Common Stock to be sold by each Other Stockholder will be the Drag-Along Portion of the shares of Common Stock that such Other Stockholder owns. Each Other Stockholder shall be required to participate in the Section 4.02 Sale on the terms and conditions set forth in the Section 4.02 Notice and to tender all its Subject Securities as set forth below. The price payable in such transfer shall be the Section 4.02 Sale Price. Not later than the 10th Business Day following the date of the Section 4.02 Notice (the "Section 4.02 Notice Period"), each of the Other Stockholders shall deliver to a representative of the LLC designated in the Section 4.02 Notice certificates representing all Subject Securities representing the Drag Along Portion held by such Other Stockholder, duly endorsed, together with all other documents required to be executed in connection with such Section 4.02 Sale. If an Other Stockholder should fail to deliver such certificates to the representative of the LLC, the Company shall cause the books and records of the Company to show that such Subject Securities are bound by the provisions of this Section 4.02 and that such Subject Securities shall be transferred to the purchaser of the Subject Securities immediately upon surrender for transfer by the holder thereof.

(b) The LLC shall have a period of 45 days from the date of receipt of the Section 4.02 Notice to consummate the Section 4.02 Sale on the terms and conditions set forth in such Section 4.02 Sale Notice. If the Section 4.02 Sale shall not have been consummated during such period, the LLC shall return to each of the Other Stockholders all certificates representing Subject Securities that such Other Stockholder delivered for transfer pursuant hereto, together with any documents in the possession of the LLC executed by the Other Stockholder in connection with such proposed transfer, and all the restrictions on transfer contained in this Agreement or otherwise applicable at such time with respect to Common Stock owned by the Other Stockholders shall again be in effect.

(c) Concurrently with the consummation of the transfer of Company Securities pursuant to this Section 4.02, the LLC shall give notice thereof to all Stockholders, shall remit to each of the Stockholders who have surrendered their certificates the total consideration (by bank or certified check) for the Subject Securities transferred pursuant hereto and shall furnish such other evidence of the completion and time of completion of such transfer and the terms thereof as may be reasonably requested by such Stockholders.

ARTICLE 5
REGISTRATION RIGHTS

SECTION 5.01. Demand Registration. (a) If the Company shall receive a written request by the LLC or its Permitted Transferees or DLJIP (any such requesting Person, a "Selling Stockholder") that the Company effect the registration under the Securities Act of all or a portion of such Selling Stockholder's Registrable Securities, and specifying the intended method of disposition thereof, then the Company shall promptly give written notice of such requested registration (a "Demand Registration") at least 30 days prior to the anticipated filing date of the registration statement relating to such Demand Registration to the Other Stockholders and thereupon will use its best efforts to effect, as expeditiously as possible, the registration under the Securities Act of:

(i) the Registrable Securities which the Company has been so requested to register by the Selling Stockholders, then held by the Selling Stockholders; and

(ii) subject to the restrictions set forth in Section 5.01(e), all other Registrable Securities of the same type as that to which the request by the Selling Stockholders relates which any Other Stockholder entitled to request the Company to effect an Incidental Registration (as such term is defined in Section 5.02) pursuant to Section 5.02 (all such Stockholders, together with the Selling Stockholders, the "Holders") has requested the Company to register by written request received by the Company within 15 days after the receipt by such Holders of such written notice given by the Company,

all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered; provided that, subject to Section 5.01(d) hereof, the Company shall not be obligated to effect (A) more than six Demand Registrations for the LLC and its Permitted Transferees or (B) one Demand Registration for DLJIP (which Demand Registration right may not be exercised prior to the earlier of (1) five years from the Closing Date and (2) the date that is 180 days after an Initial Public Offering); and provided further that the Company shall not be obligated to effect a Demand Registration unless the aggregate proceeds expected to be received from the sale of the Common Stock to be included in such Demand Registration, in the reasonable opinion of DLJ Merchant Banking II, Inc. exercised in good faith, equals or exceeds (Y) $30,000,000 if such Demand Registration would constitute the Initial Public Offering, or (Z) $10,000,000 in all other cases. In no event will the Company be required to effect more than one Demand Registration within any four-month period.

(b) Promptly after the expiration of the 15-day period referred to in Section 5.01(a)(ii) hereof, the Company will notify all the Holders to be included in the Demand Registration of the other Holders and the number of Registrable Securities requested to be included therein. The Selling Stockholders requesting a registration under this Section may, at any time prior to the effective date of the registration statement relating to such registration, revoke such request, without liability to any of the other Holders, by providing a written notice to the Company revoking such request, in which case such request, so revoked, shall be considered a Demand Registration unless the participating Stockholders reimburse the Company for all costs incurred by the Company in connection with such registration, or unless such revocation arose out of the fault of the Company, in which case such request shall not be considered a Demand Registration.

(c) The Company will pay all Registration Expenses in connection with any Demand Registration.

(d) A registration requested pursuant to this Section shall not be deemed to have been effected (i) unless the registration statement relating thereto (A) has become effective under the Securities Act and (B) has remained effective for a period of at least 180 days (or such shorter period in which all Registrable Securities of the Holders included in such registration have actually been sold thereunder); provided that if after any registration statement requested pursuant to this Section becomes effective (x) such registration statement is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court and (y) less than 75% of the Registrable Securities included in such registration statement has been sold thereunder, such registration statement shall not be considered a Demand Registration or (ii) if the Maximum Offering Size (as defined below) is reduced in accordance with Section 5.01(e) or 5.01(f) such that less than 66 2/3% of the Registrable Securities of the Selling Stockholders sought to be included in such registration are included.

(e) If a Demand Registration involves an Underwritten Public Offering and the managing underwriter shall advise the Company and the Selling Stockholders that, in its view, (i) the number of Registrable Securities requested to be included in such registration (including any securities which the Company proposes to be included which are not Registrable Securities) or (ii) the inclusion of some or all of the Registrable Securities owned by the Holders, in any such case, exceeds the largest number of securities which can be sold without having an adverse effect on such offering, including the price at which such securities can be sold (the "Maximum Offering Size"), the Company will include in such registration, in the priority listed below, up to the Maximum Offering Size:

(A) first: (1) in the case of a Demand by the LLC and its Permitted Transferees, all Securities requested to be registered by the Selling Stockholder and by all of its Permitted Transferees and CRL, DLJIP, BB, Carlyle, and the TCW Entities (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Persons on the basis of the relative number of shares of Registrable Securities requested to be registered), or (2) in the case of a Demand by DLJIP, all Securities requested to be registered by the Selling Stockholder and by all of its Permitted Transferees and BB, Carlyle, and the TCW Entities (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Persons on the basis of the relative number of shares of Registrable Securities requested to be registered);

(B) second: (1) in the case of a Demand by the LLC and its Permitted Transferees, all Registrable Securities requested to be included in such registration by any other Holder (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such other Holders on the basis of the relative number of shares of Registrable Securities requested to be included in such registration), or (2) in the case of a Demand by DLJIP, all Registrable Securities requested to be included in such registration by the LLC and its Permitted Transferees and by CRL (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such other Holders on the basis of the relative number of shares of Registrable Securities requested to be included in such registration);

(C) third: (1) in the case of a Demand by the LLC and its Permitted Transferees, any securities proposed to be registered by the Company, or (2) in the case of a Demand by DLJIP, all Registrable Securities requested to be included in such registration by any other Holder (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such other Holders on the basis of the relative number of shares of Registrable Securities requested to be included in such registration); and

(D) fourth: in the case of a Demand by DLJIP, any securities proposed to be registered by the Company.

(f) If the Company files a shelf registration statement with respect to the High Yield Warrants, the Company shall notify the holders of the Warrants at

least 20 days prior to such filing. The holders of the Warrants shall have the right (which shall not be deemed to be a use of a Demand Registration right), by notice to the Company, to include the Warrants in such shelf registration statement. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not be construed to confer on any Stockholder (other than holders of Warrants in their capacity as such, together with any Persons entitled to indemnification hereunder in connection therewith) any rights in connection with such shelf registration statement.

SECTION 5.02. Incidental Registration. (a) If the Company proposes to register any Company Securities under the Securities Act (other than a registration (A) on Form S-8 or S-4 or any successor or similar forms, (B) relating to Common Stock issuable upon exercise of employee stock options or in connection with any employee benefit or similar plan of the Company or (C) in connection with a direct or indirect acquisition by the Company of another company), whether or not for sale for its own account, it will each such time, subject to the provisions of Section 5.02(b), give prompt written notice at least 30 days prior to the anticipated filing date of the registration statement relating to such registration to the LLC and each Other Stockholder, which notice shall set forth such Stockholder's rights under this Section 5.02 and shall offer such Stockholders the opportunity to include in such registration statement such number of Registrable Securities of the same type as are proposed to be registered as each such Stockholder may request (an "Incidental Registration"). Upon the written request of any such Stockholder made within 15 days after the receipt of notice from the Company (which request shall specify the number of Registrable Securities intended to be disposed of by such Stockholder), the Company will use its best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by such Stockholders, to the extent requisite to permit the disposition of the Registrable Securities so to be registered; provided that (I) if such registration involves a Public Offering, all such Stockholders requesting to be included in the Company's registration must sell their Registrable Securities to the underwriters selected as provided in Section 5.04(f) 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 stock pursuant to this Section 5.02(a) 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 all such Stockholders 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 LLC under Section 5.01). No registration effected under this Section 5.02 shall relieve the Company of its obligations to effect a Demand Registration to the extent required by Section 5.01.

The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 5.02.

(b) If a registration pursuant to this Section 5.02 involves a Public Offering (other than in the case of a Public Offering requested by the LLC or any of its Permitted Transferees or the Other Stockholders in a Demand Registration, in which case the provisions with respect to priority of inclusion in such offering set forth in Section 5.01(e) shall apply) and the managing underwriter advises the Company that, in its view, the number of Shares that the Company and such Stockholders intend to include in such registration exceeds the Maximum Offering Size, the Company will include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, so much of the securities proposed to be registered by the Company as would not cause the offering to exceed the Maximum Offering Size;

(ii) second, all Registrable Securities requested to be included in such registration by the LLC and its Permitted Transferees or any Other Stockholder pursuant to this Section 5.02 (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Stockholders on the basis of the relative number of shares of Registrable Securities so requested to be included in such registration).

SECTION 5.03. Holdback Agreements. If any registration of Registrable Securities shall be in connection with a Public Offering, the LLC and its Permitted Transferees and each Other Stockholder agrees not to effect any public sale or distribution, including any sale pursuant to Rule 144, or any successor provision, under the Securities Act, of any Registrable Securities, and not to effect any such public sale or distribution of any other Common Stock of the Company or of any stock convertible into or exchangeable or exercisable for any Common Stock of the Company (in each case, other than as part of such Public Offering) during the 14 days prior to the effective date of such registration statement (except as part of such registration) or during the period after such effective date equal to the lesser of (i) such period of time as agreed between such managing underwriter and the Company and (ii) 180 days (such lesser period, the "Applicable Holdback Period").

SECTION 5.04. Registration Procedures. Whenever Stockholders request that any Registrable Securities be registered pursuant to Section 5.01 or 5.02, the Company will, subject to the provisions of such Sections, use its best efforts to effect the registration and the sale of such Registrable Securities in accordance

with the intended method of disposition thereof as quickly as 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 or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its best efforts to cause such filed registration statement to become and remain effective for a period of not less than 180 days.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to participating Stockholder and each underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter the Company will furnish to such Stockholder and underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Stockholder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Stockholder.

(c) After the filing of the registration statement, the Company will promptly notify each Stockholder holding Registrable Securities covered by such registration statement of any stop order issued or threatened by the SEC and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its best efforts to (i) register or qualify the Registrable Securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions in the United States as any Stockholder holding such Registrable Securities reasonably (in light of such Stockholder's intended plan of distribution) requests and (ii) cause such Registrable 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 and do any and all other acts and things that may be reasonably necessary or advisable to enable such Stockholder to consummate the disposition of the Registrable Securities owned by such Stockholder; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any

such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Stockholder holding such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an 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 not misleading and promptly prepare and make available to each such Stockholder any such supplement or amendment.

(f) The LLC will have the right, in its sole discretion, to select an underwriter or underwriters in connection with any Public Offering, which underwriter or underwriters may include any Affiliate of any DLJ Entity. In connection with any Public Offering, 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 disposition of Registrable Securities in any such Public Offering, including the engagement of a "qualified independent underwriter" in connection with the qualification of the underwriting arrangements with the NASD.

(g) Upon the execution of confidentiality agreements in form and substance satisfactory to the Company, the Company will make available for inspection by any Stockholder and any underwriter participating in any disposition pursuant to a registration statement being filed by the Company pursuant to this Section 5.04 and any attorney, accountant or other professional retained by any such Stockholder or 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 Company's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records that the Company determines, in good faith, to be confidential and that it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Stockholder 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 Company Securities or its Affiliates unless and until such is made generally available to the public. Each

Stockholder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each such Stockholder and to each such underwriter, if any, a signed counterpart, addressed to such underwriter, 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 a majority of such Stockholders or the managing underwriter therefor reasonably requests.

(i) The Company will otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its stockholders, 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.

The Company may require each such Stockholder to promptly furnish in writing to the Company such information regarding the distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Each such Stockholder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5.04(e), such Stockholder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Stockholder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 5.04(e), and, if so directed by the Company, such Stockholder will deliver to the Company all copies, other than any permanent file copies then in such Stockholder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event that the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the period referred to in Section 5.04(a)) by the number of days during the period from and including the date of the giving of notice pursuant to Section 5.04(e) to the date when the Company shall make available to such Stockholder a prospectus supplemented or amended to conform with the requirements of Section 5.04(e).

SECTION 5.05. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Stockholder holding Registrable Securities covered by a registration statement, its officers, directors and agents, and each person, if any, who controls such Stockholder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to the Company by such Stockholder or on such Stockholder's behalf expressly for use therein; provided that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, or in any prospectus, as the case may be, the indemnity agreement contained in this paragraph shall not apply to the extent that any such loss, claim, damage, liability or expense results from the fact that a current copy of the prospectus (or, in the case of a prospectus, the prospectus as amended or supplemented) was not sent or given to the person asserting any such loss, claim, damage, liability or expense at or prior to the written confirmation of the sale of the Registrable Securities concerned to such person if it is determined that the Company has provided such prospectus and it was the responsibility of such Stockholder to provide such person with a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) would have cured the defect giving rise to such loss, claim, damage, liability or expense. The Company also agrees to indemnify any underwriters of the Registrable Securities, their officers and directors and each person who controls such underwriters on substantially the same basis as that of the indemnification of the Stockholders provided in this Section 5.05.

SECTION 5.06. Indemnification by Participating Stockholders. Each Stockholder holding Registrable Securities included in any registration statement agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Stockholder, but only (i) with respect to information furnished in writing by such Stockholder or on such Stockholder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any

amendment or supplement thereto, or any preliminary prospectus or (ii) to the extent that any loss, claim, damage, liability or expense described in Section 5.05 results from the fact that a current copy of the prospectus (or, in the case of a prospectus, the prospectus as amended or supplemented) was not sent or given to the person asserting any such loss, claim, damage, liability or expense at or prior to the written confirmation of the sale of the Registrable Securities concerned to such person if it is determined that it was the responsibility of such Stockholder to provide such person with a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) would have cured the defect giving rise to such loss, claim, damage, liability or expense. Each such Stockholder also agrees to indemnify and hold harmless underwriters of the Registrable Securities, their officers and directors and each person who controls such underwriters on substantially the same basis as that of the indemnification of the Company provided in this Section 5.06. As a condition to including Registrable Securities in any registration statement filed in accordance with Article 5 hereof, the Company may require that it shall have received an undertaking reasonably satisfactory to it from any underwriter to indemnify and hold it harmless to the extent customarily provided by underwriters with respect to similar securities.

SECTION 5.07. 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 this Article 5, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses; provided that the failure of any Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure to notify. 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) in the reasonable judgment of such Indemnified Party 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 reasonable fees and expenses of more than one separate firm of attorneys (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 shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. 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 arising out of such proceeding.

SECTION 5.08. Contribution. If the indemnification provided for in this Article 5 is unavailable to the Indemnified Parties in respect of any losses, claims, damages or liabilities referred to herein, then each such 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 or liabilities (i) as between the Company and the Stockholders holding Registrable Securities covered by a registration statement on the one hand and the underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and such Stockholders on the one hand and the underwriters on the other, from the offering of the Registrable Securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and such Stockholders on the one hand and of such underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) as between the Company on the one hand and each such Stockholder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each such Stockholder in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative benefits received by the Company and such Stockholders on the one hand and such underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and such Stockholders bear to the total underwriting discounts and commissions received by such underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the Company and such Stockholders on the one hand and of such underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact

relates to information supplied by the Company and such Stockholders or by such underwriters. The relative fault of the Company on the one hand and of each such Stockholder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Stockholders agree that it would not be just and equitable if contribution pursuant to this Section 5.08 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 account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5.08, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable 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 no Stockholder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Stockholder were offered to the public exceeds the amount of any damages which such Stockholder 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. Each such Stockholder's obligation to contribute pursuant to this Section 5.08 is several in the proportion that the proceeds of the offering received by such Stockholder bears to the total proceeds of the offering received by all such Stockholders and not joint.

SECTION 5.09. Participation in Public Offering. No Person may participate in any Public Offering hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements, and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably and customarily required under the terms of such underwriting arrangements and the provisions of this Agreement in respect of registration rights.

SECTION 5.10. Other Indemnification. Indemnification similar to that specified herein (with appropriate modifications) shall be given by the Company and each Stockholder participating therein with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

SECTION 5.11. Cooperation by the Company. In the event any Stockholder shall transfer any Registrable Securities pursuant to Rule 144A under the Securities Act, the Company shall cooperate with such Stockholder (which shall include, without limitation, making registration rights with respect to the Registrable Securities to be sold (or securities issuable or to be issued in exchange therefor) available to the ultimate purchasers thereof) and shall provide to such Stockholder such information as such Stockholder shall reasonably request, provided that any registration rights made available pursuant hereto shall not be on terms substantially more favorable to the possessors thereof than the registration rights granted herein to the LLC.

ARTICLE 6
MISCELLANEOUS

SECTION 6.01. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and supersede all prior agreements and understandings, oral and written, among the parties hereto with respect to the subject matter hereof.

SECTION 6.02. Binding Effect; Benefit; Treatment of TCW Entities. (a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, shall confer on any Person other than the parties hereto, their respective heirs, successors, legal representatives and permitted assigns, the DLJ Entities, and DLJ Merchant Banking II, Inc., any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(b) It is acknowledged and understood by all parties hereto that this agreement shall be binding in the absence of executed counterparts from the TCW Entities. It is further understood that if the TCW Entities do not deliver executed counterparts to the Company within 30 days from the Closing Date, all references herein to the TCW Entities shall be deemed to be removed without any further action on the part of any party hereto.

SECTION 6.03. Exclusive Financial and Investment Banking Advisor. During the period from and including the date hereof through and including the fifth anniversary of the date hereof, Donaldson, Lufkin & Jenrette Securities Corporation ("DLJSC"), or any Affiliate of DLJSC that the LLC may choose in its sole discretion, shall be engaged as the exclusive financial and investment banking advisor of the Company.

SECTION 6.04. Put Right. (a) During the period, if any, beginning on (i) the earlier of (A) the date that all of the Indebtedness (as defined in, and for the purposes hereof such term shall include, the Subordinated Discount Note Due 2010 issued by the Company to CRL Holdings, Inc.) of the Company and its subsidiaries incurred on or prior to the Closing Date has been repaid in full (including any refinancings or replacements of such Indebtedness) or (B) the date that (1) all of the Indebtedness of the Company and its subsidiaries incurred on or prior to the Closing Date has been repaid in full, refinanced or replaced and (2) the documentation relating to all of the refinanced or replacement Indebtedness referred to in the preceding clause (A) permits the Put (as defined below) to be exercised, provided that in connection with any refinancing or replacement referred to in the preceding clause (A) the Company shall make a good faith effort to obtain such permission in the documentation thereof, and ending on (ii) the earliest of (X) the date of the Initial Public Offering, (Y) the date on which the LLC shall own less than 50% of the outstanding Common Stock, and (Z) twelve years from the Closing Date, CRL shall have the right to sell (the "Put") all, but not less than all, of the Common Stock owned by it (excluding any Common Stock acquired by it after the Closing Date) to the Company. The price per share for the Common Stock purchased pursuant to the Put shall be the fair market value thereof as determined by an investment bank of nationally recognized standing selected by the Board, which shall not be an affiliate of the LLC or the DLJ Entities.

(b) In the event that CRL proposes to exercise its rights under this section, it shall provide the Company with written notice thereof (the "Section 6.04 Notice"). The Company shall then have 75 days from the date of its receipt of the Section 6.04 Notice in which to obtain the determination of the price per share set forth in clause (a) above, and to provide written notice to CRL of such price per share (the "Value Notice"). CRL shall then have 10 Business Days from the date of its receipt of the Value Notice in which it may provide written notice to the Company of its intention to exercise the Put (the "Put Notice"). If CRL does not provide the Put Notice to the Company within such 10 day period, it shall forfeit all its rights under this Section 6.04. If CRL does provide the Put Notice to the Company within such 10 day period: (i) the Company shall deliver to CRL the price per share set forth in the Value Notice for the Common Stock to be sold by CRL, and (ii) CRL shall simultaneously deliver to the Company

certificates representing such Common Stock, together with duly executed stock powers, on a date to be determined by mutual agreement (but not less than 10 days after the date of the Company's receipt of the Put Notice).

SECTION 6.05. Pre-emptive Rights. (a) If the Company proposes to issue any Company Securities (other than (i) to employees of the Company or any subsidiary pursuant to employee benefit plans or arrangements approved by the Board (including upon the exercise of employee stock options), (ii) in connection with any bona fide, arm's length direct or indirect merger, acquisition or similar transaction, (iii) pursuant to a Public Offering, (iv) upon the exercise of Warrants or High Yield Warrants, or (v) on or prior to the Closing Date), each Other Stockholder shall have the pre-emptive right to acquire its pre-emptive portion of such Company Securities, at the same price per Company Security at which such Company Securities are sold in such issuance. For these purposes, "pre-emptive portion" shall mean a fraction, the numerator of which is the Initial Ownership of such Stockholder and the denominator of which is the Initial Ownership of all Stockholders.

(b) The Company shall provide written notice to each Other Stockholder at least twenty days prior to any issuance of Company Securities with respect to which such Other Stockholder would have pre-emptive rights pursuant to clause (a) above. Each Other Stockholder shall then have ten days from its receipt of such notice in which to provide written notice to the Company of its exercise of its rights pursuant to this Section 6.05.

(c) The rights of any Other Stockholder under this Section 6.05 shall expire at such time as such Other Stockholder owns less than 40% of its Initial Ownership of Common Stock.

(d) The Company shall not be under any obligation to consummate any proposed issuance of Company Securities, regardless of whether it shall have delivered a written notice in respect of such issuance.

SECTION 6.06. Assignability. This Agreement shall not be assignable by any party hereto, except that any Person acquiring Shares who is required by the terms of this Agreement or any employment agreement or stock purchase, option, stock option or other compensation plan of the Company or any Subsidiary to become a party hereto shall (unless already bound hereby) execute and deliver to the Company an agreement to be bound by this Agreement and shall thenceforth be a "Stockholder". Any Stockholder who ceases to own beneficially any Shares shall cease to be bound by the terms hereof (other than the provisions of Sections 5.05, 5.06, 5.07, 5.08, and 5.10 applicable to such Stockholder with respect to any

offering of Registrable Securities completed before the date such Stockholder ceased to own any Shares).

SECTION 6.07. Amendment; Waiver; Termination. No provision of this Agreement may be waived except by an instrument in writing executed by the party against whom the waiver is to be effective. No provision of this Agreement may be amended or otherwise modified except by an instrument in writing executed by (i) the Company with the approval of the Board, (ii) DLJ Merchant Banking II, Inc., and (iii) CRL, until such time as CRL is no longer entitled to nominate a director to the Board; provided that if any such amendment or modification has an adverse effect on any Stockholder that is materially disproportionate to the effect of such amendment or modification on Stockholders generally, the approval of such Stockholder shall also be required.

SECTION 6.08. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmissions and shall be given,

if to the Company or the Management Stockholders, to

Charles River Laboratories Holdings, Inc.
251 Ballardvale Street
Wilmington, MA 01887
Attention: Dennis R. Shaughnessy
Fax: (978) 988-5665

and a copy to the LLC at its address listed below;

if to the LLC, to:

CRL Acquisition LLC
c/o DLJ Merchant Banking Partners II, L.P.
277 Park Avenue
New York, New York 10172
Attention: Thompson Dean
Fax: (212) 892-7272

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017

Attention: George R. Bason, Jr.
Fax: (212) 450-4800

if to CRL, to:

B&L CRL, Inc.
c/o Bausch & Lomb Incorporated
One Bausch & Lomb Place
Rochester, NY 14604

Attention: Alan Farnsworth
Fax: 716-338-8017

with a copy to:

Nixon Peabody LLP
Clinton Square
Rochester, NY 14603
Attention: Deborah McLean Quinn
Fax: (716) 263-1600

if to DLJ Investment Partners, L.P., to:

DLJ Investment Partners, L.P.
277 Park Avenue
New York, NY 10172
Attention: Ivy Dodes
Fax: 212-892-7272

if to DLJ Investment Funding, Inc., to:

DLJ Investment Funding, Inc.
277 Park Avenue
New York, NY 10172
Attention: John Moriarty
Fax: 212-892-7555

if to DLJ ESC II, L.P., to:

DLJ ESC II L.P.
c/o DLJ LBO Plans
Management Corporation
277 Park Avenue
New York, NY 10172
Attention: John Moriarty
Fax: 212-892-7555

if to BB, to:

Brown Brothers Harriman & Co.
59 Wall Street
New York, NY 10005

Attention: Joseph P. Donlan
Fax: 212-493-8429

with a copy to:

Paul Weiss Rifkind Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019-6064

Attention: Marilyn Sobel
Fax: 212-757-3990

if to Carlyle, to:

Carlyle Group L.P.
520 Madison Avenue
41st Floor
New York, NY 10022

Attention: Mr. Mark Alter
Fax: 212-381-4950

if to the TCW Entities, to:

Trust Company of the West
11100 Santa Monica Blvd.
Suite 2000
Los Angeles, CA 90025

Attention: Mr. Jim Shevlet
Fax: 310-235-5967

All notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt. Any notice, request or other written communication sent by facsimile transmission shall be confirmed by certified mail, return receipt requested, posted within one Business Day, or by personal delivery, whether courier or otherwise, made within two Business Days after the date of such facsimile transmission.

Any Person who becomes a Stockholder shall provide its address and fax number to the Company, which shall promptly provide such information to each other Stockholder.

SECTION 6.09. Headings. The headings contained in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

SECTION 6.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

SECTION 6.11. Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SUCH STATE.

SECTION 6.12. Specific Enforcement. Each party hereto acknowledges that the remedies at law of the other parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any party to this Agreement, without posting any bond, and in addition to all other remedies which may be available, 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 6.13. Consent to Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be

brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York City, and each of the parties hereby consents to the non-exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 6.08 shall be deemed effective service of process on such party.

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

CHARLES RIVER LABORATORIES
HOLDINGS, INC.

By:

Name:
Title:

CRL ACQUISITION LLC

By:

Name:
Title:

B&L CRL, INC.

By:

Name:
Title:

DLJ INVESTMENT PARTNERS, L.P.

By: DLJ INVESTMENT PARTNERS, INC.,
Managing General Partner

By:

Name:
Title:

DLJ ESC II L.P.

By: DLJ LBO PLANS MANAGEMENT
CORPORATION,
General Partner

By:

Name:
Title:

DLJ INVESTMENT FUNDING, INC.

By:

Name:
Title:

THE 1818 MEZZANINE FUND, L.P.

By: BROWN BROTHERS HARRIMAN & CO.
General Partner

By:

Name:
Title:

CARLYLE HIGH YIELD PARTNERS, L.P.

By: TCG High Yield, L.L.C.
General Partner

By:

Name: Jack Mann
Title: Executive Managing Director

MANAGEMENT STOCKHOLDERS

James C. Foster

Henry L. Foster

Thomas F. Ackerman

Dennis R. Shaughnessy

Julia D. Palm

Real H. Renaud

Gilbert M. Slater

David P. Johst

Dr. Charn Sun Lee

Dr. Jorg M. Geller

Dr. Christophe Berthoux

Dr. Raj Bhalla

Toshihide Kashiwagi

TCW/CRESCENT MEZZANINE PARTNERS II, L.P.

By: TCW/Crescent Mezzanine II, L.P.
its general partner or managing owner

By: TCW/Crescent Mezzanine, L.L.C.
its general partner

By:

Name:
Title:

TCW/CRESCENT MEZZANINE TRUST II

By: TCW/Crescent Mezzanine II, L.P.
its general partner or managing owner

By: TCW/Crescent Mezzanine, L.L.C.
its general partner

By:

Name:
Title:

CRESCENT/MACH I PARTNERS, L.P.

By: TCW Asset Management Company,
as Portfolio Manager and as
Attorney-in-Fact for the Partnership

By:

Name:
Title:

TCW LEVERAGED INCOME TRUST, L.P.

By: TCW Investment Management Company,
as Investment Advisor

By:

Name:
Title:

By: TCW Advisors (Bermuda), Ltd.,
as general partner

By:

Name:
Title:

TCW LEVERAGED INCOME TRUST II, L.P.

By: TCW Investment Management Company,
as Investment Advisor

By:

Name:
Title:

By: TCW (LINC II), L.P., as general
partner

By: TCW Advisors (Bermuda), Ltd.,
as its general partner

By:

Name:
Title:

EXHIBIT 5.1

DAVIS POLK & WARDWELL
450 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017

212-450-4000

December 8, 1999

Charles River Laboratories Holdings, Inc.
251 Ballardvale Street
Wilmington, MA 01887

Ladies and Gentlemen:

We have acted as counsel for Charles River Laboratories Holdings, Inc., a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"). The Registration Statement relates to registration under the Act of (i) the resale of 150,000 warrants (the "Warrants") to purchase shares of Common Stock, par value $.01 per share (the "Common Stock"), of the Company by certain holders named in an accompanying supplement thereto and (ii) the issuance of up to 591,366 shares of Common Stock ("Warrant Shares") upon exercise of such Warrants to persons who have purchased Warrants under the immediately preceding clause (i).

The Warrants were issued pursuant to a Warrant Agreement (the "Warrant Agreement") dated as of September 29, 1999 between the Company and State Street Bank and Trust Company, as Warrant Agent.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary for the purposes of rendering this opinion.

Based upon the foregoing, we are of the opinion that:

i. . The Warrants have been duly authorized, executed and delivered by the Company and are valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (x) such enforcement may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (y) such enforcement may be limited by equitable principles of general applicability, regardless of whether enforcement is sought in a proceeding at law or in equity.

ii. . The Company has duly authorized and reserved for issuance the Warrant Shares to be issued upon the exercise of the Warrants and, when issued and delivered upon the exercise of the Warrants against payment of the exercise price as provided in the Warrant Agreement, the Warrant Shares will have been validly issued and will be fully paid and non-assessable.

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, the federal laws of the United States of America and the General Corporation Law of the State of Delaware.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to our name under the heading "Legal Matters" in the related Prospectus.

Very truly yours,

/s/ DAVIS POLK & WARDWELL

EXHIBIT 10.3

[EXECUTION COPY]

U.S. $190,000,000

CREDIT AGREEMENT,

dated as of September 29, 1999

among

CHARLES RIVER LABORATORIES, INC.,
as the Borrower,

VARIOUS FINANCIAL INSTITUTIONS,
as the Lenders,

UNION BANK OF CALIFORNIA, N.A.,
as the Administrative Agent
for the Lenders,

DLJ CAPITAL FUNDING, INC.,
as the Syndication Agent
for the Lenders,

and

NATIONAL CITY BANK,
as the Documentation Agent
for the Lenders.

LEAD ARRANGER:

DLJ CAPITAL FUNDING, INC.

TABLE OF CONTENTS

ARTICLE III

REPAYMENTS, PREPAYMENTS, INTEREST AND FEES

ARTICLE IV

CERTAIN LIBO RATE AND OTHER PROVISIONS

ARTICLE V

CONDITIONS TO CREDIT EXTENSIONS

ARTICLE VII

COVENANTS

ARTICLE VIII

EVENTS OF DEFAULT

ARTICLE IX

THE AGENTS

ARTICLE X

MISCELLANEOUS PROVISIONS

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of September 29, 1999, is among Charles River Laboratories, Inc., a Delaware corporation (the "Borrower"), the various financial institutions as are or may become parties hereto (collectively, the "Lenders") and DLJ Capital Funding, Inc. ("DLJ"), as lead arranger, as sole book runner and as syndication agent for the Lenders (as syndication agent, the "Syndication Agent" and collectively, the "Lead Arranger"), Union Bank of California, N.A. ("UBOC"), as administrative agent (the "Administrative Agent") for the Lenders (the Syndication Agent and the Administrative Agent are sometimes referred to herein as the "Agents" and each as an "Agent"), and National City Bank, as documentation agent (in such capacity, the "Documentation Agent") for the Lenders.

W I T N E S S E T H:

WHEREAS, DLJ Merchant Banking Partners II, L.P. and certain affiliated entities (collectively, "DLJMBP") intend to acquire certain businesses and operations of the Borrower, B&L CRL, Inc., formerly known as Charles River Laboratories, Inc., a Delaware corporation ("CRL"), and certain other Subsidiaries or Affiliates of Bausch & Lomb Inc., a Delaware corporation ("B&L"), which is the current 100% indirect owner of CRL, through a leveraged recapitalization (the "Recapitalization"). The Recapitalization will be consummated pursuant to the Recapitalization Agreement as amended (the "Recapitalization Agreement"), dated as of July 25, 1999 entered into with B&L and certain of its Subsidiaries and Affiliates (including CRL and the Borrower) and DLJMBP;

WHEREAS, the Recapitalization will be accomplished through (i) the contribution to the Borrower of (a) substantially all of CRL's assets and (b) certain related assets by certain other Subsidiaries and Affiliates of B&L (the "Other Asset Contributors"), (ii) the formation of a holding company to be named Charles River Laboratories Holdings, Inc., a Delaware corporation ("Holdco") that will hold directly all of the Capital Stock of the Borrower, (iii) the formation by DLJMBP of (a) CRL Acquisition LLC ("Acquisition LLC"), a Delaware limited liability company and a Subsidiary of DLJMBP, and (b) Charles River Acquisition Corp. ("Acquisition Subco"), a Delaware corporation and a Subsidiary of Acquisition LLC, (iv) the making of an equity contribution (the "Member Contribution") by the members of Acquisition LLC (including DLJMBP and certain members of management of the Borrower and its Affiliates) in an amount equal to at least $90,000,000 to Acquisition LLC, (v) the making of an equity contribution (the "Acquisition LLC Contribution" and together with the Member Contribution, the "Equity Contributions") by Acquisition LLC of the Member Contribution to Acquisition Subco, (vi) the issuance by Holdco of the Senior Discount Debentures (such term and all other capitalized terms used in the preamble and recitals hereto not otherwise defined therein shall have the meanings

assigned to such terms in Article I), (vii) the issuance by the Borrower of the Senior Subordinated Notes and Warrants, (viii) the borrowing by the Borrower of Loans to be made on the Closing Date, (ix) the payment of a dividend by the Borrower to Holdco (the "Subco Dividend") in an aggregate principal amount equal to the sum of the aggregate principal amounts of the debt incurred by the Borrower under the preceding clauses (vii) and (viii) (less the amount of the proceeds of such debt so incurred used to pay (A) the consideration for the Sierra Acquisition in an amount not to exceed $24,000,000 plus reasonable fees and expenses as described in clause (B) and (B) all reasonable and customary fees and expenses paid by the Borrower in connection with the Transaction in an amount not to exceed $20,000,000), (x) the redemption of all shares of all Capital Stock of Holdco held by the Other Asset Contributors and all Capital Stock of Holdco held by CRL except for the Rollover Equity and (xi) the merger (the "Merger") of Acquisition Subco with and into Holdco, with Holdco to be the surviving corporation of such merger (such Recapitalization and all transactions related thereto, including those described in all of the recitals hereto, being herein referred to as the "Transaction");

WHEREAS, in connection with the Transaction, (i) the Other Asset Contributors will receive cash in consideration for the redemption of their shares by Holdco, (ii) the shares of Acquisition Subco held by Acquisition LLC will be converted into approximately 87.5% of the outstanding common stock of Holdco (after giving effect to the Merger), (iii) the shares of Holdco held by CRL (other than the Rollover Equity) will be converted into (A) the right to receive cash and (B) the Seller Subordinated Discount Note and (iv) CRL will retain the Rollover Equity;

WHEREAS, in connection with the Transaction, and pursuant to the Transaction Documents, the Borrower will purchase all of the outstanding shares of common stock of SBI in consideration for approximately $24,000,000 (the "Sierra Acquisition") pursuant to an Amended and Restated Stock Purchase Agreement, dated as of September 4, 1999 (the "Sierra Acquisition Agreement"), among SBI Holdings, Inc., a Nevada corporation ("SBI"), and certain shareholders of SBI;

WHEREAS, in connection with the Transaction, and pursuant to the Transaction Documents, the following capital-raising transactions will occur prior to or contemporaneously with the consummation of the Transaction and the making of the initial Credit Extensions hereunder:

(a) the Borrower will issue not more than $150,000,000 in aggregate principal amount of its Senior Subordinated Notes (the "Senior Subordinated Notes") pursuant to the Senior Subordinated Note Indenture and Warrants (the "Warrants") to purchase 591,366 shares of common stock of Holdco pursuant to the Warrant Agreement, dated as of September 29, 1999 (the "Warrant Agreement"), between Holdco and State Street

Bank and Trust Company, as warrant agent (the issuance thereof being herein referred to as the "Subordinated Debt Issuance");

(b) Holdco will issue not more than $40,000,000 in aggregate initial principal amount of its Senior Discount Debentures (the issuance thereof being herein referred to as the "Discount Debentures Issuance");

(c) DLJMBP and the other members of Acquisition LLC will make the DLJMBP Contribution and Acquisition LLC will subsequently make the Acquisition LLC Contribution in each case, in cash in an amount of equal to at least $90,000,000;

(d) Holdco will issue its Seller Subordinated Discount Note (the issuance thereof being herein referred to as the "Seller Note Issuance") in an initial principal amount of $43,000,000 to CRL; and

(e) CRL will retain the Rollover Equity;

WHEREAS, in connection with the Transaction and the ongoing working capital and general corporate needs of the Borrower and its Subsidiaries, the Borrower desires to obtain the following financing facilities from the Lenders:

(a) a Term-A Loan Commitment and a Term-B Loan Commitment pursuant to which Borrowings of Term Loans will be made to the Borrower on the Closing Date in a maximum, original principal amount of $40,000,000 (in the case of Term-A Loans) and $120,000,000 (in the case of Term-B Loans);

(b) a Revolving Loan Commitment (to include availability for Revolving Loans, Swing Line Loans and Letters of Credit) pursuant to which Borrowings of Revolving Loans, in a maximum aggregate principal amount (together with all Swing Line Loans and Letters of Credit Outstanding) not to exceed $30,000,000 (subject to a $25,000,000 increase under clause (c) of Section 2.1.2) will be made to the Borrower from time to time on and subsequent to the Closing Date but prior to the Revolving Loan Commitment Termination Date;

(c) a Letter of Credit Commitment pursuant to which the Issuer will issue Letters of Credit for the account of the Borrower and its Restricted Subsidiaries from time to time on and subsequent to the Closing Date but prior to the Revolving Loan Commitment Termination Date in a maximum aggregate Stated Amount at any one time outstanding not to exceed $15,000,000 (provided, that the aggregate outstanding principal amount of Revolving Loans, Swing Line Loans and Letter of Credit Outstandings at any time shall not exceed the then existing Revolving Loan Commitment Amount); and

(d) a Swing Line Loan Commitment pursuant to which Borrowings of Swing Line Loans in an aggregate outstanding principal amount not to exceed $5,000,000 will be made on and subsequent to the Closing Date but prior to the Revolving Loan Commitment Termination Date (provided, that the aggregate outstanding principal amount of such Swing Line Loans, together with Revolving Loans and Letter of Credit Outstandings, at any time shall not exceed the then existing Revolving Loan Commitment Amount); and

WHEREAS, the Lenders are willing, on the terms and subject to the conditions hereinafter set forth (including Article V), to extend the Commitments and make the Loans described herein to the Borrower and issue (or participate in) Letters of Credit for the account of the Borrower and its Restricted Subsidiaries;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1. Defined Terms. The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"Acquired Controlled Person" means any Person (i) in which the Borrower or any of its Restricted Subsidiaries has made an Investment permitted under clause (l)(i)(y) of Section 7.2.5 and (ii) as to which the Borrower or such Restricted Subsidiary exercises control. For purposes hereof, "control" means the power to appoint a majority of the board of directors (or other equivalent governing body) of such Person or to otherwise direct or cause the direction of the management or policies of such Person, whether by contractual arrangement or otherwise.

"Acquisition LLC" is defined in the second recital.

"Acquisition Subco" is defined in the second recital.

"Administrative Agent" is defined in the preamble and includes each other Person as shall have subsequently been appointed as the successor Administrative Agent pursuant to Section 9.4.

"Administrative Agent Fee Letter" means the confidential fee letter, dated September 29, 1999, between the Borrower and the Administrative Agent.

"Affiliate" of any Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person (excluding any trustee under, or any committee with responsibility for administering, any Plan). A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power (i) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners, or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agents" means, collectively, the Administrative Agent and the Syndication Agent.

"Agreement" means, on any date, this Credit Agreement as originally in effect on the Closing Date and as thereafter from time to time amended, supplemented, amended and restated, or otherwise modified and in effect on such date.

"Alternate Base Rate" means, for any day and with respect to all Base Rate Loans, the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the reference rate of interest in effect for such day as most recently publicly announced or established by the Administrative Agent in Los Angeles. Any change in the reference rate established or announced by the Administrative Agent shall take effect at the opening of business on the day of such establishment or announcement. As used herein, the reference rate shall mean an index rate determined by the Administrative Agent from time to time as a means of pricing certain extensions of credit and is neither directly tied to any external rate of interest or index nor necessarily the lowest rate of interest charged by the Administrative Agent at any given time.

"Annualized" means (i) with respect to the end of the first Fiscal Quarter of the Borrower ending after the Closing Date, the applicable amount for such Fiscal Quarter multiplied by four, (ii) with respect to the second Fiscal Quarter of the Borrower ending after the Closing Date, the applicable amount for such Fiscal Quarter and the immediately preceding Fiscal Quarter multiplied by two, and (iii) with respect to the third Fiscal Quarter of the Borrower ending after the Closing Date, the applicable amount for such Fiscal Quarter and the immediately preceding two Fiscal Quarters multiplied by one and one-third.

"Applicable Commitment Fee" means, (i) for each day from the Closing Date through (but excluding) the date upon which the Compliance Certificate for the second full Fiscal Quarter ending after the Closing Date is delivered or required to be delivered by the Borrower to the Administrative Agent pursuant to clause (c) of Section 7.1.1, a fee which shall accrue at a rate of 1/2 of 1% per annum, and (ii) for each day thereafter, a fee which shall accrue at the applicable

rate per annum set forth below under the column entitled "Applicable Commitment Fee", determined by reference to the applicable Leverage Ratio referred to below:

Leverage Ratio	Applicable Commitment Fee
greater than or equal to 4.0:1.0	0.500%
less than 4.0:1.0	0.375%

The Leverage Ratio used to compute the Applicable Commitment Fee for any day referred to in clause (ii) above shall be the Leverage Ratio set forth in the Compliance Certificate most recently delivered by the Borrower to the Administrative Agent on or prior to such day pursuant to clause (c) of Section 7.1.1. Changes in the Applicable Commitment Fee resulting from a change in the Leverage Ratio shall become effective on the first day following delivery by the Borrower to the Administrative Agent of a new Compliance Certificate pursuant to clause (c) of Section 7.1.1. If the Borrower shall fail to deliver a Compliance Certificate within the number of days after the end of any Fiscal Quarter as required pursuant to clause (c) of Section 7.1.1 (without giving effect to any grace period), the Applicable Commitment Fee from and including the first day after the date on which such Compliance Certificate was required to be delivered to and including the date the Borrower delivers to the Administrative Agent the next Compliance Certificate shall conclusively equal the highest Applicable Commitment Fee set forth above. Notwithstanding the foregoing, the Borrower may, in its sole discretion, within ten Business Days following the end of any Fiscal Quarter, deliver to the Administrative Agent a written estimate (the "Leverage Ratio Estimate") setting forth the Borrower's good faith estimate of the Leverage Ratio (based on calculations contained in an estimated Compliance Certificate) that will be set forth in the next Compliance Certificate required to be delivered by the Borrower to the Administrative Agent pursuant to clause (c) of Section 7.1.1. In the event that the Leverage Ratio Estimate indicates that there would be a change in the Applicable Commitment Fee resulting from a change in the Leverage Ratio, such change will become effective on the first day following delivery of the Leverage Ratio Estimate. In the event that, once the next Compliance Certificate is delivered, the Leverage Ratio as set forth in such Compliance Certificate differs from that calculated in the Leverage Ratio Estimate delivered for the Fiscal Quarter with respect to which such Compliance Certificate has been delivered, and such difference results in an Applicable Commitment Fee which is greater than the Applicable Commitment Fee theretofore in effect, then (A) such greater Applicable Commitment Fee shall be deemed to be in effect for all purposes of this Agreement from the first day following the delivery of the Leverage Ratio Estimate and (B) if the Borrower shall have theretofore made any payment of commitment fees in respect of the period from the first day following the delivery of the Leverage Ratio Estimate to the actual date of delivery of such Compliance Certificate, then, on the next Quarterly

Payment Date, the Borrower shall pay as a supplemental payment of commitment fees, an amount which equals the difference between the amount of commitment fees that would otherwise have been paid based on such new Leverage Ratio and the amount of such commitment fees actually so paid.

"Applicable Margin" means at all times during the applicable periods set forth below,

(a) with respect to the unpaid principal amount of each Term-B Loan maintained as a (i) Base Rate Loan, 2.50% per annum and (ii) LIBO Rate Loan, 3.75% per annum;

(b) from the Closing Date through (but excluding) the date upon which the Compliance Certificate for the second full Fiscal Quarter ending after the Closing Date is delivered by the Borrower to the Administrative Agent pursuant to clause (c) of Section 7.1.1, with respect to the unpaid principal amount of each (i) Swing Line Loan (which shall be borrowed and maintained only as a Base Rate Loan) and each Revolving Loan and Term-A Loan maintained as a Base Rate Loan, 1.75% per annum, and (ii) Revolving Loan and Term-A Loan maintained as a LIBO Rate Loan, 3.00% per annum; and

(c) at all times after the date of delivery of the Compliance Certificate described in clause (b) above, with respect to the unpaid principal amount of each Swing Line Loan (which shall be borrowed and maintained only as a Base Rate Loan) and each Revolving Loan and Term-A Loan, the rate determined by reference to the applicable Leverage Ratio and at the applicable percentage per annum set forth below under the column entitled "Applicable Margin for Base Rate Loans", in the case of Base Rate Loans, or by reference to the applicable Leverage Ratio and at the applicable percentage per annum set forth below under the column entitled "Applicable Margin for LIBO Rate Loans" in the case of LIBO Rate Loans:

Applicable Margin For Revolving Loans, Swing Line Loans and Term-A Loans

Leverage Ratio	Applicable Margin For Base Rate Loans	Applicable Margin For LIBO Rate Loans
greater than or equal to 5.0:1.0	1.75%	3.00%
greater than or equal to 4.0:1.0 and less than 5.0:1.0	1.25%	2.50%

Leverage Ratio	Applicable Margin For Base Rate Loans	Applicable Margin For LIBO Rate Loans
greater than or equal to 3.0:1.0 and less than 4.0:1.0	0.75%	2.00%
less than 3.0:1.0	0.25%	1.50%

The Leverage Ratio used to compute the Applicable Margin for Swing Line Loans, Revolving Loans and Term-A Loans for any day referred to in clause (c) above shall be the Leverage Ratio set forth in the Compliance Certificate most recently delivered by the Borrower to the Administrative Agent on or prior to such day pursuant to clause (c) of Section 7.1.1. Changes in the Applicable Margin for Swing Line Loans, Revolving Loans and Term-A Loans resulting from a change in the Leverage Ratio shall become effective on the first day following delivery by the Borrower to the Administrative Agent of a new Compliance Certificate pursuant to clause (c) of Section 7.1.1. If the Borrower shall fail to deliver a Compliance Certificate within the number of days after the end of any Fiscal Quarter as required pursuant to clause (c) of Section 7.1.1 (without giving effect to any grace period), the Applicable Margin for Swing Line Loans, Revolving Loans and Term-A Loans from and including the first day after the date on which such Compliance Certificate was required to be delivered to the date the Borrower delivers to the Administrative Agent the next Compliance Certificate shall conclusively equal the highest Applicable Margin for Swing Line Loans, Revolving Loans and Term-A Loans set forth above. Notwithstanding the foregoing, the Borrower may, in its sole discretion, within ten Business Days following the end of any Fiscal Quarter, deliver to the Administrative Agent a Leverage Ratio Estimate setting forth the Borrower's good faith estimate of the Leverage Ratio (based on calculations set forth in an estimated Compliance Certificate) that will be set forth in the next Compliance Certificate required to be delivered by the Borrower to the Administrative Agent pursuant to clause (c) of Section 7.1.1. In the event that the Leverage Ratio Estimate indicates that there would be a change in the Applicable Margin resulting from a change in the Leverage Ratio, such change will become effective on the first day following delivery of the Leverage Ratio Estimate. In the event that, once the next Compliance Certificate is delivered, the Leverage Ratio as set forth in such Compliance Certificate differs from that calculated in the Leverage Ratio Estimate delivered for the Fiscal Quarter with respect to which such Compliance Certificate has been delivered, and such difference results in an Applicable Margin which is greater than the Applicable Margin theretofore in effect, then (A) such greater Applicable Margin shall be deemed to be in effect for all purposes of this Agreement from the first day following the delivery of the Leverage Ratio Estimate and (B) if the Borrower shall have theretofore made any payment of interest in respect of Swing Line Loans, Revolving Loans or Term-A Loans, or of letter of credit fees pursuant to the first sentence of Section 3.3.3, in any such case in respect of the period from the first day following the delivery of the Leverage Ratio Estimate to the actual

date of delivery of such Compliance Certificate, then, on the next Quarterly Payment Date, the Borrower shall pay as a supplemental payment of interest and/or letter of credit fees, an amount which equals the difference between the amount of interest and letter of credit fees that would otherwise have been paid based on such new Leverage Ratio and the amount of such interest and letter of credit fees actually so paid.

"Assignee Lender" is defined in Section 10.11.1.

"Assignor Lender" is defined in Section 10.11.1.

"Assumed Indebtedness" means Indebtedness of a Person which is (i) in existence at the time such Person becomes a Restricted Subsidiary of the Borrower or (ii) is assumed in connection with an Investment in or acquisition of such Person, and has not been incurred or created by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Borrower.

"Authorized Officer" means, relative to any Obligor, those of its officers whose signatures and incumbency shall have been certified to the Administrative Agent and the Lenders pursuant to Section 5.1.1.

"Base Financial Statements" is defined in clause (a) of Section 5.1.9.

"Base Rate Loan" means a Loan bearing interest at a fluctuating rate determined by reference to the Alternate Base Rate.

"B&L" is defined in the first recital.

"Borrower" is defined in the preamble.

"Borrower Pledge and Security Agreement" means the Pledge and Security Agreement executed and delivered by an Authorized Officer of the Borrower pursuant to clause (b) of Section 5.1.7, substantially in the form of Exhibit G-2 hereto, together with any supplemental Foreign Pledge Agreements delivered pursuant to the terms of this Agreement, in each case as amended, supplemented, amended and restated or otherwise modified from time to time.

"Borrowing" means Loans of the same type and, in the case of LIBO Rate Loans, having the same Interest Period made by the relevant Lenders on the same Business Day and pursuant to the same Borrowing Request in accordance with Section 2.1.

"Borrowing Request" means a loan request and certificate duly executed by an Authorized Officer of the Borrower, substantially in the form of Exhibit B-1 hereto.

"Business Day" means any day which is neither a Saturday or Sunday nor a legal holiday on which banks are authorized or required to be closed in Los Angeles and, with respect to Borrowings of, Interest Periods with respect to, payments of principal and interest in respect of, and conversions of Base Rate Loans into, LIBO Rate Loans, on which dealings in Dollars are carried on in the London interbank market.

"Capital Expenditures" means for any period, the sum, without duplication, of (i) the aggregate amount of all expenditures of the Borrower and its Restricted Subsidiaries for fixed or capital assets made during such period which, in accordance with GAAP, would be classified as capital expenditures, and (ii) the aggregate amount of the principal component of all Capitalized Lease Liabilities incurred during such period by the Borrower and its Restricted Subsidiaries; provided that Capital Expenditures shall not include (i) any such expenditures or any such principal component funded with (x) any Casualty Proceeds, as permitted under clause (e) of Section 3.1.1, or (y) any Net Disposition Proceeds of any asset sale permitted under clause (c) of Section 7.2.9 or any asset sale of obsolete or worn out equipment permitted under subclause (a)(i) of Section 7.2.9 or (ii) any Investment made under Section 7.2.5 (other than pursuant to clause (d) thereof).

"Capital Stock" means, (i) in the case of a corporation, any and all capital or corporate stock, including shares of preferred or preference stock of such corporation, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) in respect of corporate or capital stock, (iii) in the case of a partnership or limited liability company, any and all partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Liabilities" means, without duplication, all monetary obligations of the Borrower or any of its Subsidiaries under any leasing or similar arrangement which, in accordance with GAAP, would be classified as capitalized leases, and, for purposes of this Agreement and each other Loan Document, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Cash Equivalent Investment" means, at any time:

(a) any evidence of Indebtedness, maturing not more than one year after such time, issued directly by the United States of America or any agency thereof or guaranteed by the United States of America or any agency thereof;

(b) commercial paper, maturing not more than nine months from the date of issue, which is (i) rated at least A-l by S&P or P-l by Moody's and not issued by an Affiliate of any Obligor, or (ii) issued by any Lender (or its holding company);

(c) any time deposit, certificate of deposit or bankers acceptance, maturing not more than one year after such time, maintained with or issued by either (i) a commercial banking institution (including U.S. branches of foreign banking institutions) that is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $500,000,000, or (ii) any Lender;

(d) short-term tax-exempt securities rated not lower than MIG-1/1+ by either Moody's or S&P with provisions for liquidity or maturity accommodations of 183 days or less;

(e) repurchase agreements which (i) are entered into with any entity referred to in clause (b) or (c) above or any other financial institution whose unsecured long-term debt (or the unsecured long-term debt of whose holding company) is rated at least A- or better by S&P or Baa1 or better by Moody's and maturing not more than one year after such time, (ii) are secured by a fully perfected security interest in securities of the type referred to in clause (a) above and (iii) have a market value at the time of such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such counterparty entity with whom such repurchase agreement has been entered into;

(f) any money market or similar fund not less than 95% of the assets of which are comprised of any of the items specified in clauses (a) through (e) above and as to which withdrawals are permitted at least every 90 days; or

(g) in the case of any Restricted Subsidiary of the Borrower organized or having its principal place of business outside the United States, investments denominated in the currency of the jurisdiction in which such Subsidiary is organized or has its principal place of business which are similar to the items specified in clauses (a) through (f) above.

"Casualty Event" means the damage, destruction or condemnation, as the case may be, of any property of the Borrower or any of its Restricted Subsidiaries.

"Casualty Proceeds" means, with respect to any Casualty Event, the amount of any insurance proceeds or condemnation awards received by the Borrower or any of its Restricted Subsidiaries in connection therewith, but excluding any proceeds or awards required to be paid to a creditor (other than the Lenders) which holds a Lien on the property which is the subject of such Casualty Event which Lien (x) is permitted by Section 7.2.3 and (y) has priority over the Liens securing the Obligations.

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

"CERCLIS" means the Comprehensive Environmental Response Compensation Liability Information System List.

"Change in Control" means (i) the failure of Holdco at any time to own, free and clear of all Liens and encumbrances (other than Liens of the types permitted to exist under clauses (b), (d) and (g) of Section 7.2.3), all right, title and interest in 100% of the Capital Stock of the Borrower; (ii) the failure of the DLJMBP at any time to own, free and clear of all Liens and encumbrances (other than Liens (x) arising under the Investors' Agreement and (y) of the types permitted to exist under clause (d) or (g) of Section 7.2.3) all right, title and interest in at least 51% (on a fully diluted basis) of the economic and voting interest in the Voting Stock of Holdco; or (iii) the failure of DLJMBP and its Affiliates at any time to have the right to designate or cause to be elected a majority of the Board of Directors of Holdco.

"Charles River China" means SPAFAS Jinan Poultry Company, Ltd., a Chinese corporation and Zhanjiang A&C Biological Ltd., a Chinese corporation.

"Charles River Mexico" means Avers Libers de Patogenos Especificos, S.A. de C.V., a Mexican corporation.

"Charles River Japan" means Charles River Japan, Inc., a Japanese corporation.

"Charter Document" means, relative to any Obligor, its certificate of incorporation, its by-laws or other constituent documents and all shareholder agreements, voting trusts and similar arrangements to which such Obligor is a party applicable to any of its authorized shares of Capital Stock.

"Closing Date" means the date of the initial Credit Extension, not to be later than September 29, 1999.

"Closing Date Certificate" means a certificate of an Authorized Officer of the Borrower substantially in the form of Exhibit D hereto, delivered pursuant to Section 5.1.4.

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

"Commitment" means, as the context may require, (i) a Lender's Term-A Loan Commitment, and Term-B Loan Commitment, Revolving Loan Commitment or Letter of Credit Commitment or (ii) the Swing Line Lender's Swing Line Loan Commitment.

"Commitment Amount" means, as the context may require, the Term-A Loan Commitment Amount, the Term-B Loan Commitment Amount, the Revolving Loan Commitment Amount, the Letter of Credit Commitment Amount or the Swing Line Loan Commitment Amount.

"Commitment Letter" means the commitment letter, dated July 23, 1999, between DLJ Merchant Banking II, Inc. and DLJ, including all annexes and exhibits thereto.

"Commitment Termination Date" means, as the context may require, the Revolving Loan Commitment Termination Date or any Term Loan Commitment Termination Date.

"Commitment Termination Event" means (i) the occurrence of any Event of Default described in clauses (b) through (d) of Section 8.1.9 with respect to any Obligor (other than Subsidiaries that are not Material Subsidiaries), or (ii) the occurrence and continuance of any other Event of Default and either (x) the declaration of the Loans to be due and payable pursuant to Section 8.3, or (y) in the absence of such declaration, the giving of notice to the Borrower by the Administrative Agent, acting at the direction of the Required Lenders, that the Commitments have been terminated.

"Compliance Certificate" means a certificate duly completed and executed by an Authorized Officer that is the president, the chief executive officer or the chief financial or accounting officer of the Borrower, substantially in the form of Exhibit E hereto.

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount of the debt, obligation or other liability guaranteed thereby.

"Continuation/Conversion Notice" means a notice of continuation or conversion and certificate duly executed by an Authorized Officer of the Borrower, substantially in the form of Exhibit C hereto.

"Controlled Group" means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414(b) or 414(c) of the Code or Section 4001 of ERISA, or for purposes of Section 412 of the Code, Section 414(m) or Section 414(o) of the Code.

"Credit Extension" means, as the context may require, (i) the making of a Loan by a Lender, or (ii) the issuance of any Letter of Credit, or the extension of any Stated Expiry Date of any previously issued Letter of Credit, by any Issuer.

"Credit Extension Request" means, as the context may require, any Borrowing Request or Issuance Request.

"CRL" is defined in the first recital.

"Current Assets" means, on any date, without duplication, all assets which, in accordance with GAAP, would be included as current assets on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date as current assets (excluding, however, amounts due and to become due from Affiliates of the Borrower which have arisen from transactions which are other than arm's-length and in the ordinary course of its business).

"Current Liabilities" means, on any date, without duplication, all amounts which, in accordance with GAAP, would be included as current liabilities on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date, excluding current maturities of Indebtedness.

"Debt" means, without duplication, the outstanding principal amount of all Indebtedness of the Borrower and its Restricted Subsidiaries that (i) is of the type referred to in clause (a), (b) (other than undrawn commercial letters of credit and undrawn letters of credit in respect of workers' compensation, insurance, performance and surety bonds and similar obligations, in each case incurred in the ordinary course of business) or (c) of the definition of "Indebtedness" and (ii) any Contingent Liability in respect of any of the foregoing types of Indebtedness.

"Default" means any Event of Default or any condition, occurrence or event which, after notice or lapse of time or both, would, unless cured or waived, constitute an Event of Default.

"Disbursement" is defined in Section 2.6.2.

"Disbursement Date" is defined in Section 2.6.2.

"Disbursement Due Date" is defined in Section 2.6.2.

"Disclosure Schedule" means the Disclosure Schedule attached hereto as Schedule I, as it may be amended, supplemented or otherwise modified from time to time by the Borrower with the written consent of the Required Lenders.

"Discount Debentures Issuance" is defined in clause (b) of the fifth recital.

"DLJ" is defined in the preamble.

"DLJMBP" is defined in the first recital.

"DLJMBP Contribution" is defined in the second recital.

"Documentation Agent" is defined in the preamble.

"Dollar" and the sign "$" mean lawful money of the United States.

"Earn-outs" means any obligations by the Borrower or any of its Restricted Subsidiaries to pay any amounts constituting the payment of deferred purchase price with respect to any acquisition of a business (whether through the purchase of assets or shares of Capital Stock), the amount of which payments is calculated on the basis of, or by reference to, the bona fide financial or other operating performance of such business or specified portion thereof or any other similar arrangement.

"EBITDA" means, for any applicable period, subject to clause (b) of Section 1.4, the sum (without duplication) for the Borrower and its Restricted Subsidiaries on a consolidated basis of

(a) Net Income,

plus

(b) the amount deducted in determining Net Income representing non-cash charges or expenses, including depreciation and amortization (excluding any non-cash charges representing an accrual of or reserve for cash charges to be paid within the next twelve months),

plus

(c) the amount deducted in determining Net Income representing income taxes (whether paid or deferred),

plus

(d) the amount deducted in determining Net Income representing Interest Expense and Transaction Payments,

minus

(e) Restricted Payments of the type referred to in clause (c)(i) of Section 7.2.6 made during such period.

"Eligible Institution" means a financial institution that has combined capital and surplus of not less than $500,000,000 or its equivalent in foreign currency, whose the long-term certificate of deposit rating or long-term senior unsecured debt rating is rated "BBB" or higher by S&P and "Baa2" or higher by Moody's or an equivalent or higher rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of investments.

"Environmental Laws" means all applicable federal, state or local statutes, laws, ordinances, codes, rules and regulations (including consent decrees and administrative orders) relating to the protection of the environment or the effect of the environment on human health and safety.

"Equity Contributions" is defined in the second recital.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" is defined in Section 8.1.

"Excess Cash Flow" means, for any applicable period, the excess (if any), of

(a) EBITDA for such applicable period;

over

(b) the sum, without duplication (for such applicable period) of

(i) the cash portion of Interest Expense (net of interest income) for such applicable period;

plus

(ii) scheduled payments, to the extent actually made, of the principal amount of the Term Loans and scheduled payments and optional and mandatory prepayments of the principal of any other funded Debt (including Capitalized Lease Liabilities) and mandatory prepayments of the principal amount of Revolving Loans pursuant to clause (f) of Section 3.1.1 in connection with a permanent reduction of any Revolving Loan Commitment Amount, in each case to the extent actually made and for such applicable period;

plus

(iii) all federal, state and foreign income taxes actually paid in cash by the Borrower and its Restricted Subsidiaries for such applicable period;

plus

(iv) Capital Expenditures actually made during such applicable period pursuant to clause (a) of Section 7.2.7 (excluding Capital Expenditures constituting Capitalized Lease Liabilities and by way of the incurrence of Indebtedness permitted pursuant to clause (c) of Section 7.2.2 to a vendor of any assets permitted to be acquired pursuant to Section 7.2.7 to finance the acquisition of such assets);

plus

(v) the amount of the net increase (if any) of Current Assets, other than cash and Cash Equivalent Investments, over Current Liabilities of the Borrower and its Restricted Subsidiaries for such applicable period;

plus

(vi) Investments permitted and actually made, in cash, pursuant to clause (d), (h), (l) or (p) of Section 7.2.5 during such applicable period (excluding Investments financed with the proceeds of any issuance of Capital Stock or Indebtedness other than Revolving Loans);

plus

(vii) Restricted Payments of the type described in clauses (c)(ii) and (c)(iii) of Section 7.2.6 made during such applicable period.

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

"Excluded Equity Proceeds" means any proceeds received by Holdco, the Borrower or any of their respective Subsidiaries from the sale or issuance by such Person of its Capital Stock or any warrants or options in respect of any such Capital Stock or the exercise of any such warrants or options, in each case pursuant to any such sale, issuance or exercise constituting or resulting from (i) capital contributions to, or Capital Stock issuances by, Holdco, the Borrower or any of their respective Subsidiaries (exclusive of any such contribution or issuance resulting from a Public Offering or a widely distributed private offering exempted from the registration requirements of Section 5 of the Securities Act of 1933, as amended), (ii) any subscription agreement, option plan, incentive plan or similar arrangement with any officer, employee or director of such Person or any of its Subsidiaries, (iii) any loan made by Holdco, the Borrower or any of their respective Subsidiaries pursuant to clause (g) of Section 7.2.5, (iv) the sale of any Capital Stock of Holdco to any officer, director or employee described in clause (ii) above; provided such proceeds do not exceed $15,000,000 in the aggregate, (v) the exercise of any options or warrants issued to any officer, employee or director pursuant to any agreement, plan or arrangement described in clause (ii) above or (vi) the exercise of any Warrants.

"Existing Business" means the businesses of the commercial production and supply of animal research models and related biomedical products and services of CRL and the Other Asset Contributors contributed to the Borrower as such businesses were in existence and carried on immediately prior to the Closing Date.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to (i) 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 (ii) 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.

"Fee Letter" means the confidential fee letter, dated as of July 23, 1999, among DLJ Merchant Banking Funding II, Inc. and DLJ.

"Filing Agent" is defined in Section 5.1.8.

"Filing Statement" means any UCC financing statement (Form UCC-1) or other similar statement or UCC termination statement (Form UCC-3) required pursuant to the Loan Documents.

"Fiscal Quarter" means any fiscal quarter of a Fiscal Year.

"Fiscal Year" means any twelve-month period ending on December 31 of any calendar year.

"Fixed Charge Coverage Ratio" means, at the end of any Fiscal Quarter, subject to clause (b) of Section 1.4, the ratio computed for the period consisting of such Fiscal Quarter and each of the three immediately prior Fiscal Quarters of

(a) (i) EBITDA for all such Fiscal Quarters; minus

(ii) Capital Expenditures actually made during all such Fiscal Quarters pursuant to clause (a) of Section 7.2.7 (excluding Capital Expenditures constituting Capitalized Lease Liabilities and by way of the incurrence of Indebtedness permitted pursuant to Section 7.2.2(c) to a vendor of any assets permitted to be acquired pursuant to Section 7.2.7 to finance the acquisition of such assets).

over

(b) the sum (without duplication) of

(i) the cash portion of Interest Expense (net of interest income) for all such Fiscal Quarters, provided that for the first full three Fiscal Quarters ending after the Closing Date, Interest Expense shall be determined on an Annualized basis;

plus

(ii) all scheduled payments of principal of the Term Loans and other funded Debt (including the principal portion of any Capitalized Lease Liabilities) during all such Fiscal Quarters, provided that for the first full three Fiscal Quarters ending after the Closing Date, such payments shall be determined on an Annualized basis;

plus

(iii) Restricted Payments made or permitted to be made pursuant to clauses (c)(ii) and (c)(iii)(y) of Section 7.2.6 during all such Fiscal Quarters;

plus

(iv) all federal, state and foreign income taxes actually paid or payable in cash by the Borrower and its Restricted Subsidiaries for all such Fiscal Quarters.

"Foreign Pledge Agreement" means any supplemental pledge agreement governed by the laws of a jurisdiction other than the United States or a State thereof executed and delivered by the Borrower or any of its Restricted Subsidiaries pursuant to the terms of this Agreement, in form and substance satisfactory to the Administrative Agent, as may be necessary or desirable under the laws of organization or incorporation of a Subsidiary to further protect or perfect the Lien on and security interest in any Collateral (as defined in a Pledge Agreement).

"Foreign Subsidiary" means any Subsidiary that is not a U.S. Subsidiary.

"F.R.S. Board" means the Board of Governors of the Federal Reserve System or any successor thereto.

"Future Pledged Foreign Subsidiary" is a Restricted Subsidiary and a Foreign Subsidiary having, at any time of determination, total assets with a value of at least $5,000,000.

"GAAP" is defined in Section 1.4.

"Hazardous Material" means

(a) any "hazardous substance", as defined by CERCLA;

(b) any "hazardous waste", as defined by the Resource Conservation and Recovery Act, as amended;

(c) any petroleum product; or

(d) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material or substance within the meaning of any other applicable Environmental Law.

"Hedging Obligations" means, with respect to any Person, all liabilities of such Person under interest rate or currency swap agreements, interest or exchange rate cap agreements and interest or exchange rate collar agreements, and all other agreements or arrangements designed to protect such Person against fluctuations in interest rates, currency exchange rates or commodity prices.

"herein", "hereof", "hereto", "hereunder" and similar terms contained in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case

may be, as a whole and not to any particular Section, paragraph or provision of this Agreement or such other Loan Document.

"Holdco" is defined in the second recital.

"Holdco Guaranty and Pledge Agreement" means the Guaranty and Pledge Agreement executed and delivered by an Authorized Officer of Holdco pursuant to clause (a) of Section 5.1.7, substantially in the form of Exhibit G-1 hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Impermissible Qualification" means, relative to the opinion or certification of any independent public accountant as to any financial statement of any Obligor, any qualification or exception to such opinion or certification (i) which is of a "going concern" or similar nature, (ii) which relates to the limited scope of examination of matters relevant to such financial statement (except, in the case of matters relating to any acquired business or assets, in respect of the period prior to the acquisition by such Obligor of such business or assets), or (iii) which relates to the treatment or classification of any item in such financial statement and which, as a condition to its removal, would require an adjustment to such item the effect of which would be to cause the Borrower to be in default of any of its obligations under Section 7.2.4.

"including" means including without limiting the generality of any description preceding such term, and, for purposes of this Agreement and each other Loan Document, the parties hereto agree that the rule of ejusdem generis shall not be applicable to limit a general statement, which is followed by or referable to an enumeration of specific matters, to matters similar to the matters specifically mentioned.

"Indebtedness" of any Person means, without duplication:

(a) all obligations of such Person for borrowed money or for the deferred purchase price of property or services (exclusive of (i) deferred purchase price arrangements in the nature of open or other accounts payable owed to suppliers on normal terms in connection with the purchase of goods and services in the ordinary course of business and (ii) Earn-outs (until such time as the obligation associated with the Earn-out is recorded as a liability on the balance sheet of the Borrower in accordance with GAAP)) and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether or not drawn, and banker's acceptances issued for the account of such Person;

(c) all Capitalized Lease Liabilities;

(d) net liabilities of such Person under all Hedging Obligations;

(e) whether or not so included as liabilities in accordance with GAAP, all Indebtedness of the types referred to in clauses (a) through (d) above (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including Indebtedness arising under conditional sales or other title retention agreements), whether or not such Indebtedness shall have been assumed by such Person or is limited in recourse; provided, however, that, to the extent such Indebtedness is limited in recourse to the assets securing such Indebtedness, the amount of such Indebtedness shall be limited to the fair market value of such assets; and

(f) all Contingent Liabilities of such Person in respect of any of the foregoing.

For all purposes of this Agreement, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer (to the extent such Person is liable for such Indebtedness).

"Indemnified Liabilities" is defined in Section 10.4.

"Indemnified Parties" is defined in Section 10.4.

"Initial Public Offering" means for any Person, any sale of the Capital Stock of such Person to the public pursuant to an initial primary offering registered under the Securities Act of 1933.

"Interest Coverage Ratio" means, at the end of any Fiscal Quarter, subject to clause (b) of Section 1.4, the ratio computed for the period consisting of such Fiscal Quarter and each of the three immediately prior Fiscal Quarters of:

(a) EBITDA (for all such Fiscal Quarters)

to

(b) the cash portion of Interest Expense (net of interest income) (for all such Fiscal Quarters; provided that for the first full three Fiscal Quarters ending after the Closing Date, Interest Expense shall be determined on an Annualized basis).

"Interest Expense" means, for any applicable period, the aggregate consolidated interest expense of the Borrower and its Restricted Subsidiaries for such applicable period, as determined

in accordance with GAAP, including the portion of any payments made in respect of Capitalized Lease Liabilities allocable to interest expense, but excluding (to the extent included in interest expense) up-front fees and expenses and the amortization of all deferred financing costs.

"Interest Period" means, as to any LIBO Rate Loan, the period commencing on the Borrowing date of such Loan or on the date on which the Loan is converted into or continued as a LIBO Rate Loan, and ending on the date one, two, three, six or, if consented to by each applicable Lender, nine or twelve months thereafter as selected by the Borrower in its Borrowing Request or its Conversion/Continuation Notice; provided however that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period for any Loan shall extend beyond the Stated Maturity Date for such Loan;

(iv) no Interest Period applicable to a Term Loan or portion thereof shall extend beyond any date upon which is due any scheduled principal payment in respect of the Term Loans unless the aggregate principal amount of Term Loans represented by Base Rate Loans, or by LIBO Rate Loans having Interest Periods that will expire on or before such date, equals or exceeds the amount of such principal payment; and

(v) there shall be no more than ten Interest Periods in effect at any one time;

provided that with respect to each Borrowing of Term Loans consisting of LIBO Rate Loans made on the Closing Date, Interest Period means the period commencing on (and including) the Business Day on which such Borrowing is made and ending on (and including) the last Business Day of the calendar month following the month in which such Borrowing is made.

"Investors' Agreement" means the Investors' Agreement dated as of September 29, 1999 among Holdco, DLJMBP, Acquisition LLC and certain other holders of the Capital Stock of Holdco from time to time party thereto.

"Investment" means, relative to any Person, (i) any loan or advance made by such Person to any other Person (excluding commission, travel, relocation and similar advances to officers, directors and employees (or individuals acting in similar capacities) made in the ordinary course of business), and (ii) any ownership or similar interest (in the nature of Capital Stock) held by such Person in any other Person. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such transfer or exchange.

"Issuance Request" means a Letter of Credit request and certificate duly executed by an Authorized Officer of the Borrower, substantially in the form of Exhibit B-3 hereto.

"Issuer" means the Administrative Agent in its capacity as issuer of Letters of Credit and any Lender as may be designated by the Borrower (and consented to by the Agents and such Lender, such consent by the Agents not to be unreasonably withheld) in its capacity as issuer of Letters of Credit.

"Lead Arranger" means DLJ.

"Lender Assignment Agreement" means a Lender Assignment Agreement substantially in the form of Exhibit I hereto.

"Lenders" is defined in the preamble.

"Letter of Credit" is defined in Section 2.1.3.

"Letter of Credit Commitment" means, with respect to any Issuer, such Issuer's obligation to issue Letters of Credit pursuant to Section 2.1.3 and, with respect to each of the other Lenders that has a Revolving Loan Commitment, the obligation of each such Lender to participate in such Letters of Credit pursuant to Section 2.6.1.

"Letter of Credit Commitment Amount" means, on any date, a maximum amount of $15,000,000, as such amount may be reduced from time to time pursuant to Section 2.2.

"Letter of Credit Outstandings" means, on any date, an amount equal to the sum of

(a) the then aggregate amount which is undrawn and available under all issued and outstanding Letters of Credit,

plus

(b) the then aggregate amount of all unpaid and outstanding Reimbursement Obligations in respect of such Letters of Credit.

"Leverage Ratio" means, at the end of any Fiscal Quarter, subject to clause (b) of Section 1.4, the ratio of

(a) total Debt less cash and Cash Equivalent Investments of the Borrower and its Restricted Subsidiaries on a consolidated basis outstanding at such time;

to

(b) EBITDA for the period of four consecutive Fiscal Quarters ended on such date.

"Leverage Ratio Estimate" is defined in the definition of Applicable Commitment Fee.

"LIBO Rate" means, relative to any Interest Period for LIBO Rate Loans, the applicable London interbank offered rate for deposits in U.S. dollars appearing on Dow Jones Markets (Telerate Page 3750) as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period; provided that, if Dow Jones Markets (Telerate Page 3750) is not available for any reason, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the applicable London interbank offered rate for deposits in U.S. Dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period.

"LIBO Rate Loan" means a Loan bearing interest, at all times during an Interest Period applicable to such Loan, at a fixed rate of interest determined by reference to the LIBO Rate (Reserve Adjusted).

"LIBO Rate (Reserve Adjusted)" means, relative to any Loan to be made, continued or maintained as, or converted into, a LIBO Rate Loan for any Interest Period, the rate of interest per annum (rounded upwards to the next 1/100th of 1%) determined by the Administrative Agent as follows:

$$\text{LIBO Rate (Reserve Adjusted)} = \frac{\text{LIBO Rate}}{1.00 - \text{LIBOR Reserve Percentage}}$$

The LIBO Rate (Reserve Adjusted) for any Interest Period for LIBO Rate Loans will be adjusted automatically as to all LIBO Rate Loans then outstanding as of the effective date of any change in the LIBOR Reserve Percentage.

"LIBOR Office" means, relative to any Lender, the office of such Lender designated as such on Schedule II hereto or in the Lender Assignment Agreement pursuant to which such Lender became a Lender hereunder or such other office of a Lender as shall be so designated from time to time by notice from such Lender to the Borrower and the Administrative Agent, which shall be making or maintaining LIBO Rate Loans of such Lender hereunder.

"LIBOR Reserve Percentage" means, relative to any Interest Period for LIBO Rate Loans, the percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day (whether or not applicable to any Lender) under regulations issued from time to time by the F.R.S. Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the F.R.S. Board).

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property, or any filing or recording of any instrument or document in respect of the foregoing, to secure payment of a debt or performance of an obligation or any other priority or preferential treatment of any kind or nature whatsoever that has the practical effect of creating a security interest in property.

"Loan" means, as the context may require, a Revolving Loan, a Term-A Loan, a Term-B Loan or a Swing Line Loan, of any type.

"Loan Document" means this Agreement, the Notes, the Letters of Credit, each Rate Protection Agreement under which the counterparty to such agreement is (or at the time such Rate Protection Agreement was entered into, was) a Lender or an Affiliate of a Lender relating to Hedging Obligations of the Borrower or any of its Subsidiaries, each Borrowing Request, each Issuance Request, the Fee Letter, the Administrative Agent Fee Letter, each Pledge Agreement, the Subsidiary Guaranty, each Mortgage (upon execution and delivery thereof), and each other agreement, document or instrument delivered in connection with this Agreement or any other Loan Document, whether or not specifically mentioned herein or therein.

"Material Adverse Effect" means (a) a material adverse effect on the financial condition, operations, assets, business, properties or prospects of the Borrower and its Restricted Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Borrower or any other Obligor to perform its respective material obligations under the Loan Documents to which it is or will be a party, or (c) an impairment of the validity or enforceability of, or a material

impairment of the rights, remedies or benefits available to each Issuer, the Agents, the Lead Arranger or the Lenders under, this Agreement or any other Loan Document.

"Material Documents" means the Recapitalization Agreement, the Sierra Acquisition Agreement, the Charter Documents of each of the Borrower and Holdco, the Investors' Agreement, Seller Subordinated Discount Note, Senior Discount Debentures, the Warrants, the Warrant Agreement and the Senior Subordinated Debt Documents, each as amended, supplemented, amended and restated or otherwise modified from time to time as permitted in accordance with the terms hereof or of any other Loan Document.

"Material Subsidiary" means (i) any direct or indirect Restricted Subsidiary of the Borrower which holds, owns or contributes, as the case may be, 3% or more of the gross revenues, assets or EBITDA of the Borrower and its Restricted Subsidiaries, on a consolidated basis, and (ii) any Restricted Subsidiary of the Borrower designated by the Borrower as a Material Subsidiary. The Borrower shall designate one or more Restricted Subsidiaries of the Borrower as Material Subsidiaries if, in the absence of such designation, the aggregate gross revenues, assets or EBITDA of all Restricted Subsidiaries of the Borrower that are not Material Subsidiaries would exceed 5% of the gross revenues, assets or EBITDA of the Borrower and its Restricted Subsidiaries, on a consolidated basis.

"Merger" is defined in the second recital.

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

"Mortgage" means, collectively, each Mortgage or Deed of Trust executed and delivered pursuant to the terms of this Agreement, including Section 7.1.8(b) or 7.1.12, in form and substance reasonably satisfactory to the Agents.

"Net Debt Proceeds" means with respect to the incurrence, sale or issuance by Holdco, the Borrower or any Restricted Subsidiary of the Borrower of any Debt (other than Debt incurred as part of the Transaction and other Debt permitted by Section 7.2.2 and clause (b)(i) of Section 5.9 of the Holdco Guaranty and Pledge Agreement) the excess of:

(a) the gross cash proceeds received by Holdco, the Borrower or any such Restricted Subsidiary from such incurrence, sale, or issuance,

over

(b) the sum (without duplication) of (i) all reasonable and customary underwriting commissions and legal, investment banking, brokerage and accounting and other professional fees, sales commissions and disbursements and all other reasonable

fees, expenses and charges, in each case actually incurred in connection with such incurrence, sale or issuance and (ii) in the case of any Debt incurred, sold or issued by any Foreign Subsidiary, any taxes or other costs or expenses resulting from repatriating any such proceeds to the United States.

"Net Disposition Proceeds" means, with respect to any sale, transfer or other disposition of any assets of the Borrower or any of its Restricted Subsidiaries (other than transfers made as part of the Transaction and other sales permitted pursuant to clause (a), (b), (d) (to the extent the proceeds of the transfer permitted thereunder constitute Net Casualty Proceeds) or (e) of Section 7.2.9, but including any sale or issuance of Capital Stock of any such Subsidiary to any Person other than the Borrower or any of its Restricted Subsidiaries), the excess of

(a) the sum of the gross cash proceeds received, directly or indirectly, by the Borrower or any of its Restricted Subsidiaries from any such sale, transfer or other disposition and any cash payments received in respect of promissory notes or other non-cash consideration delivered to the Borrower or such Restricted Subsidiary in respect thereof,

less

(b) the sum (without duplication) of (i) all reasonable and customary fees and expenses with respect to legal, investment banking, brokerage, accounting and other professional fees, sales commissions and disbursements and all other reasonable fees, expenses and charges, in each case actually incurred in connection with such sale, transfer or other disposition, (ii) all taxes and other governmental costs and expenses actually paid or estimated by the Borrower (in good faith) to be payable in cash in connection with such sale, transfer or other disposition (including, in the event of a transfer, sale or other disposition of non-U.S. assets, any such taxes or other costs or expenses resulting from repatriating any such proceeds to the United States), (iii) payments made by the Borrower or any of its Restricted Subsidiaries to retire Indebtedness (other than the Loans) of the Borrower or any of its Restricted Subsidiaries where payment of such Indebtedness is required in connection with such sale, transfer or other disposition and (iv) reserves for purchase price adjustments and retained fixed liabilities reasonably expected to be payable by the Borrower and its Restricted Subsidiaries in cash in connection therewith;

provided, however, that if, after the payment of all taxes, purchase price adjustments and retained fixed liabilities with respect to such sale, transfer or other disposition, the amount of estimated taxes, purchase price adjustments or retained fixed liabilities, if any, pursuant to clause (b)(ii) or (b)(iv) above exceeded the tax, purchase price adjustment or retained fixed liabilities amount actually paid in cash in respect of such sale, transfer or other disposition, the aggregate amount of such excess shall, at such time, constitute Net Disposition Proceeds.

"Net Equity Proceeds" means with respect to any sale or issuance by Holdco or the Borrower to any Person of any Capital Stock of Holdco or the Borrower, as the case may be, or any warrants or options with respect to any such Capital Stock or the exercise of any such warrants or options after the Closing Date (exclusive of any such proceeds constituting Excluded Equity Proceeds) the excess of:

(a) the gross cash proceeds received by Holdco or the Borrower from such sale, exercise or issuance,

over

(b) the sum, without duplication, of all reasonable and customary underwriting commissions and legal, investment banking, brokerage, accounting and other professional fees, sales commissions and disbursements and all other reasonable fees, expenses and charges, in each case actually incurred in connection with such sale or issuance.

"Net Income" means, for any period, the net income of the Borrower and its Subsidiaries for such period on a consolidated basis, excluding (a) net losses or gains realized in connection with any sale, lease, conveyance or other disposition of any asset (other than in the ordinary course of business) and (b) extraordinary or non-recurring losses or gains; provided, however, that the Net Income or loss of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid to the Borrower or a Restricted Subsidiary in cash.

"Non-Consenting Lender" means any Lender that, in response to any request by the Borrower or any Agent to a departure from, waiver of or amendment to any provision of any Loan Document that requires the agreement of all Lenders or all Lenders with respect to a particular Tranche, which departure, waiver or amendment receives the consent of the Required Lenders or the holders of a majority of the Commitments or (if the applicable Commitments in respect of such Tranche shall have expired or been terminated) outstanding Credit Extensions in respect of such Tranche, as the case may be, shall not have given its consent to such departure, waiver or amendment.

"Non-Funding Lender" means a Lender that shall have failed to fund any Loan hereunder that it was required to have funded in accordance with the terms hereof, which Loan was included in any Borrowing in respect of which a majority of the aggregate principal amount of all Loans included in such Borrowing were funded by the Lenders party thereto.

"Non-Recourse Debt" means Indebtedness (i) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other

Indebtedness of the Borrower or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity, and (ii) as to which the lenders have been notified in writing that they will not have any recourse to the Capital Stock or assets of the Borrower or any of its Restricted Subsidiaries (other than Capital Stock of Unrestricted Subsidiaries pledged by the Borrower or a Restricted Subsidiary to secure Debt of such Unrestricted Subsidiary); provided, however, that in no event shall Indebtedness of any Unrestricted Subsidiary fail to be Non-Recourse Debt solely as a result of any default provisions contained in a guarantee thereof by the Borrower or any of its Restricted Subsidiaries if the Borrower or such Restricted Subsidiary was otherwise permitted to incur such guarantee under this Agreement.

"Non-U.S. Lender" means any Lender (including each Assignee Lender) that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof, or (iii) an estate or trust that is subject to U.S. Federal income taxation regardless of the source of its income.

"Note" means, as the context may require, a Revolving Note, a Term-A Note, a Term-B Note or a Swing Line Note.

"Obligations" means all obligations (monetary or otherwise) of the Borrower and each other Obligor arising under or in connection with this Agreement and each other Loan Document.

"Obligor" means the Borrower or any other Person (other than any Agent, the Lead Arranger, any Issuer, the Swing Line Lender or any Lender) obligated under any Loan Document.

"Other Asset Contributors" is defined in the second recital.

"Participant" is defined in Section 10.11.2.

"PBGC" means the Pension Benefit Guaranty Corporation and any successor entity.

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which the Borrower or any corporation, trade or business that is, along with the Borrower, a member of a Controlled Group, has or within the prior six years has had any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

"Percentage" means, relative to any Lender, the applicable percentage relating to Term-A Loans, Term-B Loans or Revolving Loans, as the case may be, as set forth opposite its name in Schedule II hereto or in a Lender Assignment Agreement(s) under the applicable column heading, as such percentage may be adjusted from time to time pursuant to Lender Assignment Agreement(s) executed by such Lender and its Assignee Lender(s) and delivered pursuant to Section 10.11 or, in the case of a Lender's Percentage relating to Revolving Loans, pursuant to clause (c) of Section 2.1.2. A Lender shall not have any Commitment to make Revolving Loans, Term-A Loans or Term-B Loans (as the case may be) if its percentage under the respective column heading is zero.

"Person" means any natural person, corporation, partnership, firm, association, trust, government, governmental agency, limited liability company or any other entity, whether acting in an individual, fiduciary or other capacity.

"Plan" means any Pension Plan or Welfare Plan.

"Pledge Agreement" means, as the context may require, the Borrower Pledge and Security Agreement, the Holdco Guaranty and Pledge Agreement or the Subsidiary Pledge and Security Agreement.

"Pledge and Security Agreement" means, as the context may require, the Borrower Pledge and Security Agreement or the Subsidiary Pledge and Security Agreement.

"Pro Forma Financial Statements" is defined in clause (b) of Section 5.1.9.

"Public Offering" means, for any Person, any sale after the Closing Date of the Capital Stock of such Person to the public pursuant to a primary offering registered under the Securities Act of 1933, as amended.

"Quarterly Payment Date" means the last day of each of March, June, September and December, or, if any such day is not a Business Day, the next succeeding Business Day, commencing with December 31, 1999.

"Rate Protection Agreement" means any interest rate swap, cap, collar or similar agreement entered into by the Borrower pursuant to the terms of this Agreement under which the counterparty to such agreement is (or at the time such Rate Protection Agreement was entered into, was) a Lender or an Affiliate of a Lender.

"Recapitalization Agreement" is defined in the first recital.

"Refunded Swing Line Loans" is defined in clause (b) of Section 2.3.2.

"Register" is defined in clause (b) of Section 2.7.

"Reimbursement Obligation" is defined in Section 2.6.3.

"Reinstatement Date" is defined in Section 4.1.

"Related Fund" means, with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Release" means a "release", as such term is defined in CERCLA.

"Replacement Lender" is defined in Section 4.11.

"Replacement Notice" is defined in Section 4.11.

"Required Lenders" means, at any time, (i) prior to the date of the making of the initial Credit Extension hereunder, Lenders having at least 51% of the sum of the Revolving Loan Commitments, Term-A Loan Commitments and Term-B Loan Commitments, and (ii) on and after the date of the initial Credit Extension, Lenders holding at least 51% of the Total Exposure Amount.

"Resource Conservation and Recovery Act" means the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., as in effect from time to time.

"Restricted Payments" is defined in Section 7.2.6.

"Restricted Payments Compliance Certificate" means a certificate duly completed and executed by an Authorized Officer that is the president, the chief executive officer or the chief financial or accounting officer of the Borrower, substantially in the form of Exhibit F hereto.

"Restricted Subsidiary" means any Subsidiary of the Borrower that is not an Unrestricted Subsidiary.

"Revolving Loans" is defined in Section 2.1.2.

"Revolving Loan Commitment" is defined in Section 2.1.2.

"Revolving Loan Commitment Amount" means, on any date, $30,000,000, as such amount may be increased from time to time pursuant to clause (c) of Section 2.1.2 or reduced from time to time pursuant to Section 2.2.

"Revolving Loan Commitment Termination Date" means the earliest of (i) September 29, 1999 if the Term Loans have not been made on or prior to such date, (ii) the sixth anniversary of the Closing Date, (iii) the date on which the Revolving Loan Commitment Amount is terminated in full or reduced to zero pursuant to Section 2.2, and (iv) the date on which any Commitment Termination Event occurs.

"Revolving Note" means a promissory note of the Borrower payable to any Lender, substantially in the form of Exhibit A-1 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from outstanding Revolving Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Rollover Equity" means the shares equal to approximately 12.5% of Holdco outstanding after the Merger which will either be retained by CRL or exchanged by CRL for such percentage of a new class of shares of common stock of Holdco.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc.

"SBI" is defined in the fourth recital.

"Secured Parties" means, collectively, the Lenders, the Issuers, the Agents and each counterparty to a Rate Protection Agreement that is (or at the time such Rate Protection Agreement was entered into, was) a Lender or an Affiliate of a Lender.

"Seller Note Issuance" is defined in clause (d) of the fifth recital.

"Seller Subordinated Discount Note" means the Subordinated Discount Note in an initial principal amount of $43,000,000 issued by Holdco to CRL on the Closing Date.

"Senior Discount Debentures" the Senior Discount Debentures in an initial principal amount of $40,000,000 issued by Holdco on the Closing Date.

"Senior Subordinated Debt" means the Senior Subordinated Notes.

"Senior Subordinated Debt Documents" means the Senior Subordinated Notes and all other instruments, agreements or other documents evidencing or governing any Senior Subordinated Debt or pursuant to which any Senior Subordinated Debt has been issued.

"Senior Subordinated Notes" is defined in clause (a) of the fifth recital.

"Sierra Acquisition" is defined in the fourth recital.

"Sierra Acquisition Agreement" is defined in the fourth recital.

"Solvent" means, 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 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 such Person 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 light of all the facts and circumstances existing at such time, can reasonably be expected to become an actual or matured liability.

"Stated Amount" of each Letter of Credit means the total amount available to be drawn under such Letter of Credit upon the issuance thereof.

"Stated Expiry Date" is defined in Section 2.6.

"Stated Maturity Date" means (i) in the case of any Revolving Loan, the sixth anniversary of the Closing Date, (ii) in the case of any Term-A Loan, the sixth anniversary of the Closing Date, (iii) in the case of any Term-B Loan, the eighth anniversary of the Closing Date or, in the case of any such day that is not a Business Day, the first Business Day following such day.

"Subject Lender" is defined in Section 4.11.

"Subco Dividend" is defined in the second recital.

"Subordinated Debt Issuance" is defined in clause (a) of the fifth recital.

"Subordination Provisions" is defined in Section 8.1.11.

"Subsidiary" means, with respect to any Person, any corporation, partnership or other business entity of which more than 50% of the outstanding Capital Stock (or other ownership interest) having ordinary voting power to elect a majority of the board of directors, managers or other voting members of the governing body of such entity (irrespective of whether at the time Capital Stock (or other ownership interests) of any other class or classes of such entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person. For purposes of this Agreement

and the other Loan Documents, any Acquired Controlled Person shall be deemed to be a "Subsidiary" of the Borrower for purposes of Sections 6.1, 6.7, 6.9, 6.10, 6.11, 6.12, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6, 7.1.7(a)(ii), 7.2.1, 7.2.2, 7.2.3, 7.2.5, 7.2.6, 7.2.9, 7.2.11, 7.2.12 and 7.2.14 and, to the extent (and only to the extent) that it relates to any of the foregoing Sections, Article VIII.

"Subsidiary Guarantor" means each U.S. Subsidiary of the Borrower that has executed and delivered a Subsidiary Guaranty (or a supplement thereto).

"Subsidiary Guaranty" means the Guaranty, if any, executed and delivered by an Authorized Officer of a Subsidiary Guarantor pursuant to Section 5.1.6 or Section 7.1.7, substantially in the form of Exhibit H hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Subsidiary Pledge and Security Agreement" means the Pledge and Security Agreement executed and delivered by an Authorized Officer of each Subsidiary Guarantor pursuant to the terms of this Agreement, substantially in the form of Exhibit G-3 hereto, together with any supplemental Foreign Pledge Agreements delivered pursuant to the terms of this Agreement, in each case as amended, supplemented, amended and restated or otherwise modified from time to time.

"Swing Line Lender" means the Administrative Agent in its capacity as Swing Line Lender hereunder.

"Swing Line Loan" is defined in clause (b) of Section 2.1.2.

"Swing Line Loan Commitment" is defined in clause (b) of Section 2.1.2.

"Swing Line Loan Commitment Amount" means, on any date, $5,000,000, as such amount may be reduced from time to time pursuant to Section 2.2.

"Swing Line Note" means a promissory note of the Borrower payable to the Swing Line Lender, in the form of Exhibit A-4 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of the Borrower to the Swing Line Lender resulting from outstanding Swing Line Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Syndication Agent" is defined in the preamble.

"Taxes" is defined in Section 4.6.

"Term-A Loans" is defined in clause (a) of Section 2.1.1.

"Term-A Loan Commitment" is defined in clause (a) of Section 2.1.1.

"Term-A Loan Commitment Amount" means $40,000,000.

"Term-A Loan Commitment Termination Date" means the earliest of (i) September 29, 1999, if the Term-A Loans have not been made on or prior to such date, (ii) the Closing Date (immediately after the making of the Term-A Loans on such date), and (iii) the date on which any Commitment Termination Event occurs.

"Term-A Note" means a promissory note of the Borrower payable to the order of any Lender, in the form of Exhibit A-2 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from outstanding Term-A Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Term-B Loans" is defined in clause (b) of Section 2.1.1.

"Term-B Loan Commitment" is defined in clause (b) of Section 2.1.1.

"Term-B Loan Commitment Amount" means $120,000,000.

"Term-B Loan Commitment Termination Date" means the earliest of (i) September 29, 1999, if the Term-B Loans have not been made on or prior to such date, (ii) the Closing Date (immediately after the making of the Term-B Loans on such date), and (iii) the date on which any Commitment Termination Event occurs.

"Term-B Note" means a promissory note of the Borrower payable to the order of any Lender, in the form of Exhibit A-3 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from outstanding Term-B Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Term Loan Commitment Termination Date" means, as the context may require, the Term-A Loan Commitment Termination Date or the Term-B Loan Commitment Termination Date.

"Term Loans" means collectively, the Term-A Loans or the Term-B Loans.

"Termination Date" means the date on which all Obligations have been paid in full in cash, all Letters of Credit have been terminated, expired or Cash Collateralized, all Rate Protection Agreements have been terminated and all Commitments shall have terminated.

"Total Exposure Amount" means, on any date of determination, (a) with respect to any provision of this Agreement other than the declaration of the acceleration of the maturity of all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable pursuant to Section 8.3, the sum of (i) the aggregate principal amount of all Term Loans outstanding at such time and (ii) (x) the then effective Revolving Loan Commitment Amount, if there are any Revolving Loan Commitments then outstanding, or (y) if all Revolving Loan Commitments shall have expired or been terminated, the sum of (1) the aggregate principal amount of all Revolving Loans and Swing Line Loans outstanding at such time and (2) the Letter of Credit Outstandings at such time; and (b) with respect to the declaration of the acceleration of the maturity of all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable pursuant to Section 8.3, the sum of (i) the aggregate principal amount of all Loans outstanding at such time and (ii) the Letter of Credit Outstandings at such time.

"Tranche" means, as the context may require, the Loans constituting Term-A Loans, Term-B Loans, Revolving Loans or Swing Line Loans.

"Transaction" is defined in the second recital.

"Transaction Documents" means each of the Material Documents and all other agreements, documents, instruments, certificates, filings, consents, approvals, board of directors resolutions and opinions furnished pursuant to or in connection with the Recapitalization, Merger, Equity Contributions, Subco Dividend, Subordinated Debt Issuance, Discount Debentures Issuance, the Seller Note Issuance and the Sierra Acquisition and the transactions contemplated hereby or thereby, each as amended, supplemented, amended and restated or otherwise modified from time to time as permitted in accordance with the terms hereof or of any other Loan Document.

"Transaction Payments" means the retention bonus payments, performance bonus payments, Earn-outs and any fees, expenses and financing and other transaction costs to be paid by the Borrower under any present or future acquisition agreement.

"type" means, relative to any Loan, the portion thereof, if any, being maintained as a Base Rate Loan or a LIBO Rate Loan.

"UBOC" is defined in the preamble.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that if, with respect to any Filing Statement or by reason of any mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted to the Administrative Agent pursuant to the applicable Loan Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, UCC means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of this Agreement, each Loan Document and any Filing Statement relating to such perfection or effect of perfection or non-perfection.

"United States" or "U.S." means the United States of America, its fifty states and the District of Columbia.

"U.S. Subsidiary" means any Subsidiary of the Borrower that is incorporated or organized in or under the laws of the United States, any state thereof or the District of Columbia.

"Unrestricted Subsidiary" means any Subsidiary of the Borrower that is designated by a resolution of the Board of Directors of the Borrower as an Unrestricted Subsidiary, but only to the extent that such Subsidiary: (i) has no Indebtedness other than Non-Recourse Debt; (ii) is not party to any agreement, contract, arrangement or understanding with the Borrower or any Restricted Subsidiary of the Borrower unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower; (iii) is a Person with respect to which neither the Borrower nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Capital Stock or warrants, options or other rights to acquire Capital Stock or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (iv) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Borrower or any of its Restricted Subsidiaries. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes hereof. The Board of Directors of the Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Borrower of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if no Default or Event of Default would be in existence following such designation.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, Capital Stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Waiver" means an agreement in favor of the Agents for the benefit of the Lenders in form and substance reasonably satisfactory to the Agents.

"Warrants" is defined in clause (a) of the fifth recital.

"Warrant Agreement" is defined in clause (a) of the fifth recital.

"Welfare Plan" means a "welfare plan", as such term is defined in Section 3(1) of ERISA, and to which the Borrower has any liability.

"wholly-owned Subsidiary" means, with respect to any Person, any Subsidiary of such Person all of the Capital Stock (and all rights and options to purchase such Capital Stock) of which, other than directors' qualifying shares, are owned, beneficially and of record, by such Person and/or one or more wholly-owned Subsidiaries of such Person.

SECTION 1.2. Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in the Disclosure Schedule and in each other Loan Document, notice and other communication delivered from time to time in connection with this Agreement or any other Loan Document.

SECTION 1.3. Cross-References. Unless otherwise specified, references in this Agreement and in each other Loan Document to any Article or Section are references to such Article or Section of this Agreement or such other Loan Document, as the case may be, and, unless otherwise specified, references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

SECTION 1.4. Accounting and Financial Determinations.

(a) Unless otherwise specified and subject to Section 1.4(b) below, all accounting terms used herein or in any other Loan Document shall be interpreted, all accounting determinations and computations hereunder or thereunder (including under Section 7.2.4) shall be made, and all financial statements required to be delivered hereunder or thereunder shall be prepared in accordance with, those generally accepted accounting principles ("GAAP"), as in effect on December 31, 1998 and, unless otherwise expressly provided herein, shall be computed or determined on a consolidated basis and without duplication.

(b) For purposes of computing the Fixed Charge Coverage Ratio, Interest Coverage Ratio and Leverage Ratio (and any financial calculations required to be made or included within such ratios) as of the end of any Fiscal Quarter, all components of such ratios, including Capital Expenditures, in the case of any disposition, but excluding

Capital Expenditures, in the case of any acquisition, for the period of four Fiscal Quarters ending at the end of such Fiscal Quarter shall include or exclude, as the case may be, without duplication, such components of such ratios attributable to any business or assets that have been acquired or disposed of by the Borrower or any of its Subsidiaries (including through mergers or consolidations) after the first day of such period of four Fiscal Quarters and prior to the end of such period, as determined in good faith by the Borrower on a pro forma basis for such period of four Fiscal Quarters as if such acquisition or disposition had occurred on such first day of such period (including cost savings that would have been realized had such acquisition occurred on such day and which inclusion when not otherwise permitted under GAAP has been approved by a majority of the board of directors of Holdco).

ARTICLE II

COMMITMENTS, BORROWING AND ISSUANCE PROCEDURES, NOTES AND LETTERS OF CREDIT

SECTION 2.1. Commitments. On the terms and subject to the conditions of this Agreement (including Sections 2.1.4, 2.1.5 and Article V),

(a) each Lender severally agrees to make Loans (other than Swing Line Loans) pursuant to each of its Commitments and the Swing Line Lender agrees to make Swing Line Loans pursuant to the Swing Line Loan Commitment, in each case as described in this Section 2.1; and

(b) each Issuer severally agrees that it will issue Letters of Credit pursuant to Section 2.1.3, and each other Lender that has a Revolving Loan Commitment severally agrees that it will purchase participation interests in such Letters of Credit pursuant to Section 2.6.1.

SECTION 2.1.2. Term Loan Commitments. Subject to compliance by the Borrower with the terms of Sections 2.1.4, 5.1 and 5.2, on (but solely on) the Closing Date (which shall be a Business Day), each Lender that has a Percentage in excess of zero of the Term-A Loan Commitment or the Term-B Loan Commitment, as applicable,

(a) will make a loan (relative to such Lender, its "Term-A Loans") to the Borrower equal to such Lender's Percentage of the aggregate amount of the Borrowing or Borrowings of Term-A Loans requested by the Borrower to be made on the Closing Date (with the commitment of each such Lender described in this clause (a) herein referred to as its "Term-A Loan Commitment") and

(b) will make a loan (relative to such Lender, its "Term-B Loans") to the Borrower equal to such Lender's Percentage of the aggregate amount of the Borrowing or Borrowings of Term-B Loans requested by the Borrower to be made on the Closing Date (with the commitment of each such Lender described in this clause (b) herein referred to as its "Term-B Loan Commitment").

No amounts paid or prepaid with respect to Term-A Loans or Term-B Loans may be reborrowed.

SECTION 2.1.3. Revolving Loan Commitment and Swing Line Loan Commitment. Subject to compliance by the Borrower with the terms of Section 2.1.4, Section 5.1 and Section 5.2, from time to time on any Business Day occurring concurrently with (or after) the making of the Term Loans but prior to the Revolving Loan Commitment Termination Date,

(a) each Lender that has a Percentage of the Revolving Loan Commitment in excess of zero will make loans (relative to such Lender, its "Revolving Loans") to the Borrower equal to such Lender's Percentage of the aggregate amount of the Borrowing or Borrowings of Revolving Loans requested by the Borrower to be made on such day. The Commitment of each Lender described in this Section 2.1.2 is herein referred to as its "Revolving Loan Commitment". On the terms and subject to the conditions hereof, the Borrower may from time to time borrow, prepay and reborrow Revolving Loans.

(b) the Swing Line Lender will make a loan (a "Swing Line Loan") to the Borrower equal to the principal amount of the Swing Line Loan requested by the Borrower to be made on such day. The Commitment of the Swing Line Lender described in this clause (b) is herein referred to as its "Swing Line Loan Commitment". On the terms and subject to the conditions hereof, the Borrower may from time to time borrow, prepay and reborrow Swing Line Loans.

(c) At any time that no Default has occurred and is continuing, and prior to the Revolving Loan Commitment Termination Date, the Borrower may notify the Agents that the Borrower is requesting that, on the terms and subject to the conditions contained in this Agreement, the Lenders and/or other lenders not then a party to this Agreement provide up to an aggregate amount of $25,000,000 in additional Revolving Loan Commitments. Upon receipt of such notice, the Syndication Agent shall use commercially reasonable efforts to arrange for the Lenders or other Eligible Institutions to provide such additional Revolving Loan Commitments; provided that the Syndication Agent will first offer each of the Lenders that then has a Percentage of the Revolving Loan Commitment a pro rata portion of any such additional Revolving Loan Commitment. Alternatively, DLJ may commit to provide the full amount of the requested additional Revolving Loan Commitment and then offer portions of such additional Revolving Loan Commitment to the Lenders or other Eligible Institutions, subject to the proviso to the immediately preceding sentence. Nothing contained in this

clause (c) or otherwise in this Agreement is intended to commit any Lender or any Agent to provide any portion of any such additional Revolving Loan Commitments. If and to the extent that any Lenders and/or other lenders agree, in their sole discretion, to provide any such additional Revolving Loan Commitments, (i) the Revolving Loan Commitment Amount shall be increased by the amount of the additional Revolving Loan Commitments agreed to be so provided, (ii) the Percentages of the respective Lenders in respect of the Revolving Loan Commitment shall be proportionally adjusted (provided that the Percentage of each Lender shall not be increased without the consent of such Lender), (iii) at such time and in such manner as the Borrower and the Syndication Agent shall agree (it being understood that the Borrower and the Agents will use commercially reasonable efforts to avoid the prepayment or assignment of any LIBO Rate Loan on a day other than the last day of the Interest Period applicable thereto), the Lenders shall assign and assume outstanding Revolving Loans and participations in outstanding Letters of Credit so as to cause the amounts of such Revolving Loans and participations in Letters of Credit held by each Lender to conform to the respective Percentages of the Revolving Loan Commitment of the Lenders and (iv) the Borrower shall execute and deliver any additional Notes or other amendments or modifications to this Agreement or any other Loan Document as the Agents may reasonably request.

SECTION 2.1.4. Letter of Credit Commitment. Subject to compliance by the Borrower with the terms of Section 2.1.5, 5.1 and 5.2, from time to time on any Business Day occurring concurrently with (or after) the Closing Date but prior to the Revolving Loan Commitment Termination Date, the applicable Issuer will (i) issue one or more standby or commercial letters of credit (each referred to as a "Letter of Credit") for the account of the Borrower or any of its Restricted Subsidiaries in the Stated Amount requested by the Borrower on such day, or (ii) extend the Stated Expiry Date of an existing standby or commercial Letter of Credit previously issued hereunder to a date not later than the earlier of (x) the sixth anniversary of the Closing Date and (y) one year from the date of such extension (subject to automatic renewal provisions); provided that, notwithstanding the terms of this clause (y), a Letter of Credit may, if required by the beneficiary thereof, contain automatic renewal provisions pursuant to which the Stated Expiry Date shall be automatically extended (to a date not beyond the date specified in clause (x) above), unless notice to the contrary shall have been given to the beneficiary prior to the then existing Stated Expiry Date in accordance with the terms specified in such Letter of Credit by the applicable Issuer or the account party of such Letter of Credit (which notice by the account party shall also have been provided to the applicable Issuer in writing).

SECTION 2.1.5. Lenders Not Permitted or Required to Make the Loans. No Lender shall be permitted or required to, and the Borrower shall not request any Lender to, make

(a) any Term-A Loan or Term-B Loan (as the case may be) if, after giving effect thereto, the aggregate original principal amount of all the Term-A Loans or Term-B Loans (as the case may be) of such Lender would exceed such Lender's Percentage of the

Term-A Loan Commitment Amount (in the case of Term-A Loans) or the Term-B Loan Commitment Amount (in the case of Term-B Loans);

(b) any Revolving Loan if, after giving effect thereto, the aggregate outstanding principal amount of all the Revolving Loans (i) of all the Lenders with Revolving Loan Commitments, together with the Letter of Credit Outstandings and the aggregate outstanding principal amount of all Swing Line Loans, would exceed the then existing Revolving Loan Commitment Amount, or (ii) of such Lender, together with such Lender's Percentage of the aggregate amount of all Letter of Credit Outstandings, and such Lender's Percentage of the outstanding principal amount of all Swing Line Loans, would exceed such Lender's Percentage of the then existing Revolving Loan Commitment Amount.

(c) any Swing Line Loan if, after giving effect thereto (i) the aggregate outstanding principal amount of all Swing Line Loans would exceed the Swing Line Loan Commitment Amount or (ii) the sum of the aggregate amount of all Letter of Credit Outstandings plus the aggregate principal amount of all Revolving Loans and Swing Line Loans then outstanding would exceed the then existing Revolving Loan Commitment Amount.

SECTION 2.1.6. Issuer Not Permitted or Required to Issue Letters of Credit. No Issuer shall be permitted or required to issue any Letter of Credit if, after giving effect thereto, (a) the aggregate amount of all Letter of Credit Outstandings would exceed the Letter of Credit Commitment Amount or (b) the sum of the aggregate amount of all Letter of Credit Outstandings plus the aggregate principal amount of all Revolving Loans and Swing Line Loans then outstanding would exceed the then existing Revolving Loan Commitment Amount.

SECTION 2.2. Reduction of Revolving Loan Commitment Amount. The Borrower may, from time to time on any Business Day occurring after the time of the initial Credit Extension hereunder, voluntarily reduce the Revolving Loan Commitment Amount; provided, however, that all such reductions shall require at least three Business Days' prior notice to the Administrative Agent and be permanent, and any partial reduction of any Commitment Amount shall be in an aggregate amount of $500,000 or any larger integral multiple of $100,000. Any such reduction of the Revolving Loan Commitment Amount which reduces the Revolving Loan Commitment Amount below the Letter of Credit Commitment Amount or the Swing Line Loan Commitment Amount shall result in an automatic and corresponding reduction of the Letter of Credit Commitment Amount or the Swing Line Loan Commitment Amount, as the case may be, to an aggregate amount not in excess of the Revolving Loan Commitment Amount, as so reduced, without any further action on the part of the applicable Issuer or the Swing Line Lender.

SECTION 2.3. Borrowing Procedures and Funding Maintenance. Loans (other than Swing Line Loans) shall be made by the Lenders in accordance with Section 2.3.1, and Swing Line Loans shall be made by the Swing Line Lender in accordance with Section 2.3.2.

SECTION 2.3.1. Term Loans and Revolving Loans. By delivering a Borrowing Request to the Administrative Agent on or before 12:00 p.m. (noon), Los Angeles time, on a Business Day, the Borrower may from time to time irrevocably request, on not less than one Business Day's notice (in the case of Base Rate Loans) or three Business Days' notice (in the case of LIBO Rate Loans) nor more than five Business Days' notice (in the case of any Loans), that a Borrowing be made in an aggregate amount of $500,000 or any larger integral multiple of $100,000, or in the unused amount of the applicable Commitment. No Borrowing Request shall be required, and the minimum aggregate amounts specified under this Section 2.3.1 shall not apply, in the case of Revolving Loans made under clause (b) of Section 2.3.2 to refund Refunded Swing Line Loans or Revolving Loans deemed made under Section 2.6.2 in respect of unreimbursed Disbursements. On the terms and subject to the conditions of this Agreement, each Borrowing shall be comprised of the type of Loans, and shall be made on the Business Day, specified in such Borrowing Request. On or before 1:00 p.m., Los Angeles time, on such Business Day each Lender shall deposit with the Administrative Agent same day funds in an amount equal to such Lender's Percentage of the requested Borrowing. Such deposit will be made to an account which the Administrative Agent shall specify from time to time by notice to the Lenders. To the extent funds are received from the Lenders, the Administrative Agent shall make such funds available to the Borrower by wire transfer to the accounts the Borrower shall have specified in its Borrowing Request. No Lender's obligation to make any Loan shall be affected by any other Lender's failure to make any Loan.

SECTION 2.3.2. Swing Line Loans. (a) By telephonic notice, promptly followed (within one Business Day) by the delivery of a confirming Borrowing Request, to the Swing Line Lender and the Administrative Agent on or before 10:00 a.m., Los Angeles time, on the Business Day the proposed Swing Line Loan is to be made, the Borrower may from time to time irrevocably request that a Swing Line Loan be made by the Swing Line Lender in a minimum principal amount of $500,000 or any larger integral multiple of $100,000. All Swing Line Loans shall be made as Base Rate Loans and shall not be entitled to be converted into LIBO Rate Loans. The proceeds of each Swing Line Loan shall be made available by the Swing Line Lender, by 3:00 p.m., Los Angeles time, on the Business Day telephonic notice is received by it as provided in this clause (a), to the Borrower by wire transfer to the account the Borrower shall have specified in its notice therefor.

(b) If (i) any Swing Line Loan shall be outstanding for more than four Business Days or (ii) any Default shall occur and be continuing, each Lender with a Revolving Loan Commitment (other than the Swing Line Lender) irrevocably agrees that it will, at the request of the Swing Line Lender and upon notice from the Administrative Agent, unless such Swing Line Loan shall have been earlier repaid in full, make a Revolving Loan (which shall initially be funded as a Base

Rate Loan) in an amount equal to such Lender's Percentage in respect of the Revolving Loan Commitments of the aggregate principal amount of all such Swing Line Loans then outstanding (such outstanding Swing Line Loans hereinafter referred to as the "Refunded Swing Line Loans"); provided, that the Swing Line Lender shall not request, and no Lender with a Revolving Loan Commitment shall make, any Refunded Swing Line Loan if, after giving effect to the making of such Refunded Swing Line Loan, the sum of all Swing Line Loans and Revolving Loans made by such Lender, plus such Lender's Percentage in respect of the Revolving Loan Commitments of the aggregate amount of all Letter of Credit Outstandings, would exceed such Lender's Percentage of the then existing Revolving Loan Commitment Amount. On or before 12:00 p.m., Los Angeles time, on the first Business Day following receipt by each Lender of a request to make Revolving Loans as provided in the preceding sentence, each such Lender with a Revolving Loan Commitment shall deposit in an account specified by the Swing Line Lender the amount so requested in same day funds and such funds shall be applied by the Swing Line Lender to repay the Refunded Swing Line Loans. At the time the aforementioned Lenders make the above referenced Revolving Loans, the Swing Line Lender shall be deemed to have made, in consideration of the making of the Refunded Swing Line Loans, a Revolving Loan in an amount equal to the Swing Line Lender's Percentage in respect of the Revolving Loan Commitments of the aggregate principal amount of the Refunded Swing Line Loans. Upon the making (or deemed making, in the case of the Swing Line Lender) of any Revolving Loans pursuant to this clause (b), the amount so funded shall become outstanding as a Revolving Loan of such Lender and to the extent to made (or deemed made, in the case of the Swing Line Lender) shall no longer constitute a portion of the applicable Swing Line Loan. All interest payable with respect to any Revolving Loans made (or deemed made, in the case of the Swing Line Lender) pursuant to this clause (b) shall be appropriately adjusted to reflect the period of time during which the Swing Line Lender had outstanding Swing Line Loans in respect of which such Revolving Loans were made. Each Lender's obligation (in the case of Lenders with a Revolving Loan Commitment) to make the Revolving Loans referred to in this clause (b) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of any Default; (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any other Obligor; (iv) the acceleration or maturity of any Loans or the termination of any Commitment after the making of any Swing Line Loan; (v) any breach of this Agreement or any other Loan Document by the Borrower or any Lender; or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

SECTION 2.4. Continuation and Conversion Elections. By delivering a Continuation/Conversion Notice to the Administrative Agent on or before 12:00 p.m. (noon), Los Angeles time, on a Business Day, the Borrower may from time to time irrevocably elect, on not less than one Business Day's notice (in the case of a conversion of LIBO Rate Loans to Base Rate Loans) or three Business Days' notice (in the case of a continuation of LIBO Rate Loans or a conversion of Base Rate Loans into LIBO Rate Loans) nor more than five Business Days'

notice (in the case of any Loans) that all, or any portion in a minimum amount of $500,000 or any larger integral multiple of $100,000, be, in the case of Base Rate Loans, converted into LIBO Rate Loans or, in the case of LIBO Rate Loans, converted into Base Rate Loans or continued as LIBO Rate Loans (in the absence of delivery of a Continuation/Conversion Notice with respect to any LIBO Rate Loan at least three Business Days before the last day of the then current Interest Period with respect thereto, such LIBO Rate Loan shall, on such last day, automatically convert to a Base Rate Loan); provided, however, that (x) each such conversion or continuation shall be pro rated among the applicable outstanding Loans of the relevant Lenders, and (y) no portion of the outstanding principal amount of any Loans may be continued as, or be converted into, LIBO Rate Loans when any Default has occurred and is continuing.

SECTION 2.5. Funding. Each Lender may, if it so elects, fulfill its obligation to make, continue or convert LIBO Rate Loans hereunder by causing one of its foreign branches or Affiliates (or an international banking facility created by such Lender) to make or maintain such LIBO Rate Loan, so long as such action does not result in increased costs to the Borrower; provided, however, that such LIBO Rate Loan shall nonetheless be deemed to have been made and to be held by such Lender, and the obligation of the Borrower to repay such LIBO Rate Loan shall nevertheless be to such Lender for the account of such foreign branch, Affiliate or international banking facility; and provided, further, however, that, except for purposes of determining whether any such increased costs are payable by the Borrower, such Lender shall cause such foreign branch, Affiliate or international banking facility to comply with the applicable provisions of clause (b) of Section 4.6 with respect to such LIBO Rate Loan. In addition, the Borrower hereby consents and agrees that, for purposes of any determination to be made for purposes of Section 4.1, 4.2, 4.3 or 4.4, it shall be conclusively assumed that each Lender elected to fund all LIBO Rate Loans by purchasing Dollar deposits in its LIBOR Office's interbank Eurodollar market.

SECTION 2.6. Issuance Procedures. By delivering to the applicable Issuer and the Administrative Agent an Issuance Request on or before 12:00 p.m. (noon), Los Angeles time, on a Business Day, the Borrower may, from time to time irrevocably request, on not less than five Business Days' notice (or such shorter or longer notice as may be acceptable to the applicable Issuer), in the case of an initial issuance of a Letter of Credit, and not less than five nor more than ten Business Days' notice (unless a shorter or longer notice period is acceptable to the applicable Issuer) prior to the then existing Stated Expiry Date of a Letter of Credit, in the case of a request for the extension of the Stated Expiry Date of a Letter of Credit, that such Issuer issue, or extend the Stated Expiry Date of, as the case may be, an irrevocable Letter of Credit on behalf of the Borrower (whether issued for the account of or on behalf of the Borrower or any of its Restricted Subsidiaries) in such form as may be requested by the Borrower and approved by such Issuer, for the purposes described in Section 7.1.9. Notwithstanding anything to the contrary contained herein or in any separate application for any Letter of Credit, the Borrower hereby acknowledges and agrees that it shall be obligated to reimburse the applicable Issuer upon each Disbursement paid under a Letter of Credit, and it shall be deemed to be the obligor for purposes of each such

Letter of Credit issued hereunder (whether the account party on such Letter of Credit is the Borrower or a Subsidiary of the Borrower). Upon receipt of an Issuance Request, the Administrative Agent shall promptly notify the applicable Issuer and each Lender that has a Revolving Loan Commitment thereof. Each Letter of Credit shall by its terms be stated to expire on a date (its "Stated Expiry Date") no later than the earlier to occur of (i) the sixth anniversary of the Closing Date or (ii) one year from the date of its issuance (subject to automatic renewal provisions); provided that, notwithstanding the terms of this clause (ii), a Letter of Credit may, if required by the beneficiary thereof, contain automatic renewal provisions pursuant to which the Stated Expiry Date shall be automatically extended (to a date not beyond the date specified in clause (i) above), unless notice to the contrary shall have been given to the beneficiary prior to the then existing Stated Expiry Date in accordance with the terms specified in such Letter of Credit by the applicable Issuer or the account party of such Letter of Credit (which notice by the account party shall also have been provided to the applicable Issuer in writing). The applicable Issuer will make available to the beneficiary thereof the original of each Letter of Credit which it issues hereunder. In the event that the Issuer is other than the Administrative Agent, such Issuer will send by facsimile transmission to the Administrative Agent, promptly on the first Business Day of each week, its daily maximum amount available to be drawn under the Letters of Credit issued by such Issuer for the previous week. The Administrative Agent shall deliver to each Lender upon each calendar month end, and upon each payment of the letter of credit fees payable pursuant to Section 3.3.3, a report setting forth the daily maximum amount available to be drawn for all Issuers during such period. Notwithstanding anything to the contrary herein, any Issuance Request delivered to the applicable Issuer or Administrative Agent by the Borrower by telecopier shall be confirmed promptly in an original writing delivered to such Issuer or Administrative Agent, as the case may be.

SECTION 2.6.1. Other Lenders' Participation. Upon the issuance of each Letter of Credit issued by an Issuer pursuant hereto, and without further action, each Lender (other than such Issuer) that has a Revolving Loan Commitment shall be deemed to have irrevocably purchased from such Issuer, to the extent of its Percentage in respect of the Revolving Loan Commitments, and such Issuer shall be deemed to have irrevocably granted and sold to such Lender a participation interest in such Letter of Credit (including the Contingent Liability and any Reimbursement Obligation and all rights with respect thereto), and such Lender shall, to the extent of its Percentage in respect of the Revolving Loan Commitments, be responsible for reimbursing promptly (and in any event within one Business Day) the applicable Issuer for Reimbursement Obligations which have not been reimbursed by the Borrower in accordance with Section 2.6.3. In addition, such Lender shall, to the extent of its Percentage in respect of the Revolving Loan Commitments, be entitled to receive a ratable portion of the letter of credit fees payable pursuant to Section 3.3.3 with respect to each Letter of Credit and of interest payable pursuant to Section 3.2 with respect to any Reimbursement Obligation. To the extent that any Lender has reimbursed the applicable Issuer for a Disbursement as required by this Section, such Lender shall be entitled to receive its ratable portion of any amounts subsequently received (from the Borrower or otherwise) in respect of such Disbursement.

SECTION 2.6.2. Disbursements; Conversion to Revolving Loans. The applicable Issuer will notify the Borrower and the Administrative Agent promptly of the presentment for payment of any drawing under any Letter of Credit issued by such Issuer, together with notice of the date (the "Disbursement Date") such payment shall be made (each such payment, a "Disbursement"). Subject to the terms and provisions of such Letter of Credit and this Agreement, such Issuer shall make such payment to the beneficiary (or its designee) of such Letter of Credit. Prior to 12:30 p.m., Los Angeles time, on the first Business Day following the Disbursement Date (the "Disbursement Due Date"), the Borrower will reimburse the Administrative Agent, for the account of such Issuer, for all amounts which such Issuer has disbursed under such Letter of Credit, together with interest thereon at the rate per annum otherwise applicable to Revolving Loans (made as Base Rate Loans) from and including the Disbursement Date to but excluding the Disbursement Due Date and, thereafter (unless such Disbursement is converted into a Base Rate Loan on the Disbursement Due Date), at a rate per annum equal to the rate per annum then in effect with respect to overdue Revolving Loans (made as Base Rate Loans) pursuant to Section 3.2.2 for the period from the Disbursement Due Date through the date of such reimbursement; provided, however, that, if no Default shall have then occurred and be continuing, unless the Borrower has notified the Administrative Agent no later than one Business Day prior to the Disbursement Due Date that it will reimburse such Issuer for the applicable Disbursement, then the amount of the Disbursement shall be deemed to be a Borrowing of Revolving Loans constituting Base Rate Loans and following the giving of notice thereof by the Administrative Agent to the Lenders, each Lender with a Revolving Loan Commitment (other than such Issuer) will deliver to such Issuer on the Disbursement Due Date immediately available funds in an amount equal to such Lender's Percentage of such Borrowing. Each conversion of Disbursement amounts into Revolving Loans shall constitute a representation and warranty by the Borrower that on the date of the making of such Revolving Loans all of the statements set forth in Section 5.2.1 are true and correct.

SECTION 2.6.3. Reimbursement. The obligation (a "Reimbursement Obligation") of the Borrower under Section 2.6.2 to reimburse the applicable Issuer with respect to each Disbursement (including interest thereon) not converted into a Base Rate Loan pursuant to Section 2.6.2, and, upon the Borrower failing or electing not to reimburse such Issuer and the giving of notice thereof by the Administrative Agent to the Lenders, each Lender's (to the extent it has a Revolving Loan Commitment) obligation under Section 2.6.1 to reimburse such Issuer or fund its Percentage of any Disbursement converted into a Base Rate Loan, shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower or such Lender, as the case may be, may have or have had against such Issuer or any such Lender, including any defense based upon the failure of any Disbursement to conform to the terms of the applicable Letter of Credit (if, in such Issuer's good faith opinion, such Disbursement is determined to be appropriate) or any non-application or misapplication by the beneficiary of the proceeds of such Letter of Credit; provided, however, that after paying in full its Reimbursement Obligation hereunder, nothing herein shall adversely affect the right of the Borrower or such Lender, as the case may be, to commence any proceeding

against such Issuer for any wrongful Disbursement made by such Issuer under a Letter of Credit as a result of acts or omissions constituting gross negligence or willful misconduct on the part of such Issuer.

SECTION 2.6.4. Deemed Disbursements. Upon the occurrence and during the continuation of any Event of Default of the type described in clauses (b) through (d) of Section 8.1.9 with respect to any Obligor (other than Subsidiaries that are not Material Subsidiaries) or, with notice from the Administrative Agent acting at the direction of the Required Lenders, upon the occurrence and during the continuation of any other Event of Default,

(a) an amount equal to that portion of all Letter of Credit Outstandings attributable to the then aggregate amount which is undrawn and available under all Letters of Credit issued and outstanding shall, without demand upon or notice to the Borrower or any other Person, be deemed to have been paid or disbursed by the applicable Issuer under such Letters of Credit (notwithstanding that such amount may not in fact have been so paid or disbursed); and

(b) upon notification by the Administrative Agent to the Borrower of its obligations under this Section, the Borrower shall be immediately obligated to reimburse the applicable Issuer for the amount deemed to have been so paid or disbursed by such Issuer.

Any amounts so payable by the Borrower pursuant to this Section shall be deposited in cash with the Administrative Agent and held as collateral security for the Obligations in connection with the Letters of Credit issued by the applicable Issuer. At such time as the Events of Default giving rise to the deemed disbursements hereunder shall have been cured or waived, the Administrative Agent shall return to the Borrower all amounts then on deposit with the Administrative Agent pursuant to this Section, together with accrued interest at the Federal Funds Rate, which have not been applied to the satisfaction of such Obligations.

SECTION 2.6.5. Nature of Reimbursement Obligations. The Borrower and, to the extent set forth in Section 2.6.1, each Lender with a Revolving Loan Commitment, shall assume all risks of the acts, omissions or misuse of any Letter of Credit by the beneficiary thereof. No Issuer (except to the extent of its own gross negligence or willful misconduct) shall be responsible for:

(a) the form, validity, sufficiency, accuracy, genuineness or legal effect of any Letter of Credit or any document submitted by any party in connection with the application for and issuance of a Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged;

(b) the form, validity, sufficiency, accuracy, genuineness or legal effect of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or the proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason;

(c) failure of the beneficiary to comply fully with conditions required in order to demand payment under a Letter of Credit;

(d) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise; or

(e) any loss or delay in the transmission or otherwise of any document or draft required in order to make a Disbursement under a Letter of Credit.

None of the foregoing shall affect, impair or prevent the vesting of any of the rights or powers granted to any Issuer or any Lender with a Revolving Loan Commitment hereunder. In furtherance and extension and not in limitation or derogation of any of the foregoing, any action taken or omitted to be taken by the applicable Issuer in good faith (and not constituting gross negligence or willful misconduct) shall be binding upon the Borrower, each Obligor and each such Lender, and shall not put such Issuer under any resulting liability to the Borrower, any Obligor or any such Lender, as the case may be.

SECTION 2.7. Register; Notes.

(a) Each Lender may maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. In the case of a Lender that does not request, pursuant to clause (b)(ii) below, execution and delivery of a Note evidencing the Loans made by such Lender to the Borrower, such account or accounts shall, to the extent not inconsistent with the notations made by the Administrative Agent in the Register, be conclusive and binding on the Borrower absent manifest error; provided, however, that the failure of any Lender to maintain such account or accounts shall not limit or otherwise affect any Obligations of the Borrower or any other Obligor.

(b)(i) The Borrower hereby designates the Administrative Agent to serve as the Borrower's agent, solely for the purpose of this clause (b), to maintain a register (the "Register") on which the Administrative Agent will record each Lender's Commitments, the Loans made by each Lender and each repayment in respect of the principal amount of the Loans of each Lender and annexed to which the Administrative Agent shall retain a copy of each Lender Assignment Agreement delivered to the Administrative Agent pursuant to Section 10.11.1. Failure to make any recordation, or any error in such

recordation, shall not affect the Borrower's obligation in respect of such Loans. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person in whose name a Loan (and as provided in clause (ii) the Note evidencing such Loan, if any) is registered as the owner thereof for all purposes of this Agreement, notwithstanding notice or any provision herein to the contrary. A Lender's Commitment and the Loans made pursuant thereto may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer in the Register. Any assignment or transfer of a Lender's Commitment or the Loans made pursuant thereto shall be registered in the Register only upon delivery to the Administrative Agent of a Lender Assignment Agreement duly executed by the assignor thereof. No assignment or transfer of a Lender's Commitment or the Loans made pursuant thereto shall be effective unless such assignment or transfer shall have been recorded in the Register by the Administrative Agent as provided in this Section.

(ii) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender, as applicable, a Revolving Note, a Term-A Note, a Term-B Note and a Swing Line Note evidencing the Loans made by such Lender. The Borrower hereby irrevocably authorizes each Lender to make (or cause to be made) appropriate notations on the grid attached to such Lender's Notes (or on any continuation of such grid), which notations, if made, shall evidence, inter alia, the date of, the outstanding principal amount of, and the interest rate and Interest Period applicable to the Loans evidenced thereby. Such notations shall, to the extent not inconsistent with the notations made by the Administrative Agent in the Register, be conclusive and binding on the Borrower absent manifest error; provided, however, that the failure of any Lender to make any such notations or any error in any such notations shall not limit or otherwise affect any Obligations of the Borrower or any other Obligor. The Loans evidenced by any such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.11.1) be represented by one or more Notes payable to the order of the payee named therein and its registered assigns. A Note and the obligation evidenced thereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer of such Note and the obligation evidenced thereby in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of an obligation evidenced by a Note shall be registered in the Register only upon surrender for registration of assignment or transfer of the Note evidencing such obligation, accompanied by a Lender Assignment Agreement duly executed by the assignor thereof, and thereupon, if requested by the assignee, one or more new Notes shall be issued to the designated assignee and the old Note shall be returned by the Administrative Agent to the Borrower marked "exchanged". No assignment of a Note and the obligation evidenced thereby shall be effective unless it shall have been recorded in the Register by the Administrative Agent as provided in this Section.

ARTICLE III

REPAYMENTS, PREPAYMENTS, INTEREST AND FEES

SECTION 3.1. Repayments and Prepayments; Application.

SECTION 3.1.1. Repayments and Prepayments. The Borrower shall repay in full the unpaid principal amount of each Loan upon the Stated Maturity Date therefor. Prior thereto, payments and repayments of Loans shall or may be made as set forth below.

(a) From time to time on any Business Day, the Borrower may make a voluntary prepayment, in whole or in part, of the outstanding principal amount of any

(i) Loans (other than Swing Line Loans); provided, however, that

(A) any such prepayment of the Term-A Loans or Term-B Loans shall be made pro rata among Term-A Loans and Term-B Loans, as applicable, of the same type and, if applicable, having the same Interest Period of all Lenders that have made such Term-A Loans or Term-B Loans, and any such prepayment of Revolving Loans shall be made pro rata among the Revolving Loans of the same type and, if applicable, having the same Interest Period of all Lenders that have made such Revolving Loans;

(B) the Borrower shall comply with Section 4.4 in the event that any LIBO Rate Loan is prepaid on any day other than the last day of the Interest Period for such Loan;

(C) all such voluntary prepayments shall require at least one Business Day's notice in the case of Base Rate Loans, three Business Days' notice in the case of LIBO Rate Loans, but no more than five Business Days' notice in the case of any Loans, in each case in writing to the Administrative Agent; and

(D) all such voluntary partial prepayments shall be in an aggregate amount of $500,000 or any larger integral multiple of $100,000 or in the aggregate principal amount of all Loans of the applicable Tranche and type then outstanding; or

(ii) Swing Line Loans, provided that

(A) all such voluntary prepayments shall require prior telephonic notice to the Swing Line Lender on or before 11:00 a.m., Los Angeles time, on the day of such prepayment (such notice to be confirmed in writing by the Borrower within 24 hours thereafter); and

(B) all such voluntary partial prepayments shall be in an aggregate amount of $500,000 and an integral multiple of $100,000 or in the aggregate principal amount of all Swing Line Loans then outstanding.

(b) No later than five Business Days following the delivery by the Borrower of its annual audited financial reports required pursuant to clause (b) of Section 7.1.1 (beginning with the financial reports delivered in respect of the 2000 Fiscal Year), the Borrower shall deliver to the Administrative Agent a calculation of the Excess Cash Flow for the Fiscal Year last ended and, no later than five Business Days following the delivery of such calculation, make or cause to be made a mandatory prepayment of the Term Loans in an amount equal to 50% of the Excess Cash Flow (if any) for such Fiscal Year less (ii) the aggregate amount of all voluntary prepayments of the principal of the Term Loans actually made in such Fiscal Year pursuant to clause (a) of Section 3.1.1, to be applied as set forth in Section 3.1.2; provided, however, that such prepayment shall only be required to be made to the extent that the amount of Debt, as reduced by giving effect to such prepayment, would result in a Leverage Ratio of greater than 3.50:1 on a pro forma basis as of the date of such prepayment.

(c) No later than one Business Day (in the case of Net Debt Proceeds) or 30 calendar days (in the case of Net Disposition Proceeds) following the receipt of any Net Disposition Proceeds or Net Debt Proceeds by (x) in the case of Net Debt Proceeds, Holdco, the Borrower or any Restricted Subsidiary of the Borrower and (y) in the case of Net Disposition Proceeds, the Borrower or any Restricted Subsidiary of the Borrower, the Borrower shall deliver to the Administrative Agent a calculation of the amount of such Net Disposition Proceeds or Net Debt Proceeds, as the case may be, and, to the extent the amount of such Net Disposition Proceeds or Net Debt Proceeds, as the case may be, with respect to any single transaction or series of related transactions, exceeds $2,000,000, make a mandatory prepayment of the Term Loans in an amount equal to 100% of such Net Disposition Proceeds or Net Debt Proceeds, as the case may be, to be applied as set forth in Section 3.1.2; provided, that no mandatory prepayment on account of such Net Disposition Proceeds shall be required under this clause if the Borrower informs the Agents no later than 30 days following the receipt of any Net Disposition Proceeds of its or its Restricted Subsidiary's good faith intention to apply such Net Disposition Proceeds to the acquisition of other assets or property consistent with the business permitted to be conducted pursuant to Section 7.2.1 (including by way of merger or Investment) within

365 days following the receipt of such Net Disposition Proceeds, with the amount of such Net Disposition Proceeds unused after such 365 day period being applied to the Loans pursuant to Section 3.1.2.

(d) The Borrower shall, concurrently with the receipt of any Net Equity Proceeds by Holdco, the Borrower or any Restricted Subsidiary of the Borrower, deliver to the Administrative Agent a calculation of the amount of such Net Equity Proceeds, and no later than five Business Days following the delivery of such calculation, and, to the extent that the amount of such Net Equity Proceeds with respect to any single transaction or series of related transactions exceeds $2,000,000, and subject to the proviso below, make or cause to be made a mandatory prepayment of the Term Loans in an amount equal to 50% of such Net Equity Proceeds to be applied as set forth in Section 3.1.2; provided, however, that such prepayment shall only be required to be made to the extent that the amount of Debt, as reduced by giving effect to such prepayment would result in a Leverage Ratio of greater than 3.50:1 on a pro forma basis as of the date of such prepayment;

(e) The Borrower shall, no later than the 60th calendar day following the receipt by the Borrower or any of its Restricted Subsidiaries of any Casualty Proceeds in excess of $2,000,000 (individually or in the aggregate in any Fiscal Year), make or cause to be made a mandatory prepayment of the Term Loans in an amount equal to 100% of such Casualty Proceeds, to be applied as set forth in Section 3.1.2; provided, that no mandatory prepayment on account of Casualty Proceeds shall be required under this clause if the Borrower informs the Agents no later than 60 days following the occurrence of the Casualty Event resulting in such Casualty Proceeds of its or its Restricted Subsidiary's good faith intention to apply such Casualty Proceeds to the rebuilding or replacement of the damaged, destroyed or condemned assets or property subject to such Casualty Event or the acquisition of other assets or property consistent with the business permitted to be conducted pursuant to Section 7.2.1 (including by way of merger or Investment) and in fact uses such Casualty Proceeds to rebuild or replace the damaged, destroyed or condemned assets or property subject to such Casualty Event or to acquire such other property or assets within 365 days following the receipt of such Casualty Proceeds, with the amount of such Casualty Proceeds unused after such 365 day period being applied to the Loans pursuant to Section 3.1.2; provided further, however, that at any time when any Event of Default shall have occurred and be continuing or Casualty Proceeds not applied as provided above shall exceed $2,000,000, such Casualty Proceeds will be deposited in an account maintained with the Administrative Agent for disbursement at the request of the Borrower to pay for such rebuilding, replacement or acquisition.

(f) On each date when any reduction in the Revolving Loan Commitment Amount shall become effective, the Borrower shall make a mandatory prepayment of

Revolving Loans and (if necessary) Swing Line Loans and (if necessary) deposit with the Administrative Agent cash collateral for Letter of Credit Outstandings in an aggregate amount equal to the excess, if any, of the sum of (i) the aggregate outstanding principal amount of all Revolving Loans and Swing Line Loans and (ii) the aggregate amount of all Letter of Credit Outstandings over the Revolving Loan Commitment Amount as so reduced;

(g) The Borrower shall, on the Stated Maturity Date and on each Quarterly Payment Date occurring during any period set forth below, make a scheduled repayment of the outstanding principal amount, if any, of Term-A Loans in an aggregate amount equal to the amount set forth below opposite such Stated Maturity Date or period, as applicable (as such amounts may have otherwise been reduced pursuant to this Agreement):

Period	Scheduled Principal Repayment
10/15/00 to 10/14/01	$ 500,000
10/15/01 to 10/14/02	$1,000,000
10/15/02 to 10/14/03	$2,000,000
10/15/03 to 10/14/04	$2,500,000
10/15/04 to the Sixth Anniversary of the Closing Date	$4,000,000

(h) The Borrower shall, on the Stated Maturity Date and on each Quarterly Payment Date occurring during any period set forth below, make a scheduled repayment of the outstanding principal amount, if any, of Term-B Loans in an aggregate amount equal to the amount set forth below opposite such Stated Maturity Date or period, as applicable (as such amounts may have otherwise been reduced pursuant to this Agreement):

Period	Scheduled Principal Repayment
10/15/99 to 10/14/06	$300,000
10/15/06 to the Eighth Anniversary of the Closing Date	$27,900,000

(i) Following the prepayment in full of the Term Loans, on the date the Term Loans would otherwise have been required to be prepaid on account of any Net Disposition Proceeds, Net Debt Proceeds, Excess Cash Flow, Net Equity Proceeds or Casualty Proceeds, the Borrower shall first, prepay Revolving Loans and Swing Line Loans, and, second, deposit with the Administrative Agent cash collateral for Letter of Credit Outstandings, in an aggregate amount equal to the amount by which the Term Loans would otherwise have been required to be prepaid if Term Loans had been outstanding.

(j) The Borrower shall, immediately upon any acceleration of the Stated Maturity Date of any Loans or Obligations pursuant to Section 8.2 or Section 8.3, repay all outstanding Loans and other Obligations, unless, pursuant to Section 8.3, only a portion of all Loans and other Obligations are so accelerated (in which case the portion so accelerated shall be so prepaid).

Each prepayment of any Loans made pursuant to this Section shall be without premium or penalty, except as may be required by Section 4.4. No prepayment of principal of any Revolving Loans or Swing Line Loans pursuant to clause (a) or (i) of this Section 3.1.1 shall cause a reduction in the Revolving Loan Commitment Amount or the Swing Line Loan Commitment Amount, as the case may be.

SECTION 3.1.2. Application. (a) Subject to clause (b) below, each prepayment or repayment of principal of the Loans of any Tranche shall be applied, to the extent of such prepayment or repayment, first, to the principal amount thereof being maintained as Base Rate Loans, and second, to the principal amount thereof being maintained as LIBO Rate Loans.

(b) Each prepayment of Term Loans made pursuant to clauses (a), (b), (c), (d) and (e) of Section 3.1.1 shall be applied, (i) on a pro rata basis, to the outstanding principal amount of all remaining Term-A Loans and Term-B Loans and (ii) in respect of each Tranche of Term Loans, in direct order of maturity of the remaining scheduled quarterly amortization payments in respect thereof, until all such Term-A Loans and Term-B Loans have been paid in full (provided, however, that if the Borrower at any time elects in writing, in its sole discretion, to permit any

Lender that has Term-B Loans to decline to have such Loans prepaid, then any Lender having Term-B Loans outstanding may, by delivering a notice to the Agents at least one Business Day prior to the date that such prepayment is to be made, decline to have such Loans prepaid with the amounts set forth above, in which case 50% of the amounts that would have been applied to a prepayment of such Lender's Term-B Loans, as the case may be, shall instead be applied to a prepayment of the Term-A Loans (until paid in full), with the balance being retained by the Borrower).

SECTION 3.2. Interest Provisions. Interest on the outstanding principal amount of the Loans shall accrue and be payable in accordance with this Section 3.2.

SECTION 3.2.1. Rates. (a) Each Base Rate Loan shall accrue interest on the unpaid principal amount thereof for each day from and including the day upon which such Loan was made or converted to a Base Rate Loan to but excluding the date such Loan is repaid or converted to a LIBO Rate Loan at a rate per annum equal to the sum of the Alternate Base Rate for such day plus the Applicable Margin for such Loan on such day.

(b) Each LIBO Rate Loan shall accrue interest on the unpaid principal amount thereof for each day during each Interest Period applicable thereto at a rate per annum equal to the sum of the LIBO Rate (Reserve Adjusted) for such Interest Period plus the Applicable Margin for such Loan on such day.

All LIBO Rate Loans shall bear interest from and including the first day of the applicable Interest Period to (but not including) the last day of such Interest Period at the interest rate determined as applicable to such LIBO Rate Loan.

SECTION 3.2.2. Post-Maturity Rates. After the date any principal amount of any Loan shall have become due and payable (whether on the applicable Stated Maturity Date, upon acceleration or otherwise), or any other monetary Obligation (other than overdue Reimbursement Obligations which shall bear interest as provided in Section 2.6.2) of the Borrower shall have become due and payable, the Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on such amounts at a rate per annum equal to (a) in the case of any overdue principal of Loans, overdue interest thereon, overdue commitment fees or other overdue amounts in respect of Loans or other obligations (or the related Commitments) under a particular Tranche, the rate that would otherwise be applicable to Base Rate Loans under such Tranche pursuant to Section 3.2.1 plus 2% and (b) in the case of other overdue monetary Obligations, the rate that would otherwise be applicable to Revolving Loans that were Base Rate Loans plus 2%.

SECTION 3.2.3. Payment Dates. Interest accrued on each Loan shall be payable, without duplication:

(a) on the Stated Maturity Date therefor;

(b) in the case of a LIBO Rate Loan, on the date of any payment or prepayment, in whole or in part, of principal outstanding on such Loan, to the extent of the unpaid interest accrued through such date on the principal so paid or prepaid;

(c) with respect to Base Rate Loans, on each Quarterly Payment Date occurring after the date of the initial Borrowing hereunder;

(d) with respect to LIBO Rate Loans, on the last day of each applicable Interest Period (and, if such Interest Period shall exceed three months, at intervals of three months after the first day of such Interest Period); and

(e) on that portion of any Loans the Stated Maturity Date of which is accelerated pursuant to Section 8.2 or Section 8.3, immediately upon such acceleration.

Interest accrued on Loans, Reimbursement Obligations or other monetary Obligations arising under this Agreement or any other Loan Document after the date such amount is due and payable (whether on the Stated Maturity Date, upon acceleration or otherwise) shall be payable upon demand.

SECTION 3.3. Fees. The Borrower agrees to pay the fees set forth in this Section 3.3. All such fees shall be non-refundable.

SECTION 3.3.1. Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender that has a Revolving Loan Commitment, for each day during the period (including any portion thereof when any of the Lenders' Revolving Loan Commitments are suspended by reason of the Borrower's inability to satisfy any condition of Article V) commencing on the Closing Date and continuing to but excluding the Revolving Loan Commitment Termination Date, a commitment fee on such Lender's Percentage of the unused portion, whether or not then available, of the Revolving Loan Commitment Amount (net of Letter of Credit Outstandings) for such day at a rate per annum equal to the Applicable Commitment Fee for such day. Such commitment fee shall be payable by the Borrower in arrears on each Quarterly Payment Date, commencing with the first such day following the Closing Date, and on the Revolving Loan Commitment Termination Date. The making of Swing Line Loans shall not constitute usage of the Revolving Loan Commitment with respect to the calculation of commitment fees to be paid by the Borrower to the Lenders. Any term or provision hereof to the contrary notwithstanding, commitment fees payable for any period prior to the Closing Date shall be payable in accordance with the Fee Letter. Payments by the Borrower to the Swing Line Lender in respect of accrued interest on Swing Line Loans shall be net of the commitment fee payable in respect of the Swing Line Lender's Revolving Loan Commitment.

SECTION 3.3.2. Administrative Agent Fee. The Borrower agrees to pay an annual administration fee to the Administrative Agent, for its own account, in the amount set forth in the Administrative Agent Fee Letter, payable in advance on the Closing Date and quarterly thereafter.

SECTION 3.3.3. Letter of Credit Fee. The Borrower agrees to pay to the Administrative Agent, for the pro rata account of the applicable Issuer and each other Lender that has a Revolving Loan Commitment, a letter of credit fee for each day on which there shall be any Letters of Credit outstanding in an amount equal to (i) with respect to each standby Letter of Credit, a rate per annum equal to the then Applicable Margin for Revolving Loans maintained as LIBO Rate Loans, multiplied by the Stated Amount of each such Letter of Credit; and (ii) with respect to each documentary Letter of Credit, 1.25% per annum multiplied by the Stated Amount of each such Letter of Credit, such fees being payable quarterly in arrears on each Quarterly Payment Date. The Borrower further agrees to pay to the applicable Issuer an issuance fee at the rates and on such dates agreed to between the Borrower and such Issuer.

ARTICLE IV

CERTAIN LIBO RATE AND OTHER PROVISIONS

SECTION 4.1. LIBO Rate Lending Unlawful. If any Lender shall determine (which determination shall, in the absence of manifest error, upon notice thereof to the Borrower and the Lenders, be conclusive and binding on the Borrower) that the introduction of or any change in or in the interpretation of any law, in each case after the date upon which such Lender shall have become a Lender hereunder, makes it unlawful, or any central bank or other governmental authority asserts, after such date, that it is unlawful, for such Lender to make, continue or maintain any Loan as, or to convert any Loan into, a LIBO Rate Loan, the obligations of such Lender to make, continue, maintain or convert any Loans as or to LIBO Rate Loans shall, upon such determination, forthwith be suspended until such Lender shall notify the Administrative Agent that the circumstances causing such suspension no longer exist (with the date of such notice being the "Reinstatement Date"), and (i) all LIBO Rate Loans previously made by such Lender shall automatically convert into Base Rate Loans at the end of the then current Interest Periods with respect thereto or sooner, if required by such law or assertion and (ii) all Loans thereafter made by such Lender and outstanding prior to the Reinstatement Date shall be made as Base Rate Loans, with interest thereon being payable on the same date that interest is payable with respect to the corresponding Borrowing of LIBO Rate Loans made by Lenders not so affected.

SECTION 4.2. Deposits Unavailable. If the Administrative Agent shall have determined that (i) Dollar deposits in the relevant amount and for the relevant Interest Period are not available to the Administrative Agent in its relevant market, or (ii) by reason of circumstances

affecting the Administrative Agent's relevant market, adequate means do not exist for ascertaining the interest rate applicable hereunder to LIBO Rate Loans, then, upon notice from the Administrative Agent to the Borrower and the Lenders, the obligations of all Lenders under Section 2.3 and Section 2.4 to make or continue any Loans as, or to convert any Loans into, LIBO Rate Loans shall forthwith be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 4.3. Increased LIBO Rate Loan Costs, etc. The Borrower agrees to reimburse each Lender for any increase in the cost to such Lender of, or any reduction in the amount of any sum receivable by such Lender in respect of, making, continuing or maintaining (or of its obligation to make, continue or maintain) any Loans as, or of converting (or of its obligation to convert) any Loans into, LIBO Rate Loans (excluding any amounts, whether or not constituting Taxes, referred to in Section 4.6) arising as a result of any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority that occurs after the date upon which such Lender became a Lender hereunder. Such Lender shall promptly notify the Administrative Agent and the Borrower in writing of the occurrence of any such event, such notice to state, in reasonable detail, the reasons therefor and the additional amount required fully to compensate such Lender for such increased cost or reduced amount. Such additional amounts shall be payable by the Borrower directly to such Lender within five days of its receipt of such notice, and such notice shall, in the absence of manifest error, be conclusive and binding on the Borrower.

SECTION 4.4. Funding Losses. In the event any Lender shall incur any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to make, continue or maintain any portion of the principal amount of any Loan as, or to convert any portion of the principal amount of any Loan into, a LIBO Rate Loan, but excluding any loss of margin after the date of any such conversion, repayment, prepayment or failure to borrow, continue or convert) as a result of (i) any conversion or repayment or prepayment of the principal amount of any LIBO Rate Loans on a date other than the scheduled last day of the Interest Period applicable thereto, whether pursuant to Section 3.1 or otherwise, (ii) any Loans not being borrowed as LIBO Rate Loans in accordance with the Borrowing Request therefor, or (iii) any Loans not being continued as, or converted into, LIBO Rate Loans in accordance with the Continuation/ Conversion Notice therefor, then, upon the written notice of such Lender to the Borrower (with a copy to the Administrative Agent), the Borrower shall, within five days of its receipt thereof, pay directly to such Lender such amount as will (in the reasonable determination of such Lender) reimburse such Lender for such loss or expense. Such written notice (which shall include calculations in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Borrower.

SECTION 4.5. Increased Capital Costs. If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority, in each case occurring after the applicable Lender becomes a Lender hereunder, affects or would affect the amount of capital required or expected to be maintained by any Lender or any Person controlling such Lender, and such Lender determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of its Commitments, participation in Letters of Credit or the Loans made by such Lender is reduced to a level below that which such Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Lender to the Borrower, the Borrower shall immediately pay directly to such Lender additional amounts sufficient to compensate such Lender or such controlling Person for such reduction in rate of return. A statement of such Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Borrower. In determining such amount, such Lender may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable; provided, that such Lender may not impose materially greater costs on the Borrower than on other similarly situated borrowers by virtue of any such averaging or attribution method.

SECTION 4.6. Taxes. (a) All payments by the Borrower of principal of, and interest on, the Loans and all other amounts payable hereunder or under any other Loan Document (including Reimbursement Obligations, fees and expenses) shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority from or through which payments originate or are made or deemed made by or to the Borrower, but excluding (i) any income, excise, stamp or franchise taxes and other similar taxes, fees, duties, withholdings or other charges imposed on any Lender or either of the Agents by a jurisdiction under the laws of which such Lender or Agent is organized or in which its principal executive office is located, or otherwise as a result of a present or former connection between the applicable lending office (or office through which it performs any of its actions as Lender or Agent) of such Lender or Agent and the jurisdiction of the governmental authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or taken any action to enforce, this Agreement and any Note) or (ii) any income, excise, stamp or franchise taxes and other similar taxes, fees, duties, withholdings or other charges to the extent that they are in effect and would apply as of the date any Person becomes a Lender or Assignee Lender, or as of the date that any Lender changes its applicable lending office, to the extent such taxes become applicable as a result of such change (other than a change in an applicable lending office made pursuant to Section 4.10 below) (such non-excluded items being called "Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrower hereunder is required in

respect of any Taxes pursuant to any applicable law, rule or regulation, then the Borrower will (i) pay directly to the relevant taxing authority the full amount required to be so withheld or deducted, (ii) promptly forward to the Administrative Agent an official receipt or other documentation available to the Borrower reasonably satisfactory to the Administrative Agent evidencing such payment to such authority, and (iii) pay to the Administrative Agent for the account of the Lenders such additional amount or amounts as is necessary to ensure that the net amount actually received by each Lender will equal the full amount such Lender would have received had no such withholding or deduction been required, provided, however, that the Borrower shall not be required to pay any such additional amounts in respect of amounts payable to any Lender that is not organized under the laws of the United States or a state thereof to the extent that the related tax is imposed (or an exemption therefrom is not available) as a result of such Lender or Agent failing to comply with the requirements of clause (b) of Section 4.6.

Moreover, if any Taxes are directly asserted against either of the Agents or any Lender with respect to any payment received by such Agents or such Lender hereunder, such Agents or such Lender may pay such Taxes and the Borrower will promptly pay to such Person such additional amount (including any penalties, interest or expenses) as is necessary in order that the net amount received by such Person (including any Taxes on such additional amount) shall equal the amount of such Taxes paid by such Person; provided, however, that the Borrower shall not be obligated to make payment to the Lenders or the Agents (as the case may be) pursuant to this sentence in respect of penalties or interest attributable to any Taxes, if written demand therefor has not been made by such Lenders or the Agents within 60 days from the date on which such Lenders or the Agents knew of the imposition of Taxes by the relevant taxing authority or for any additional imposition which may arise from the failure of the Lenders or the Agents to apply payments in accordance with the tax law after the Borrower has made the payments required hereunder; provided, further, that the Borrower shall not be required to pay any such additional amounts in respect of any amounts payable to any Lender or any Agent (as the case may be) that is not organized under the laws of the United States or a state thereof to the extent the related Tax is imposed as a result of such Lender failing to comply with the requirements of clause (b) of Section 4.6. After the Lenders or the Agents (as the case may be) learn of the imposition of Taxes, such Lenders and the Agents will act in good faith to notify the Borrower of its obligations hereunder as soon as reasonably possible.

If the Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent, for the account of the respective Lenders, the required receipts or other required documentary evidence, the Borrower shall indemnify the Lenders for any incremental Taxes, interest or penalties that may become payable by any Lender as a result of any such failure.

(b) Each Non-U.S. Lender shall, (i) on or prior to the date of the execution and delivery of this Agreement, in the case of each Lender listed on the signature pages hereof, or, in the case of an Assignee Lender, on or prior to the date it becomes a Lender, execute and deliver to the

Borrower and the Administrative Agent, two or more (as the Borrower or the Agents may reasonably request) United States Internal Revenue Service Forms W-8ECI or Forms W-8BEN (or successor forms) establishing the Lender's exemption from United States federal withholding tax, or, solely if such Lender is claiming exemption from United States withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Forms W-8BEN and a certificate signed by a duly authorized officer of such Lender representing that such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, or such other forms or documents (or successor forms or documents), appropriately completed, establishing that payments to such Lender are exempt from withholding or deduction of United States federal withholding taxes; and (ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or documents on or before the date that any such form or document expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent such form or document previously delivered by it to the Borrower. Each Lender and each Agent agrees, to the extent reasonable and without material cost to it, to provide to the Borrower and the Administrative Agent such other applicable forms or certificates as would reduce or eliminate any Tax otherwise applicable.

(c) If the Borrower determines in good faith that a reasonable basis exists for contesting the imposition of a Tax with respect to a Lender or either of the Agents, the relevant Lender or Agent, as the case may be, shall cooperate with the Borrower in challenging such Tax at the Borrower's expense if requested by the Borrower; provided, however, that nothing in this Section 4.6 shall require any Lender or Agent to submit to the Borrower or any Person any tax returns or any part thereof, or to prepare or file any tax returns other than as such Lender or Agent in its sole discretion shall determine.

(d) If a Lender or an Agent shall receive a refund (including any offset or credits from a taxing authority (as a result of any error in the imposition of Taxes by such taxing authority) of any Taxes paid by the Borrower pursuant to subsection 4.6(a) above, such Lender or such Agent (as the case may be) shall promptly pay the Borrower the amount so received, with interest from the taxing authority with respect to such refund, net of any tax liability incurred by such Lender or Agent that is attributable to the receipt of such refund and such interest.

(e) Each Lender and each Agent agrees, to the extent reasonable and without material cost to it, to cooperate with the Borrower to minimize any amounts payable by the Borrower under this Section 4.6; provided, however, that nothing in this Section 4.6 shall require any Lender or Agent to take any action which, in the sole discretion of such Lender or Agent, is inconsistent with its internal policy and legal and regulatory restrictions.

(f) If the Borrower is required to pay additional amounts to or for the account of any Lender or Agent pursuant to clause (a) of this Section 4.6 as a result of a change of law occurring after the date hereof, then such Lender or Agent, at the request of the Borrower, will change the jurisdiction of its applicable lending office (or office through which it performs any of its actions

as Agent) if such change (i) would eliminate or reduce any such additional payment which may thereafter accrue and (ii) is not, in the good faith determination of such Lender or Agent, otherwise disadvantageous to such Lender or Agent.

SECTION 4.7. Payments, Computations, etc. Unless otherwise expressly provided, all payments by or on behalf of the Borrower pursuant to this Agreement or any other Loan Document shall be made by the Borrower to the Administrative Agent for the pro rata account of the Lenders, Agents or Lead Arranger, as applicable, entitled to receive such payment. All such payments required to be made to the Administrative Agent shall be made, without setoff, deduction or counterclaim, not later than 11:00 a.m., Los Angeles time, on the date due, in same day or immediately available funds, to such account as the Administrative Agent shall specify from time to time by notice to the Borrower. Funds received after that time shall be deemed to have been received by the Administrative Agent on the next succeeding Business Day. The Administrative Agent shall promptly remit in same day funds to each Lender, Agent or Lead Arranger, as the case may be, its share, if any, of such payments received by the Administrative Agent for the account of such Lender, Agent or Lead Arranger, as the case may be. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days (or, in the case of interest on a Base Rate Loan, 365 days or, if appropriate, 366 days). Whenever any payment to be made shall otherwise be due on a day which is not a Business Day, such payment shall (except as otherwise required by clause (i) of the definition of the term "Interest Period") be made on the next succeeding Business Day and such extension of time shall be included in computing interest and fees, if any, in connection with such payment.

SECTION 4.8. Sharing of Payments. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Loan or Reimbursement Obligation (other than pursuant to the terms of Sections 4.3, 4.4 and 4.5) in excess of its pro rata share of payments then or therewith obtained by all Lenders entitled thereto, such Lender shall purchase from the other Lenders such participation in the Credit Extensions made by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and each Lender which has sold a participation to the purchasing Lender shall repay to the purchasing Lender the purchase price to the ratable extent of such recovery together with an amount equal to such selling Lender's ratable share (according to the proportion of (i) the amount of such selling Lender's required repayment to the purchasing Lender in respect of such recovery, 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 may, to the fullest extent permitted by law, exercise all its rights of payment (including pursuant to Section 4.9) with respect to such

participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claim.

SECTION 4.9. Setoff. Each Lender shall, upon the occurrence of any Event of Default described in clauses (b) through (d) of Section 8.1.9 with respect to any Obligor (other than a Subsidiary that is not a Material Subsidiary) or, with the consent of the Required Lenders, upon the occurrence of any other Event of Default, to the fullest extent permitted by law, have the right to appropriate and apply to the payment of the Obligations then due to it, and (as security for such Obligations) the Borrower hereby grants to each Lender a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter maintained with or otherwise held by such Lender; provided, however, that any such appropriation and application shall be subject to the provisions of Section 4.8. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff under applicable law or otherwise) which such Lender may have.

SECTION 4.10. Mitigation. Each Lender agrees that if it makes any demand for payment under Sections 4.3, 4.4, 4.5, or 4.6, or if any adoption or change of the type described in Section 4.1 shall occur with respect to it, it will use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and so long as such efforts would not be disadvantageous to it, as determined in its sole discretion) to designate a different lending office if the making of such a designation would reduce or obviate the need for the Borrower to make payments under Section 4.3, 4.4, 4.5, or 4.6, or would eliminate or reduce the effect of any adoption or change described in Section 4.1.

SECTION 4.11. Replacement of Lenders. Each Lender hereby severally agrees as set forth in this Section. If any Lender (a "Subject Lender") (i) makes demand upon the Borrower for (or if the Borrower is otherwise required to pay) amounts pursuant to Section 4.3, 4.5 or 4.6, (ii) gives notice pursuant to Section 4.1 requiring a conversion of such Subject Lender's LIBO Rate Loans to Base Rate Loans or any change in the basis upon which interest is to accrue in respect of such Subject Lender's LIBO Rate Loans or suspending such Lender's obligation to make Loans as, or to convert Loans into, LIBO Rate Loans, (iii) becomes a Non-Consenting Lender or (iv) becomes a Non-Funding Lender, the Borrower may, within 180 days of receipt by the Borrower of such demand or notice (or the occurrence of such other event causing the Borrower to be required to pay such compensation) or within 180 days of such Lender becoming a Non-Consenting Lender or a Non-Funding Lender, as the case may be, give notice (a

"Replacement Notice") in writing to the Agents and such Subject Lender of its intention to replace such Subject Lender with a financial institution (a "Replacement Lender") designated in such Replacement Notice. If the Agents shall, in the exercise of their reasonable discretion and within 30 days of their receipt of such Replacement Notice, notify the Borrower and such Subject Lender in writing that the designated financial institution is satisfactory to the Agents (such consent not being required where the Replacement Lender is already a Lender), then such Subject Lender shall, subject to the payment of any amounts due pursuant to Section 4.4, assign, in accordance with Section 10.11.1, all of its Commitments, Loans and other rights and obligations under this Agreement and all other Loan Documents (including Reimbursement Obligations) to such designated financial institution; provided, however, that (i) such assignment shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Subject Lender and such designated financial institution and (ii) the purchase price paid by such designated financial institution shall be in the amount of such Subject Lender's Loans and its Percentage in respect of any Revolving Loan Commitment under which there are outstanding Reimbursement Obligations of such Reimbursement Obligation, together with all accrued and unpaid interest and fees in respect thereof, plus all other amounts (including the amounts demanded and unreimbursed under Sections 4.3, 4.5 and 4.6), owing to such Subject Lender hereunder. Upon the effective date of an assignment described above, the designated financial institution or Replacement Lender shall become a "Lender" for all purposes under this Agreement and the other Loan Documents.

ARTICLE V

CONDITIONS TO CREDIT EXTENSIONS

SECTION 5.1. Initial Credit Extension. The obligations of the Lenders and, if applicable, the Issuer to fund the initial Credit Extension shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 5.1.

SECTION 5.1.1. Resolutions, etc. The Agents shall have received from each Obligor a certificate, dated the date of the initial Credit Extension, of its Secretary or Assistant Secretary as to (i) resolutions of its Board of Directors then in full force and effect authorizing the execution, delivery and performance of each Loan Document to be executed by it, and (ii) the incumbency and signatures of those of its officers authorized to act with respect to each Loan Document executed by it, upon which certificate each Agent and each Lender may conclusively rely until it shall have received a further certificate of the Secretary or Assistant Secretary of such Obligor canceling or amending such prior certificate.

SECTION 5.1.2. Transaction Documents. The Agents shall have received (with copies for each Lender that shall have expressly requested copies thereof) copies of fully executed versions of the Transaction Documents, certified to be true and complete copies thereof by an

Authorized Officer of the Borrower. The Recapitalization Agreement shall be in full force and effect and shall not have been modified or waived in any material respect, nor shall there have been any forbearance to exercise any material rights with respect to any of the terms or provisions relating to the conditions to the consummation of the Recapitalization and the Merger as set forth in the Recapitalization Agreement unless otherwise agreed to by the Required Lenders.

SECTION 5.1.3. Consummation of Recapitalization and Merger. The Agents shall have received evidence satisfactory to each of them that all actions necessary to consummate the Recapitalization and the Merger shall have been taken.

SECTION 5.1.4. Closing Date Certificate. Each of the Agents shall have received, with counterparts for each Lender, the Closing Date Certificate, substantially in the form of Exhibit D hereto, dated the date of the initial Credit Extension and duly executed and delivered by an Authorized Officer that is the president, the chief executive officer or the chief financial or accounting officer of the Borrower, in which certificate the Borrower shall agree and acknowledge that the statements made therein shall be deemed to be true and correct representations and warranties of the Borrower made as of such date under this Agreement, and, at the time such certificate is delivered, such statements shall in fact be true and correct.

SECTION 5.1.5. Delivery of Notes. The Agents shall have received, for the account of each Lender that has submitted, at least two Business Days prior to the Closing Date, a written request pursuant to Section 2.7(b)(ii), a Note of the applicable Tranche duly executed and delivered by the Borrower.

SECTION 5.1.6. Subsidiary Guaranty. The Agents shall have received a Subsidiary Guaranty, dated the date hereof, duly executed and delivered by an Authorized Officer of each U.S. Subsidiary of the Borrower that is a Restricted Subsidiary and that is in existence on the date of the initial Credit Extension (after giving effect to the Transaction).

SECTION 5.1.7. Pledge and Security Agreements, etc. The Agents shall have received executed counterparts of

(a) the Holdco Guaranty and Pledge Agreement, dated as of the Closing Date, duly executed by an Authorized Officer of Holdco, together with the certificates evidencing all of the issued and outstanding shares of Capital Stock of the Borrower pledged pursuant to the Holdco Guaranty and Pledge Agreement, which certificates shall in each case be accompanied by undated powers of transfer duly executed in blank; and

(b) each Pledge and Security Agreement, dated as of the Closing Date, duly executed and delivered by an Authorized Officer of the Borrower and each Restricted Subsidiary that is a U.S. Subsidiary, as applicable, together with

(i) the certificates evidencing all of the issued and outstanding shares of Capital Stock pledged pursuant to the applicable Pledge and Security Agreement, which certificates shall in each case be accompanied by undated powers of transfer duly executed in blank, or, if any such shares of Capital Stock of each U.S. Subsidiary of such Obligor pledged pursuant to such Pledge and Security Agreement are uncertificated securities or are held through a securities intermediary, the Administrative Agent shall have obtained "control" (as defined in the UCC) over such shares of Capital Stock and such other instruments and documents as the Administrative Agent shall deem necessary or in the reasonable opinion of the Administrative Agent desirable under applicable law to perfect the security interest of the Administrative Agent in such shares of Capital Stock;

(ii) all promissory notes evidencing intercompany Indebtedness payable to the Borrower or any Subsidiary Guarantor duly endorsed to the order of the Administrative Agent;

(iii) executed UCC financing statements (Form UCC-1) naming such Obligor as the debtor and the Administrative Agent as the secured party, or other similar instruments or documents, suitable for filing under the UCC of all jurisdictions as may be necessary or, in the opinion of the Agents, desirable to perfect the security interest of the Administrative Agent in the interests of such Obligor in the collateral pledged pursuant to the applicable Pledge and Security Agreement (provided that perfection of security interests in (i) motor vehicles shall not be required and (ii) certain intellectual property owned as of the Closing Date by the Borrower or its U.S. Subsidiaries shall be completed in accordance with Section 7.1.11);

(iv) executed copies of proper UCC termination statements (Form UCC-3), if any, necessary to release all Liens and other rights of any Person (other than Liens permitted under Section 7.2.3)

(A) in any collateral described in the applicable Pledge and Security Agreement previously granted by any Person, and

(B) securing any of the Indebtedness to be repaid in connection with the Transaction on or prior to the Closing Date,

together with such other UCC termination statements (Form UCC-3) as the Agents may reasonably request from such Obligor; and

(v) certified copies of UCC Requests for Information or Copies (Form UCC-11), or a similar search report certified by a party acceptable to the Agents,

dated a date reasonably near to the Closing Date, listing all effective financing statements which name such Obligor (under its present names and any previous names) as the debtor and which are filed in the jurisdictions in which filings are to be made pursuant to clause (iii) above, together with copies of such financing statements.

SECTION 5.1.8. UCC Filing Service. All UCC financing statements (Form UCC-1), termination statements (Form UCC-3) or other similar financing statements required pursuant to the Loan Documents (collectively, the "Filing Statements") shall have been made available on the Closing Date to CT Corporation System or another similar filing service company reasonably acceptable to the Agents (the "Filing Agent"). The Filing Agent shall have acknowledged in writing reasonably satisfactory to the Agents and their counsel (i) the Filing Agent's receipt of all such Filing Statements, (ii) that such Filing Statements have either been submitted for filing in the appropriate filing offices therefor or will be submitted for filing in such appropriate offices within ten days of the Closing Date and (iii) that the Filing Agent will notify the Agents and their counsel of the result of such submissions within 30 days of the Closing Date.

SECTION 5.1.9. Financial Information, etc. The Agents shall have received, with copies for each Lender,

(a) the (i) audited consolidated balance sheets of the Borrower and its Subsidiaries as at December 28, 1996, December 27, 1997 and December 26, 1998 and the audited consolidated statements of income, cash flows and equity interests for the fiscal years ended December 28, 1996, December 27, 1997 and December 26, 1998 and (ii) unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at June 26, 1999 and unaudited consolidated statements of income, cash flows and equity interests as at June 26, 1999 (collectively, the "Base Financial Statements") ; and

(b) a pro forma consolidated balance sheet and consolidated statements of income, cash flows and equity interests of the Borrower and its Subsidiaries, as of December 26, 1998 (the "Pro Forma Financial Statements"), certified by the chief financial or accounting Authorized Officer of the Borrower, giving effect to the consummation of the Transaction and reflecting the proposed legal and capital structure of the Borrower, which legal and capital structure shall be satisfactory in all respects to the Lead Arranger and the Syndication Agent.

SECTION 5.1.10. Solvency, etc. The Agents shall have received a solvency certificate from an Authorized Officer that is the chief financial or accounting officer of the Borrower, dated the date of the initial Borrowing, in form and substance satisfactory to the Agents.

SECTION 5.1.11. Equity Contributions, Subordinated Debt Issuance, Discount Debentures Issuance, Seller Note Issuance and Subco Dividend. The Agents shall have received

evidence satisfactory to each of them that (i) the members of Acquisition LLC (including DLJMBP and certain members of management of the Borrower and its Affiliates) shall have made a cash equity contribution in an amount equal to at least $90,000,000 to Acquisition LLC and Acquisition LLC shall have made a cash equity contribution in an amount equal to such amount that was received by it from its members to Acquisition Subco, (ii) the Borrower shall have received not less than $150,000,000 in gross cash proceeds from the issuance of its Senior Subordinated Notes and Warrants, (iii) Holdco shall have received not less than $40,000,000 in gross cash proceeds from the issuance of its Senior Discount Debentures, (iv) Holdco shall have issued its Seller Subordinated Discount Note having an initial principal amount equal to $43,000,000 to CRL and (v) the Borrower shall have paid the Subco Dividend to Holdco in an aggregate principal amount equal to the sum of (x) the aggregate amount of Borrowings hereunder on the Closing Date and (y) an amount equal to the proceeds received by it from the issuance of the Senior Subordinated Notes and Warrants (less the amount of the proceeds of such debt used to pay (A) the consideration for the Sierra Acquisition in an amount not to exceed $24,000,000 (plus reasonable and fees and expenses described in clause (B) and (B) all reasonable and customary fees paid by the Borrower in connection with the Transaction in an amount not to exceed $20,000,000.

SECTION 5.1.12. Ownership of Holdco. Following the Recapitalization and the Merger, Acquisition LLC shall own not less than 87.5% of Holdco's issued and outstanding common equity and CRL shall own the Rollover Equity representing no more than 12.5% of Holdco's issued and outstanding common equity.

SECTION 5.1.13. Litigation. There shall exist no pending or threatened material litigation, proceedings or investigations which (x) could reasonably be expected to materially, adversely affect the consummation of the Transaction or (y) could reasonably be expected to have a Material Adverse Effect.

SECTION 5.1.14. Material Adverse Effect. Since December 26, 1998, there shall not have occurred any event, circumstance or condition constituting or having a Material Adverse Effect.

SECTION 5.1.15. Reliance Letters. The Agents shall, unless otherwise agreed, have received reliance letters, dated the date of the making of the initial Credit Extension and addressed to each Lender and each Agent, in respect of each of the legal opinions (other than "disclosure" and other similar opinions) delivered in connection with the Transaction.

SECTION 5.1.16. Opinions of Counsel. The Agents shall have received opinions, dated the date of the initial Credit Extension and addressed to the Agents and all Lenders from

(a) Davis Polk & Wardwell, special New York counsel to each of the Obligors, in substantially the form of Exhibit J-1 hereto; and

(b) Haythe & Curley, special local counsel to the Obligors, in substantially the form of Exhibit J-2 hereto.

(c) Mr. Dennis Shaughnessy, Esq., General Counsel to the Obligors, in substantially the form of Exhibit J-3 hereto.

(d) Goold Patterson, special Nevada Counsel to the Sierra Companies, in substantially the form of Exhibit J-4 hereto.

(e) Hyller & Irwin, special California Counsel to the Sierra Companies, in substantially the form of Exhibit J-5 hereto.

SECTION 5.1.17. Insurance. The Agents shall have received satisfactory evidence of the existence of insurance in compliance with Section 7.1.4 (including all endorsements included therein), and the Administrative Agent shall be named additional insured or loss payee, on behalf of the Lenders, pursuant to documentation reasonably satisfactory to the Agents and the Borrower.

SECTION 5.1.18. Closing Fees, Expenses, etc. The Agents and the Lead Arranger shall have received, each for its own respective account, or, in the case of the Administrative Agent, for the account of each Lender, as the case may be, all fees, costs and expenses due and payable pursuant to Sections 3.3 and 10.3, if then invoiced.

SECTION 5.1.19. Satisfactory Legal Form. All documents executed or submitted pursuant hereto by or on behalf of the Borrower or any of its Subsidiaries or any other Obligors, shall be reasonably satisfactory in form and substance to the Agents and their counsel; the Agents and their counsel shall have received all information, approvals, opinions, documents or instruments that the Agents or their counsel shall have reasonably requested.

SECTION 5.2. All Credit Extensions. The obligation of each Lender and, if applicable, the Issuer, to make any Credit Extension (including its initial Credit Extension) shall be subject to the satisfaction of each of the conditions precedent set forth in this Section 5.2.

SECTION 5.2.1. Compliance with Warranties, No Default, etc. Both before and after giving effect to any Credit Extension the following statements shall be true and correct:

(a) the representations and warranties set forth in Article VI and in each other Loan Document shall, in each case, be true and correct in all material respects with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(b) the sum of (i) the aggregate outstanding principal amount of all Revolving Loans and Swing Line Loans, plus (ii) the aggregate amount of all Letter of Credit Outstandings, does not exceed the then existing Revolving Loan Commitment Amount; and

(c) no Default shall have then occurred and be continuing.

SECTION 5.2.2. Credit Extension Request. The Agents shall have received a Borrowing Request if Loans are being requested, or an Issuance Request if a Letter of Credit is being requested or extended. Each of the delivery of a Borrowing Request or Issuance Request and the acceptance by the Borrower of proceeds of any Credit Extension shall constitute a representation and warranty by the Borrower that on the date of such Credit Extension (both immediately before and after giving effect thereto and the application of the proceeds thereof) the statements made in Section 5.2.1 are true and correct.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders, the Issuers and the Agents to enter into this Agreement and to make Credit Extensions hereunder, the Borrower represents and warrants unto the Agents, the Issuers and each Lender as set forth in this Article VI.

SECTION 6.1. Organization, etc. The Borrower and each of its Restricted Subsidiaries (a) is validly organized and existing and in good standing to the extent required under the laws of the jurisdiction of its incorporation, except to the extent that the failure to be in good standing would not reasonably be expected to have a Material Adverse Effect, (b) is duly qualified to do business and is in good standing to the extent required under the laws of each jurisdiction where the nature of its business requires such qualification, except to the extent that the failure to qualify would not reasonably be expected to result in a Material Adverse Effect, and (c) has full power and authority and holds all requisite governmental licenses, permits and other approvals to (i) enter into and perform its obligations in connection with the Transaction and its Obligations under this Agreement and each other Loan Document to which it is a party and (ii) own and hold under lease its property and to conduct its business substantially as currently conducted by it except, in the case of this clause (c)(ii), where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.2. Due Authorization, Non-Contravention, etc. The execution, delivery and performance by the Borrower of this Agreement and each other Loan Document executed or to be executed by it, and the execution, delivery and performance by each other Obligor of each Loan Document executed or to be executed by it and the Borrower's and, where applicable, each

such other Obligor's participation in the consummation of the Transaction, are within the Borrower's and each such Obligor's company powers, have been duly authorized by all necessary company action, and do not (i) contravene the Borrower's or any such Obligor's Charter Documents, (ii) contravene any contractual restriction (other than any such contractual restriction that shall have been waived on or prior to the Closing Date), law or governmental regulation or court decree or order binding on or affecting the Borrower or any such Obligor, where such contravention, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (iii) result in, or require the creation or imposition of, any Lien on any of the Borrower's or any other Obligor's properties, except pursuant to the terms of a Loan Document.

SECTION 6.3. Government Approval, Regulation, etc. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other Person, is required for the due execution, delivery or performance by the Borrower or any other Obligor of this Agreement or any other Loan Document to which it is a party, except as have been duly obtained or made and are in full force and effect or those which the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect. All authorizations, approvals and other actions by, and all notices to and filings with, any governmental authority or regulatory body that are required pursuant to the Recapitalization Agreement in connection with the Transaction have been duly obtained or made and are in full force and effect, except those which the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect. None of the Borrower or any other Obligor is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

SECTION 6.4. Validity, etc. This Agreement constitutes, and each other Loan Document executed by the Borrower will, on the due execution and delivery thereof, constitute, the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms; and each Loan Document executed pursuant hereto by each other Obligor will, on the due execution and delivery thereof by such Obligor, be the legal, valid and binding obligation of such Obligor enforceable in accordance with its terms, in each case with respect to this Section 6.4 subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

SECTION 6.5. Financial Information. The Borrower has delivered to the Agents and each Lender copies of each of (i) the Base Financial Statements, and (ii) Pro Forma Financial Statements. Each of the financial statements described above (A) has been prepared (1) in the case of clause (i), in accordance with GAAP consistently applied, (2) in the case of clause (ii), on a basis substantially consistent with the basis used to prepare the financial statements referred to in clause (i), and (B) (1) in the case of clause (i), present fairly the consolidated financial condition of the corporations covered thereby as at the date thereof and the results of their operations for the periods then ended, and (2) in the case of clause (ii), include appropriate pro forma adjustments to give pro forma effect to the Transaction.

SECTION 6.6. No Material Adverse Change. Since December 26, 1998, there has occurred no event, circumstance or condition that constitutes a Material Adverse Effect.

SECTION 6.7. Litigation, etc. There is no pending or, to the knowledge of the Borrower, threatened litigation, action, proceeding, arbitration or governmental investigation affecting any Obligor, or any of their respective properties, businesses, assets or revenues, which could reasonably be expected to result in a Material Adverse Effect except as disclosed in Item 6.7 ("Litigation") of the Disclosure Schedule. No development has occurred in any litigation, action or governmental investigation or other proceeding disclosed in Item 6.7 ("Litigation") of the Disclosure Schedule which could reasonably be expected to have a Material Adverse Effect.

SECTION 6.8. Subsidiaries. After giving effect to the consummation of the Transaction, the Borrower has only those Subsidiaries (i) which are identified in Item 6.8 ("Existing Subsidiaries") of the Disclosure Schedule, or (ii) which are permitted to have been acquired in accordance with Section 7.2.5 or 7.2.8.

SECTION 6.9. Ownership of Properties. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, the Borrower and each of its Restricted Subsidiaries owns good title to, or leasehold interests in, all of its properties and assets (other than insignificant properties and assets), real and personal, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), free and clear of all Liens or material claims (including material infringement claims with respect to patents, trademarks, copyrights and the like), except as permitted pursuant to Section 7.2.3.

SECTION 6.10. Taxes. Each of Holdco, the Borrower and each of their respective Subsidiaries has filed all Federal, State and other material tax returns required by law to have been filed by it and has paid all material taxes and governmental charges thereby shown to be owing, except any such taxes or charges which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

SECTION 6.11. Pension and Welfare Plans. During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under section 302(f) of ERISA, which, in either case, is reasonably expected to lead to a liability to such Pension Plan in excess of $5,000,000. No condition exists or event or transaction has occurred with respect to any Pension Plan which could reasonably be expected to result in the incurrence by the Borrower or any member of the Controlled Group of any material liability, fine or penalty other than such condition, event or transaction which would not reasonably be expected to have a Material Adverse Effect. Except as disclosed in Item 6.11 ("Employee Benefit Plans") of the Disclosure Schedule or otherwise approved by the Agents (such approval not to be unreasonably withheld or delayed), since the date of the last financial statement the Borrower has not increased any contingent liability with respect to any post-retirement benefit under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Subtitle B of Title I of ERISA, except as would not have a Material Adverse Effect.

SECTION 6.12. Environmental Matters. Except as set forth in Item 6.12 ("Environmental Matters") of the Disclosure Schedule or as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) all facilities and property owned or leased by the Borrower or any of its Subsidiaries are, and continue to be, owned or leased by the Borrower and its Subsidiaries in compliance with all Environmental Laws;

(b) there are no pending or threatened (i) written claims, complaints, notices or requests for information received by the Borrower or any of its Subsidiaries with respect to any alleged violation of any Environmental Law, or (ii) written complaints, notices or inquiries to the Borrower or any of its Subsidiaries regarding potential liability under any Environmental Law;

(c) the Borrower and its Subsidiaries have been issued and are in compliance with all permits, certificates, approvals, licenses and other authorizations relating to environmental matters and necessary or desirable for their businesses;

(d) no property now or, to the best knowledge of the Borrower, previously owned or leased by the Borrower or any of its Subsidiaries is listed or, to the knowledge of the Borrower, proposed for listing (with respect to owned property only) on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar state list of sites requiring investigation or clean-up;

(e) to the knowledge of the Borrower, the Borrower and its Subsidiaries have not directly transported or directly arranged for the transportation of any Hazardous Material

to any location (i) which is listed or, to the knowledge of the Borrower, proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar state list, or (ii) which is the subject of federal, state or local enforcement actions or other investigations in respect of any Environmental Law;

(f) to the knowledge of the Borrower, there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property now or previously owned or leased by the Borrower or any of its Subsidiaries;

(g) to the knowledge of the Borrower, there are no polychlorinated biphenyls or friable asbestos present in a manner or condition requiring remedial action to comply with any Environmental Law; and

(h) to the best knowledge of the Borrower, no conditions exist at, on or under any property now or previously owned or leased by the Borrower or any of its Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability to the Borrower or any of its Subsidiaries under any Environmental Law.

SECTION 6.13. Regulations U and X. Neither the Borrower nor Holdco is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Credit Extension will be used in violation of F.R.S. Board Regulation U or X. Terms for which meanings are provided in F.R.S. Board Regulation U or X or any regulations substituted therefor, as from time to time in effect, are used in this Section with such meanings.

SECTION 6.14. Accuracy of Information. All material factual information concerning the financial condition, operations or prospects of the Borrower, Holdco and their respective Subsidiaries heretofore or contemporaneously furnished by or on behalf of the Borrower in writing to the Agents, the Lead Arranger, the Issuers or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby or with respect to the Transaction is, and all other such factual information hereafter furnished by or on behalf of the Borrower, Holdco or any of their respective Subsidiaries to the Agents, the Lead Arranger, the Issuers or any Lender will be, taken as a whole, true and accurate in every material respect on the date as of which such information is dated or certified and such information is not, or shall not be, taken as a whole, as the case may be, incomplete by omitting to state any fact necessary to make such information not materially misleading.

Any term or provision of this Section to the contrary notwithstanding, insofar as any of the factual information described above includes assumptions, estimates, projections or opinions, no representation or warranty is made herein with respect thereto; provided, however, that to the extent any such assumptions, estimates, projections or opinions are based on factual matters, the Borrower has reviewed such factual matters and nothing has come to its attention in the context of such review which would lead it to believe that such factual matters were not or are not true

and correct in all material respects or that such factual matters omit to state any material fact necessary to make such assumptions, estimates, projections or opinions not misleading in any material respect.

SECTION 6.15. Solvency. The Transaction (including, among other things, the incurrence of the initial Credit Extension hereunder, the incurrence by the Borrower of the Indebtedness represented by the Notes and the Senior Subordinated Notes, the execution and delivery by the Subsidiary Guarantor, if any, of a Subsidiary Guaranty, and the application of the proceeds of the Credit Extensions), will not involve or result in any fraudulent transfer or fraudulent conveyance under the provisions of Section 548 of the Bankruptcy Code (11 U.S.C. ss.101 et seq., as from time to time hereafter amended, and any successor or similar statute) or any applicable state law respecting fraudulent transfers or fraudulent conveyances. On the Closing Date, after giving effect to the Transaction, the Borrower is Solvent.

SECTION 6.16. Year 2000 Compliance. The Borrower believes that its and its Restricted Subsidiaries' computer applications that are material to its or its Restricted Subsidiaries' businesses and operations will on a timely basis be able to perform properly date- sensitive functions for all dates before, on and after January 1, 2000 (that is, be "Year 2000 compliant") except to the extent that a failure to do so could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VII

COVENANTS

SECTION 7.1. Affirmative Covenants. The Borrower agrees with the Agents, the Issuers and each Lender that, until the Termination Date has occurred, the Borrower will perform the obligations set forth in this Section 7.1.

SECTION 7.1.1. Financial Information, Reports, Notices, etc. The Borrower will furnish, or will cause to be furnished, to each Lender and each Agent copies of the following financial statements, reports, notices and information:

(a) as soon as available and in any event within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower (or, if the Borrower is required to file such information on a Form 10-Q with the Securities and Exchange Commission, promptly following such filing), a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such Fiscal Quarter, together with the related consolidated statements of operations and cash flows for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter (it being understood that the foregoing requirement may be

satisfied by delivery of the Borrower's report to the Securities and Exchange Commission on Form 10-Q, if any), certified by an Authorized Officer that is the president, chief executive officer, treasurer, assistant treasurer, controller or chief financial or accounting officer of the Borrower;

(b) as soon as available and in any event within 105 days after the end of each Fiscal Year of the Borrower (or, if the Borrower is required to file such information on a Form 10-K with the Securities and Exchange Commission, promptly following such filing), a copy of the annual audit report for such Fiscal Year for the Borrower and its Subsidiaries, including therein a consolidated balance sheet for the Borrower and its Subsidiaries as of the end of such Fiscal Year, together with the related consolidated statements of operations and cash flows for such Fiscal Year (it being understood that the foregoing requirement may be satisfied by delivery of the Borrower's report to the Securities and Exchange Commission on Form 10-K, if any), in each case certified (without any Impermissible Qualification) by PricewaterhouseCoopers or another "Big Five" firm of independent public accountants, together with a certificate from such accountants as to whether, in making the examination necessary for the signing of their report on such annual report by such accountants, they have become aware of any Default in respect of any term, covenant, condition or other provision of this Agreement (including any Default in respect of any of the financial covenants contained in Section 7.2.4) that relates to accounting matters that has occurred and is continuing or, if in the opinion of such accounting firm such a Default has occurred and is continuing, a statement as to the nature thereof;

(c) together with the delivery of the financial information required pursuant to clauses (a) and (b), a Compliance Certificate, in substantially the form of Exhibit E-1, executed by an Authorized Officer that is the president, the chief executive officer or the chief financial or accounting officer of the Borrower, showing (in reasonable detail and with appropriate calculations and computations in all respects satisfactory to the Agents) compliance with the financial covenants set forth in Section 7.2.4;

(d) as soon as possible and in any event within five Business Days after obtaining knowledge of the occurrence of any Default, if such Default is then continuing, a statement of an Authorized Officer that is the president, chief executive officer, treasurer, assistant treasurer, controller or chief financial or accounting officer of the Borrower setting forth details of such Default and the action which the Borrower has taken or proposes to take with respect thereto;

(e) promptly and in any event within five Business Days after (x) the occurrence of any development with respect to any litigation, action, proceeding or labor controversy described in Section 6.7 which could reasonably be expected to have a Material Adverse Effect or (y) the commencement of any labor controversy, litigation, action or proceeding

of the type described in Section 6.7, notice thereof and of the action which the Borrower has taken or proposes to take with respect thereto;

(f) promptly after the sending or filing thereof, copies of all reports and registration statements (other than exhibits thereto and any registration statement on Form S-8 or its equivalent) which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission or any national securities exchange;

(g) as soon as practicable after the controller, chief financial or accounting officer or the chief executive officer of the Borrower or a member of the Borrower's Controlled Group becomes aware of (i) formal steps in writing to terminate any Pension Plan or (ii) the occurrence of any event with respect to a Pension Plan which, in the case of clause (i) or (ii), could reasonably be expected to result in a contribution to such Pension Plan by (or a liability to) the Borrower or a member of the Borrower's Controlled Group in excess of $5,000,000, (iii) the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to a Lien under section 302(f) of ERISA in an amount in excess of $5,000,000, (iv) the taking of any action with respect to a Pension Plan which could reasonably be expected to result in the requirement that the Borrower furnish a bond to the PBGC or such Pension Plan in an amount in excess of $5,000,000 or (v) any material increase in the contingent liability of the Borrower with respect to any post-retirement Welfare Plan benefit as a result of a change in the level or scope of benefits thereunder, notice thereof and copies of all documentation relating thereto; and

(h) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

SECTION 7.1.2. Compliance with Laws, etc. The Borrower will, and will cause each of its Subsidiaries to, comply in all material respects with all applicable laws, rules, regulations and orders, such compliance to include (i) except as permitted under Section 7.2.8, the maintenance and preservation of its existence and qualification as a foreign business entity, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect, and (ii) the payment, before the same become delinquent, of all material taxes, assessments and governmental charges imposed upon it or upon its property except to the extent being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

SECTION 7.1.3. Maintenance of Properties. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, the Borrower will, and will cause each of its Restricted Subsidiaries to, maintain, preserve, protect and keep its properties (other than insignificant properties) in good repair, working order and condition (ordinary wear and tear excepted), and make necessary and proper repairs, renewals and replacements so that its

business carried on in connection therewith may be properly conducted at all times, unless the Borrower determines in good faith that the continued maintenance of any of its properties is no longer economically desirable.

SECTION 7.1.4. Insurance. The Borrower will, and will cause each of its Restricted Subsidiaries to, maintain or cause to be maintained with responsible insurance companies insurance with respect to its properties and business against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar businesses and with such provisions and endorsements as the Agents may reasonably request and will, upon request of the Agents, furnish to the Agents and each Lender a certificate of an Authorized Officer of the Borrower setting forth the nature and extent of all insurance maintained by the Borrower and its Restricted Subsidiaries in accordance with this Section.

SECTION 7.1.5. Books and Records. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep books and records which accurately reflect in all material respects all of its business affairs and transactions and permit the Agents, the Issuers and each Lender or any of their respective representatives, at reasonable times and intervals, and upon reasonable notice, but, unless an Event of Default shall have occurred and be continuing, not more frequently than once in each Fiscal Year, to visit its business offices, to discuss its financial matters with its officers and, after notice to the Borrower and provision of an opportunity for the Borrower to participate in such discussion, its independent public accountants (and the Borrower hereby authorizes such independent public accountants to discuss the Borrower's financial matters with each Issuer and each Lender or its representatives, whether or not any representative of the Borrower is present so long as the Borrower has been afforded a reasonable opportunity to be present) and to examine, and to photocopy extracts from, any of its books or other financial records. The cost and expense of each such visit shall be borne by the applicable Agent or Lender, except that the Administrative Agent may make one such visit each Fiscal Year and the cost and expense thereof shall be borne by the Borrower.

SECTION 7.1.6. Environmental Covenant. The Borrower will and will cause each of its Subsidiaries to,

(a) use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Hazardous Materials in compliance with all applicable Environmental Laws, in each case except where the failure to comply with the terms of this clause could not reasonably be expected to have a Material Adverse Effect;

(b) promptly notify the Agents and provide copies of all written claims, complaints, notices or inquiries relating to the condition of its facilities and properties which relate to environmental matters or compliance with Environmental Laws which

would have, or would reasonably be expected to have, a Material Adverse Effect, and promptly cure and have dismissed with prejudice any material actions and proceedings relating to compliance with Environmental Laws, except to the extent being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on its books; and

(c) provide such information and certifications which the Agents may reasonably request from time to time to evidence compliance with this Section 7.1.6.

SECTION 7.1.7. Future Subsidiaries. (a) Upon any Person becoming, after the Closing Date, a Future Pledged Foreign Subsidiary or U.S. Subsidiary of the Borrower that is a Restricted Subsidiary, or (in the case of clause (b) below only) upon the Borrower or any such Subsidiary acquiring additional Capital Stock of any existing Subsidiary that is a Restricted Subsidiary and a U.S. Subsidiary or a Future Pledged Foreign Subsidiary, the Borrower shall notify the Agents of such acquisition, and

(i) the Borrower shall promptly cause such U.S. Subsidiary to execute and deliver to the Administrative Agent, with counterparts for each Lender, a supplement to the Subsidiary Pledge and Security Agreement (and, if such U.S. Subsidiary owns any real property, to the extent required by clause (b) of Section 7.1.8, a Mortgage), together with UCC financing statements (form UCC-1) executed and delivered by such U.S. Subsidiary naming such U.S. Subsidiary as the debtor and the Administrative Agent as the secured party, or other similar instruments or documents, in appropriate form for filing under the UCC and any other applicable recording statutes, in the case of real property, of all jurisdictions as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable to perfect the security interest of the Administrative Agent pursuant to the Subsidiary Pledge and Security Agreement or a Mortgage, as the case may be (other than the perfection of security interests in motor vehicles); and

(ii) the Borrower shall promptly deliver, or cause to be delivered, to the Administrative Agent under a Pledge Agreement (as supplemented, if necessary, by a Foreign Pledge Agreement or other supplement thereto) certificates (if any) representing all of the issued and outstanding shares of Capital Stock of such Subsidiary owned by the Borrower or any Restricted Subsidiary of the Borrower that is a U.S. Subsidiary, as the case may be, along with undated powers of transfer for such certificates, executed in blank, or, if any securities subject thereto are uncertificated securities or are held through a securities intermediary, the Administrative Agent shall have obtained "control" (as defined in the UCC applicable to the perfection of such securities) over such securities, or other appropriate steps shall have been taken under applicable law resulting in the perfection and "control" (as defined in the UCC) of the security interest granted in favor of the Administrative Agent pursuant to the terms of a Pledge Agreement,

together, in each case, with such opinions, in form and substance and from counsel satisfactory to the Agents, as the Agents may reasonably require; provided, however, that notwithstanding the foregoing, no Foreign Subsidiary shall be required to execute and deliver a Mortgage or a supplement to the Subsidiary Pledge and Security Agreement, nor will the Borrower or any U.S. Subsidiary of the Borrower be required to deliver in pledge pursuant to a Pledge Agreement in excess of 65% of the Voting Stock of a Foreign Subsidiary.

(b) (i) The Borrower shall, within 10 days of the Closing Date, (A) deliver to the Administrative Agent (to the extent such shares are certificated) 65% of all of the Voting Stock of each of the Foreign Subsidiaries identified on Item 7.1.7(b) ("Existing Foreign Subsidiaries") of the Disclosure Schedule, which certificates shall in each case be accompanied by undated powers of transfer duly executed in blank, or, (B) ensure that (to the extent any such shares are uncertificated securities or are held through a securities intermediary) the Administrative Agent shall have obtained "control" (as defined in the UCC) over 65% of all of the shares of such Voting Stock and deliver such other instruments and documents as the Administrative Agent shall deem necessary or in the reasonable opinion of the Administrative Agent desirable under applicable law to perfect the security interest of the Administrative Agent in such shares of Voting Stock.

(ii) In connection with the pledge of 65% of the Voting Stock of each of the Foreign Subsidiaries identified on Item 7.1.7(b) ("Existing Foreign Subsidiaries") of the Disclosure Schedule, the Agents shall have received from counsel satisfactory to the Agents, no later than the date set forth opposite each such Foreign Subsidiary in such Item, an opinion addressed to the Agents and the Lenders in form and substance satisfactory to the Agents.

SECTION 7.1.8. Future Leased Property and Future Acquisitions of Real Property; Future Acquisition of Other Property.

(a) Prior to entering into any new lease of real property or renewing any existing lease of real property following the Closing Date, the Borrower shall, and shall cause each of its U.S. Subsidiaries that are Restricted Subsidiaries to, use its (and their) best efforts (which shall not require the expenditure of cash or the making of any material concessions under the relevant lease) to deliver to the Administrative Agent a Waiver executed by the lessor of any real property that is to be leased by the Borrower or such U.S. Subsidiary for a term in excess of one year in any state which by statute grants such lessor a "landlord's" (or similar) Lien which is superior to the Administrative Agent's, to the extent the value of any personal property of the Borrower or its U.S. Subsidiaries that are Restricted Subsidiaries to be held at such leased property exceeds (or it is anticipated that the value of such personal property will, at any point in time during the term of such leasehold term, exceed) $3,000,000.

(b) In the event that the Borrower or any of its U.S. Subsidiaries that are Restricted Subsidiaries shall acquire any real property having a value as determined in good faith by the Administrative Agent in excess of $2,000,000 in the aggregate, the Borrower or the applicable U.S. Subsidiary shall, promptly after such acquisition, execute a Mortgage in favor of the Administrative Agent, as mortgagee for the ratable benefit of the Lenders, and provide the Administrative Agent with (i) evidence of the completion (or satisfactory arrangements for the completion) of all recordings and filings of such Mortgage as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable effectively to create a valid, perfected, first priority Lien, subject to Liens permitted by Section 7.2.3, against the properties purported to be covered thereby, (ii) mortgagee's title insurance policies in favor of the Administrative Agent, as mortgagee for the ratable benefit of the Lenders, in amounts and in form and substance and issued by insurers, in each case reasonably satisfactory to the Agents, with respect to the property purported to be covered by such Mortgage, insuring that title to such property is indefeasible and that the interests created by the Mortgage constitute valid first Liens thereon free and clear of all defects and encumbrances other than as permitted by Section 7.2.3 or as approved by the Agents, and such policies shall also include, to the extent available, a revolving credit endorsement and such other endorsements as the Agents shall reasonably request and shall be accompanied by evidence of the payment in full of all premiums thereon, and (iii) such other approvals, opinions, or documents as the Agents may reasonably request.

(c) In accordance with the terms and provisions of the Pledge Agreements, the Borrower and each U.S. Subsidiary that is a Restricted Subsidiary shall provide the Agents with evidence of all recordings and filings as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable to create a valid, perfected first priority Lien, subject to the Liens permitted by Section 7.2.3, against all property acquired after the Closing Date (excluding motor vehicles, leases of real property and (except to the extent required under clause (b) of this Section 7.1.8) fee interests in real property) and not otherwise subject to Section 7.1.11 or 7.1.12.

SECTION 7.1.9. Use of Proceeds, etc. The Borrower shall

(a) apply the proceeds of the Loans

(i) in the case of the Term Loans and Revolving Loans in an aggregate principal amount not in excess of $2,000,000 made on the Closing Date, to pay, in part, the cash portion of the obligations of Holdco in connection with the Transaction and to pay the transaction fees and expenses associated with the Transaction (directly or by paying the Subco Dividend); provided, that the aggregate amount of such transaction fees and expenses shall not exceed $20,000,000; and

(ii) in the case of Revolving Loans (other than Revolving Loans described in clause (a)(i) above) and Swing Line Loans, for working capital and general corporate purposes of the Borrower and its Subsidiaries; and

(b) use Letters of Credit only for purposes of supporting working capital and general corporate purposes of the Borrower and its Restricted Subsidiaries.

SECTION 7.1.10. Hedging Obligations. Within six months following the Closing Date, the Administrative Agent shall have received evidence satisfactory to it that the Borrower has entered into interest rate swap, cap, collar or similar arrangements (including such Indebtedness accruing interest at a fixed rate by its terms) designed to protect the Borrower against fluctuations in interest rates with respect to at least 50% of the aggregate principal amount of the Term Loans and the Senior Subordinated Notes for a period of at least three years from the Closing Date, with terms reasonably satisfactory to the Borrower and the Agents.

SECTION 7.1.11. Undertaking. The Borrower will deliver to the Agents no later than 60 days after the Closing Date instruments or documents, in appropriate form for filing with the United States Patent and Trademark Office, sufficient to create and perfect a security interest in all intellectual property owned as of the Closing Date by the Borrower and the U.S. Subsidiaries that are Restricted Subsidiaries as identified in Item 7.1.11 ("Intellectual Property") of the Disclosure Schedule.

SECTION 7.1.12. Mortgages. Within 60 days after the Closing Date, the Borrower shall deliver to the Administrative Agent, as mortgagee for the ratable benefit of the Lenders, counterparts of each Mortgage relating to each property listed on Item 7.1.12 ("Mortgaged Properties") of the Disclosure Schedule, each dated as of the date of such delivery, duly executed by the Borrower or the applicable U.S. Subsidiary that is a Restricted Subsidiary, together with

(a) evidence of the completion (or satisfactory arrangements for the completion) of all recordings and filings of such Mortgage as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable effectively to create a valid, perfected first priority Lien, subject to Liens permitted by Section 7.2.3, against the properties purported to be covered thereby;

(b) mortgagee's title insurance policies in favor of the Administrative Agent, as mortgagee for the ratable benefit of the Lenders, in amounts and in form and substance and issued by insurers, in each case reasonably satisfactory to the Agents, with respect to the property purported to be covered by such Mortgage, insuring that title to such property is marketable and that the interests created by the Mortgage constitute valid first Liens thereon free and clear of all defects and encumbrances other than as permitted by Section 7.2.3 or as approved by the Agents, and such policies shall also include, to the extent available, a revolving credit endorsement and such other endorsements as the

Administrative Agent shall reasonably request (provided, however, that if the Administrative Agent requests, any survey endorsement or coverage other than with respect to the existing survey, if any, of the Mortgaged Property that was previously delivered to the Borrower by B&L or CRL or any of their respective Subsidiaries or in the possession of the Borrower or any of its Subsidiaries on the Closing Date, then the 60-day period referred to in the lead-in to this Section shall be extended by an additional 30 days) and shall be accompanied by evidence of the payment in full of all premiums thereon; and

(c) such other approvals, opinions or documents as the Agents may reasonably request.

SECTION 7.1.13. Year 2000 Compliance. The Borrower will promptly notify the Administrative Agent in the event the Borrower discovers or determines that any computer application (including those of its suppliers and vendors) that is material to its or any of its Restricted Subsidiaries' businesses and operations will not be Year 2000 compliant as of January 1, 2000, except to the extent that such failure could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.2. Negative Covenants. The Borrower agrees with the Agents and each Lender that, until the Termination Date has occurred, the Borrower will perform the obligations set forth in this Section 7.2.

SECTION 7.2.1. Business Activities. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, engage in any business activity, except the business activities of the type in which the Borrower and its Subsidiaries are engaged on the date hereof (after giving effect to the Transaction) and any businesses reasonably ancillary, incidental or related thereto.

SECTION 7.2.2. Indebtedness. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist or otherwise become or be liable in respect of any Indebtedness, other than, without duplication, the following:

(a) Indebtedness outstanding on the Closing Date and identified in Item 7.2.2(a) ("Ongoing Indebtedness") of the Disclosure Schedule, and refinancings and replacements thereof in a principal amount not exceeding the principal amount of the Indebtedness so refinanced or replaced and with an average life to maturity of not less than the then average life to maturity of the Indebtedness so refinanced or replaced;

(b) Indebtedness in respect of the Credit Extensions and other Obligations;

(c) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries that is represented by Capitalized Lease Liabilities, mortgage financings or purchase

money obligations (but only to the extent otherwise permitted by Section 7.2.7); provided, that the maximum aggregate amount of all Indebtedness permitted under this clause (c) shall not at any time exceed $10,000,000;

(d) intercompany Indebtedness of (i) (x) any U.S. Subsidiary that is a Restricted Subsidiary of the Borrower owing to the Borrower or any of its Restricted Subsidiaries or (y) the Borrower owing to any of its Restricted Subsidiaries, and (ii) any Foreign Subsidiary that is a Restricted Subsidiary of the Borrower owing to the Borrower or any U.S. Subsidiary that is a Restricted Subsidiary of the Borrower; provided that (A) any such Indebtedness described in this clause (d)(ii) (other than (I) any such Indebtedness owing by Charles River Japan, which is subject to the provisions of clause (B) and (II) any such Indebtedness constituting an Investment made pursuant to clause (a)(ii) of Section 7.2.5 and (III) other than any such intercompany Indebtedness incurred to finance any acquisition permitted hereunder) shall not exceed, when taken together with the aggregate amount at such time of all outstanding Investments made in all such Foreign Subsidiaries pursuant to clause (l) of Section 7.2.5 (other than any Investments made as part of, or to finance, any acquisition permitted hereunder), $10,000,000 at any time outstanding and (B) any Indebtedness described in this clause (d)(ii) owing by Charles River Japan shall not exceed, when taken together with all Investments in Charles River Japan (whether debt or equity), $40,000,000; provided further that any Indebtedness described in this clause (d) which is owing to the Borrower or any of its U.S. Subsidiaries that are Restricted Subsidiaries, (1) to the extent requested by the Agents, such Indebtedness shall be evidenced by one or more promissory notes in form and substance satisfactory to the Agents which shall be duly executed and delivered to (and indorsed to the order of) the Administrative Agent in pledge pursuant to a Pledge Agreement and (2) in the case of any such Indebtedness owed by a Person other than the Borrower or a Subsidiary Guarantor, such Indebtedness shall not be forgiven or otherwise discharged for any consideration other than payment (Dollar for Dollar) in cash unless the Agents otherwise consent;

(e) Indebtedness evidenced by the Senior Subordinated Debt in an aggregate outstanding principal amount not to exceed $150,000,000 and subordinated guarantees thereof;

(f) Assumed Indebtedness of the Borrower and its Restricted Subsidiaries in an aggregate principal amount not to exceed $10,000,000 at any time outstanding;

(g) Hedging Obligations of the Borrower or any of its Restricted Subsidiaries in respect of the Credit Extensions or otherwise entered into by the Borrower or any Restricted Subsidiary to hedge against interest rate, currency exchange rate or commodity price risk, in each case arising in the ordinary course of business of the Borrower and its Restricted Subsidiaries and not for speculative purposes;

(h) Indebtedness of Foreign Subsidiaries of the Borrower in an aggregate principal amount not to exceed $5,000,000 at any time outstanding;

(i) other unsecured Indebtedness of the Borrower and its Restricted Subsidiaries in an aggregate principal amount at any time outstanding not to exceed $10,000,000 plus the difference between the maximum amount of additional Revolving Loan Commitments that have been or could be provided under clause (c) of Section 2.1.2 and the then outstanding amount of additional Revolving Loans made pursuant to clause (c) of Section 2.1.2;

(j) Indebtedness of any Foreign Subsidiary owing to any other Foreign Subsidiary; and

(k) from and after the time that it becomes a Restricted Subsidiary, Indebtedness of Charles River Japan, which when taken together with all Investments in Charles River Japan (whether in debt or equity), does not exceed an aggregate principal amount equal to $40,000,000.

provided, however, that (i) no Indebtedness otherwise permitted by clause (c), (d) (as such clause (d) relates to loans made by the Borrower or any Subsidiary Guarantor to Restricted Subsidiaries which are not party to a Subsidiary Guaranty), (f), (h) or (i) may be incurred if, immediately before or after giving effect to the incurrence thereof, any Default shall have occurred and be continuing, and (ii) all such Indebtedness of the type described in clause (d)(i)(y) above that is owed to Subsidiaries that are not Subsidiary Guarantors shall be subordinated, in writing, to the Obligations upon terms satisfactory to the Agents.

SECTION 7.2.3. Liens. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its property, revenues or assets, whether now owned or hereafter acquired, except:

(a) Liens existing on the Closing Date and identified in Item 7.2.2(b) ("Ongoing Liens") of the Disclosure Schedule and extensions and renewals thereof; provided that no such extension or renewal shall increase the obligations secured by such Lien, extend such Lien to additional assets or otherwise result in a Default hereunder;

(b) Liens securing payment of the Obligations or any obligation under any Rate Protection Agreement granted pursuant to any Loan Document;

(c) Liens granted to secure payment of Indebtedness of the type permitted and described in clause (c) of Section 7.2.2;

(d) Liens for taxes, assessments or other governmental charges or levies, including Liens pursuant to Section 107(l) of CERCLA or other similar law, not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(e) Liens of carriers, warehousemen, mechanics, repairmen, materialmen, contractors, laborers and landlords or other like Liens incurred in the ordinary course of business for sums not overdue for a period of more than 30 days or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(f) Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, bids, statutory or regulatory obligations, insurance obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;

(g) judgment Liens in existence less than 30 days after the entry thereof or with respect to which execution has been stayed or the payment of which is covered in full by a bond or a letter of credit or (subject to a customary deductible) by insurance maintained with responsible insurance companies and Liens in existence less than 30 days, which Liens secure any such bond or reimbursement obligation with respect to such letter of credit;

(h) (i) Liens with respect to minor imperfections of title and easements, rights-of-way, restrictions, reservations, permits, servitudes and other similar encumbrances on real property and fixtures which do not materially detract from the value or materially impair the use by the Borrower or any such Restricted Subsidiary in the ordinary course of their business of the property subject thereto; (ii) in the case of any property covered by a Mortgage, encumbrances disclosed in the title insurance policy issued to, and reasonably approved by the Agents insuring the Mortgage; and (iii) in the case of any property covered by a Mortgage, upon certification by the Borrower that an easement, right-of-way, restriction, reservation, permit, servitude or other similar encumbrance granted or to be granted by the Borrower or any such Restricted Subsidiary does not materially detract from the value of or materially impair the use by the Borrower or such Restricted Subsidiary in the ordinary course of its business of the property subject to or to be subject to such encumbrance, the Administrative Agent shall execute such documents as are reasonably requested to subordinate its Mortgage to such encumbrance;

(i) leases or subleases granted by the Borrower or any of its Restricted Subsidiaries to any other Person in the ordinary course of business;

(j) Liens in the nature of trustees' Liens granted pursuant to any indenture governing any Indebtedness permitted by Section 7.2.2, in each case in favor of the trustee under such indenture and securing only obligations to pay compensation to such trustee, to reimburse its expenses and to indemnify it under the terms thereof;

(k) Liens of sellers of goods to the Borrower and its Restricted Subsidiaries arising under Article 2 of the UCC or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

(l) Liens securing Assumed Indebtedness of the Borrower and its Restricted Subsidiaries permitted pursuant to clause (f) of Section 7.2.2; provided, however, that (i) any such Liens attach only to the property of the Subsidiary acquired, or the property acquired, in connection with such Assumed Indebtedness and shall not attach to any assets of the Borrower or any of its Restricted Subsidiaries theretofore existing or which arise after the date thereof and (ii) the Assumed Indebtedness and other secured Indebtedness of the Borrower and its Restricted Subsidiaries secured by any such Lien shall not exceed 100% of the fair market value of the assets being acquired in connection with such Assumed Indebtedness;

(m) Liens on assets of Foreign Subsidiaries of the Borrower securing Indebtedness permitted pursuant to clause (h) or (j) of Section 7.2.2; and

(n) Liens on the Capital Stock of Unrestricted Subsidiaries securing Debt incurred by such Unrestricted Subsidiaries.

SECTION 7.2.4. Financial Covenants.

(a) EBITDA. The Borrower will not permit EBITDA for the period of four consecutive Fiscal Quarters ending on the last day of any Fiscal Quarter occurring during any period set forth below to be less than the amount set forth opposite such period:

Period	EBITDA
01/01/00 to 12/31/00	$50,000,000
01/01/01 to 12/31/01	$50,000,000
01/01/02 to 12/31/02	$55,000,000
01/01/03 to 12/31/03	$60,000,000
01/01/04 to 12/31/04	$65,000,000
01/01/05 and thereafter	$70,000,000;

provided that, to the extent the amount of EBITDA for any period of four consecutive Fiscal Quarters exceeds the amount of EBITDA required to be maintained for such period pursuant to this clause (a), an amount equal to 50% of such excess amount may be carried forward to (but only to) the next succeeding period of four consecutive Fiscal Quarters.

(b) Leverage Ratio. The Borrower will not permit the Leverage Ratio as of the end of any Fiscal Quarter occurring during any period set forth below to be greater than the ratio set forth opposite such period:

Period	Leverage Ratio
01/01/00 to 12/31/00	6.00:1
01/01/01 to 12/31/01	5.75:1
01/01/02 to 12/31/02	5.25:1
01/01/03 to 12/31/03	4.25:1
01/01/03 to 12/31/04	3.50:1
01/01/04 and thereafter	3.00:1.

(c) Interest Coverage Ratio. The Borrower will not permit the Interest Coverage Ratio as of the end of any Fiscal Quarter ending after the Closing Date and occurring during any period set forth below to be less than the ratio set forth opposite such period:

Period	Interest Coverage Ratio
01/01/00 to 12/31/00	1.40:1
01/01/01 to 12/31/01	1.50:1
01/01/02 to 12/31/02	1.75:1
01/01/03 to 12/31/03	2.00:1
01/01/03 to 12/31/04	2.25:1
01/01/05 and thereafter	2.50:1.

(d) Fixed Charge Coverage Ratio. The Borrower will not permit the Fixed Charge Coverage Ratio as of the end of any Fiscal Quarter ending after the Closing Date to be less than 1:1.

SECTION 7.2.5. Investments. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make, incur, assume or suffer to exist any Investment in any other Person, except:

(a) (i) Investments existing on the Closing Date and identified in Item 7.2.5(a) ("Ongoing Investments") of the Disclosure Schedule and extensions or renewals thereof, provided that no such extension or renewal shall be permitted if it would (x) increase the amount of such Investment at the time of such extension or renewal or (y) result in a Default hereunder and (ii) Investments resulting from the conversion or recharacterization of Ongoing Investments (including the conversion of any Ongoing Investments constituting equity Investments into debt Investments), provided that no such Investment may be made in reliance on this clause (a)(ii) if such Investment would require, at the time of the making thereof, the contribution or other payment by the Borrower or any of its U.S. Subsidiaries that are Restricted Subsidiaries of any additional cash or other assets to any Subsidiary that is not a Subsidiary Guarantor;

(b) Cash Equivalent Investments;

(c) without duplication, Investments permitted as Indebtedness pursuant to Section 7.2.2;

(d) without duplication, Investments permitted as Capital Expenditures pursuant to Section 7.2.7 (including any such Investments which would otherwise constitute

Capital Expenditures but for the operation of clause (i) of the proviso to the definition of "Capital Expenditures");

(e) Investments made by the Borrower or any of its Restricted Subsidiaries, solely with proceeds which have been contributed, directly or indirectly after the Closing Date, to the Borrower or such Restricted Subsidiary as cash equity from holders of Holdco's Capital Stock for the purpose of making an Investment identified in a notice to the Agents on or prior to the date that such capital contribution is made, which Investments shall result in the Borrower or such Restricted Subsidiary acquiring a majority controlling interest in the Person in which such Investment was made or increasing any such controlling interest already maintained by it;

(f) Investments to the extent the consideration received pursuant to clause (c)(i) of Section 7.2.9 is not all cash;

(g) Investments in the form of loans to officers, directors and employees of the Borrower and its Restricted Subsidiaries for the sole purpose of purchasing Holdco Capital Stock or the Capital Stock of any entity that directly or indirectly holds Holdco Capital Stock or of refinancing any such loans made by others (or purchases of such loans made by others);

(h) Investments made in one or more transactions by the Borrower or any of its Restricted Subsidiaries for the acquisition by the Borrower or such Restricted Subsidiary of the Capital Stock of Charles River Japan; provided, however, that (i) Investments made pursuant to this clause (h) shall not exceed (whether in debt or equity) an amount equal to, in the aggregate, the product of (x) $40,000,000 and (y) a fraction, the numerator of which is the percentage of ownership of Charles River Japan acquired by the Borrower after the Closing Date (including in connection with any such Investment) and the denominator of which is 50 (provided that the first such Investment made by the Borrower or such Restricted Subsidiary on or subsequent to the Closing Date may be increased by an additional $5,000,000 so long as the aggregate amount of all such Investments does not exceed $40,000,000), (ii) the Borrower and its Restricted Subsidiaries shall vote their respective direct or indirect equity interest in Charles River Japan against Charles River Japan entering into any agreement of the type described in clause (b) of Section 7.2.12 and (iii) the Borrower and its Restricted Subsidiaries shall vote their respective direct or indirect equity interest in Charles River Japan against Charles River Japan making any dividend or distribution to, or Investment in, or entering into (or suffering to exist) any profit, revenue or cash flow sharing arrangement with any owner (beneficial or otherwise) of Charles River Japan's common equity or any Affiliate thereof which shall be disproportional to the fully diluted common equity ownership percentage of such Person (except for (i) permitting the common owners of Charles River Japan to pay taxes from such dividend or distribution and (ii) in the case of a

recapitalization, pursuant to which the Borrower and its Restricted Subsidiaries become the sole owner of Charles River Japan);

(i) Letters of Credit issued in support of, and guarantees by the Borrower or any Restricted Subsidiary of, Indebtedness permitted under clauses (b), (c), (g) and (i) of Section 7.2.2;

(j) Investments made or held by any Foreign Subsidiary of the Borrower that is a Restricted Subsidiary in any other Foreign Subsidiary of the Borrower that is a Restricted Subsidiary;

(k) (i) Investments of the Borrower or any U.S. Subsidiary of the Borrower that is a Restricted Subsidiary in the Borrower or any U.S. Subsidiary of the Borrower that is a Restricted Subsidiary and (ii) Investments by the Borrower or any U.S. Subsidiary of the Borrower that is a Restricted Subsidiary in a Foreign Subsidiary of the Borrower that is a Restricted Subsidiary in connection with the creation of such Foreign Subsidiary; provided that in the case of clause (k)(ii), such Investment is in the form of Capital Stock of one or more other Foreign Subsidiaries;

(l) Investments (other than Investments made under other clauses of this Section 7.2.5) made by the Borrower or any of its Restricted Subsidiaries in an aggregate amount not to exceed $25,000,000 in any single transaction (or a series of related transactions) or $50,000,000 in an aggregate amount over the term of this Agreement; provided that (i) such Investments (x) result in the Borrower or the relevant Restricted Subsidiary acquiring (subject to Section 7.2.1) a majority controlling interest in the Person (or its assets and businesses) in which such Investment was made, or increasing any such controlling interest maintained by it in such Person or (y) result in the Person in which such Investment was made becoming an Acquired Controlled Person and a Restricted Subsidiary for the purposes set forth in the last sentence of the definition of the term "Subsidiary"; (ii) to the extent any Assumed Indebtedness permitted pursuant to clause (f) of Section 7.2.2 would be incurred in connection with any such Investment to be made pursuant to this clause (l), the permitted amounts set forth in this clause shall be reduced, Dollar for Dollar, by the outstanding principal amount of any such Assumed Indebtedness to be assumed; and (iii) the amount of Investments made by the Borrower or any of its U.S. Subsidiaries that are Restricted Subsidiaries in any of its Foreign Subsidiaries that are Restricted Subsidiaries, when taken together with the outstanding aggregate principal amount of Indebtedness incurred by such Foreign Subsidiaries from the Borrower and such U.S. Subsidiaries pursuant to clause (d)(ii) of Section 7.2.2, shall not exceed $10,000,000;

(m) extensions of trade credit in the ordinary course of business;

(n) Investments in Hedging Obligations permitted hereunder;

(o) Investments (including debt obligations and Capital Stock) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of and other disputes with customers and suppliers arising in the ordinary course of business; and

(p) other Investments in an aggregate amount at any time outstanding not to exceed $10,000,000.

provided, however, that

(q) any Investment which when made complies with the requirements of the definition of the term "Cash Equivalent Investment" may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements; and

(r) no Investment otherwise permitted by clause (c) (except to the extent permitted under Section 7.2.2), (g), (i) (to the extent that the applicable Letter of Credit relates to Indebtedness permitted under clause (c) or (j) of Section 7.2.2), (l) or (p) shall be permitted to be made if, immediately before or after giving effect thereto, any Default shall have occurred and be continuing.

SECTION 7.2.6. Restricted Payments, etc. On and at all times after the date hereof:

(a) the Borrower will not, and will not permit any of its Restricted Subsidiaries to, declare, pay or make any payment, dividend, distribution or exchange (in cash, property or obligations) on or in respect of any shares of any class of Capital Stock (now or hereafter outstanding) of the Borrower or on any warrants, options or other rights with respect to any shares of any class of Capital Stock (now or hereafter outstanding) of the Borrower (other than (i) dividends or distributions payable in its Capital Stock or warrants to purchase its Capital Stock and (ii) splits or reclassifications of its Capital Stock into additional or other shares of its Capital Stock) or apply, or permit any of its Restricted Subsidiaries to apply, any of its funds, property or assets to the purchase, redemption, exchange, sinking fund or other retirement of, or agree or permit any of its Subsidiaries to purchase, redeem or exchange, any shares of any class of Capital Stock (now or hereafter outstanding) of the Borrower, warrants, options or other rights with respect to any shares of any class of Capital Stock (now or hereafter outstanding) of the Borrower;

(b) the Borrower will not, and will not permit any of its Restricted Subsidiaries to, (i) directly or indirectly make any payment or prepayment of principal of, or make any

payment of interest on, any Senior Subordinated Debt on any day other than the stated, scheduled date for such payment or prepayment set forth in the Senior Subordinated Debt Documents or which would violate the subordination provisions of such Senior Subordinated Debt, or (ii) redeem, purchase or defease any Senior Subordinated Debt;

(the foregoing prohibited acts referred to in clauses (a) and (b) above are herein collectively referred to as "Restricted Payments"); provided, however, that

(c) notwithstanding the provisions of clauses (a) and (b) above, the Borrower shall be permitted to make Restricted Payments to Holdco to the extent necessary to enable Holdco to

(i) pay its overhead expenses (including advisory fees in an amount not to exceed $500,000 in the aggregate in any Fiscal Year) in an amount not to exceed $2,000,000 in the aggregate in any Fiscal Year;

(ii) pay taxes;

(iii) so long as (A) no Default shall have occurred and be continuing on the date such Restricted Payment is declared or to be made, nor would a Default result from the making of such Restricted Payment, (B) after giving effect to the making of such Restricted Payment, the Borrower shall be in pro forma compliance with the covenant set forth in clause (b) of Section 7.2.4 for the most recent full Fiscal Quarter immediately preceding the date of the making of such Restricted Payment for which the relevant financial information has been delivered pursuant to clause (a) or clause (b) of Section 7.1.1, and (C) an Authorized Officer of the Borrower shall have delivered a certificate to the Administrative Agent in form and substance satisfactory to the Administrative Agent (including a calculation of the Borrower's pro forma compliance with the covenant set forth in clause (b) of Section 7.2.4 in reasonable detail) certifying as to the accuracy of clauses (c)(iii)(A) and (c)(iii)(B) above,

(x) repurchase, redeem or otherwise acquire or retire for value any Capital Stock of Holdco, or any warrant, option or other right to acquire any such Capital Stock of Holdco or the Capital Stock of any entity that directly or indirectly holds the Capital Stock of Holdco, held by any director, member of management or an employee of the Borrower or any of its Restricted Subsidiaries pursuant to any employment agreement, management equity subscription agreement, restricted stock plan, stock option agreement or other similar arrangement so long as the total amount of such repurchases, redemptions, acquisitions, retirements and payments shall not exceed (I) $5,000,000 in any calendar year, subject to a

maximum amount of $10,000,000 of the term of this Agreement plus (II) the aggregate cash proceeds and aggregate principal amount of any notes received by the Borrower during such calendar year from any reissuance of Capital Stock of Holdco, and warrants, options and other rights to acquire Capital Stock of Holdco, by Holdco or the Borrower to directors, members of management and employees of the Borrower and its Restricted Subsidiaries (to the extent such proceeds are not otherwise required to be applied pursuant to clause (d) of Section 3.1.1); and

(y) make cash payments of interest with respect to the Senior Discount Debentures in accordance with the terms thereof; and

(d) notwithstanding the provisions of clauses (a) and (b) above, the Borrower and its Restricted Subsidiaries shall be permitted to make the Restricted Payments included in the Transaction (including the Subco Dividend).

SECTION 7.2.7. Capital Expenditures, etc. With respect to Capital Expenditures, the parties covenant and agree as follows:

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make or commit to make Capital Expenditures in any Fiscal Year ending on or after to December 31, 2000, except Capital Expenditures of the Borrower and its Restricted Subsidiaries, not to exceed an amount (the "Base Amount") equal to (i) $17,500,000 in the case of any Fiscal Year; plus (ii) an aggregate amount in addition to the Base Amount over the term of this Agreement equal to $25,000,000; provided, however, that, to the extent the Base Amount exceeds the aggregate amount of Capital Expenditures (other than amounts permitted to be made pursuant to clause (a)(ii) above or clause (b) below) actually made during such Fiscal Year, such excess amount (up to an aggregate of 50% of the amount of the Base Amount for such Fiscal Year) may be carried forward to (but only to) the next succeeding Fiscal Year (any such amount to be certified by the Borrower to the Agents in the Compliance Certificate delivered for the last Fiscal Quarter of such Fiscal Year, and any such amount carried forward to a succeeding Fiscal Year shall be deemed to be used prior to the Borrower and its Restricted Subsidiaries using the Base Amount for such succeeding Fiscal Year, without giving effect to such carry-forward).

(b) The parties acknowledge and agree that the permitted Capital Expenditure level set forth in clause (a) above shall be exclusive of (i) the amount of Capital Expenditures actually made with cash capital contributions made to the Borrower or any of its Restricted Subsidiaries, directly or indirectly, by any Person other than the Borrower and its Restricted Subsidiaries, after the Closing Date and specifically identified in a certificate delivered by an Authorized Officer of the Borrower to the Agents on or about the time such capital contribution or equity issuance is made (but in

any event prior to the time of the Capital Expenditure made with such capital contribution or equity issuance) (provided that, to the extent such cash capital contributions or any proceeds from such equity issuance constitute Net Equity Proceeds arising from the issuance by Holdco or the Borrower of their respective Capital Stock, only that portion of such Net Equity Proceeds which are not required to be applied as a prepayment pursuant to clause (d) of Section 3.1.1 may be used for Capital Expenditures pursuant to this clause (b)) and (ii) any portion of any acquisition that is permitted under Section 7.2.5 (other than pursuant to clause (d) thereof) that is accounted for as a Capital Expenditure.

SECTION 7.2.8. Consolidation, Merger, etc. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, liquidate or dissolve, consolidate with, or merge into or with, any other corporation, or purchase or otherwise acquire all or substantially all of the assets of any Person (or of any division thereof), except

(a) any such Restricted Subsidiary may liquidate or dissolve voluntarily into, and may merge with and into, the Borrower (so long as the Borrower is the surviving corporation of such combination or merger) or any other Restricted Subsidiary, and the assets or Capital Stock of any Restricted Subsidiary may be purchased or otherwise acquired by the Borrower or any other Restricted Subsidiary; provided, that notwithstanding the above, a Restricted Subsidiary may only liquidate or dissolve into, or merge with and into, another Restricted Subsidiary of the Borrower if, after giving effect to such combination or merger, the Borrower continues to own (directly or indirectly), and the Administrative Agent continues to have pledged to it pursuant to a Pledge Agreement, a percentage of the issued and outstanding shares of Capital Stock (on a fully diluted basis) of the Restricted Subsidiary surviving such combination or merger that is equal to or in excess of the percentage of the issued and outstanding shares of Capital Stock (on a fully diluted basis) of the Restricted Subsidiary that does not survive such combination or merger that was (immediately prior to the combination or merger) owned by the Borrower or pledged to the Administrative Agent;

(b) so long as no Default has occurred and is continuing or would occur after giving effect thereto, the Borrower or any of its Restricted Subsidiaries may purchase all or substantially all of the assets of any Person (or any division thereof) not then a Restricted Subsidiary, or acquire such Person by merger, if permitted (without duplication) pursuant to Section 7.2.7 or clause (e), (f), (l), (o) or (p) of Section 7.2.5;

(c) the Borrower and its Restricted Subsidiaries may consummate the Transaction; and

(d) the Borrower and its Restricted Subsidiaries may liquidate or dissolve Charles River China and Charles River Mexico and may take any action described in clause (b) or (d) of Section 8.1.9.

SECTION 7.2.9. Asset Dispositions, etc. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, sell, transfer, lease, contribute or otherwise convey, or grant options, warrants or other rights with respect to, all or any part of its assets, whether now owned or hereafter acquired (including accounts receivable and Capital Stock of Restricted Subsidiaries) to any Person, unless:

(a) such sale, transfer, lease, contribution or conveyance of such assets is (i) in the ordinary course of its business (and does not constitute a sale, transfer, lease, contribution or other conveyance of all or a substantial part of the Borrower's and its Restricted Subsidiaries' assets, taken as a whole) or is of obsolete or worn out property, (ii) permitted by Section 7.2.8, or (iii) between the Borrower and one of its Restricted Subsidiaries or between Restricted Subsidiaries of the Borrower;

(b) such sale, transfer, lease, contribution or conveyance constitutes (i) an Investment permitted under Section 7.2.5, (ii) a Lien permitted under Section 7.2.3, or (iii) a Restricted Payment permitted under Section 7.2.6;

(c) (i) such sale, transfer, lease, contribution or conveyance of such assets is for fair market value and the consideration consists of no less than 75% in cash or is a Lien permitted under Section 7.2.3(h)(iii), (ii) the Net Disposition Proceeds received from such assets, together with the Net Disposition Proceeds of all other assets sold, transferred, leased, contributed or conveyed pursuant to this clause (c) since the Closing Date (but excluding any Net Disposition Proceeds received from the sale to Merck & Co. by the Borrower and/or any of its Restricted Subsidiaries of the two islands in the Florida Keys that were previously used by them to study a non-human primate breeding colony), does not exceed (individually or in the aggregate) $20,000,000 over the term of this Agreement and (iii) an amount equal to the Net Disposition Proceeds generated from such sale, transfer, lease (except leases or subleases pursuant to Section 7.2.3(i)), contribution or conveyance, is reinvested in the Business of the Borrower and its Restricted Subsidiaries or, to the extent required thereunder, is applied to prepay the Loans pursuant to the terms of Section 3.1.1 and Section 3.1.2;

(d) such sale, transfer, lease, contribution or conveyance results from a casualty or condemnation in respect of such property or assets; or

(e) such sale, transfer or conveyance consists of the sale or discount of overdue accounts receivable in the ordinary course of business, but only in connection with the compromise or collection thereof.

SECTION 7.2.10. Modification of Certain Agreements. Without the prior written consent of the Required Lenders, the Borrower will not, and will not permit any of its Restricted Subsidiaries to, consent to any amendment, supplement, amendment and restatement, waiver or

other modification of any of the terms or provisions contained in, or applicable to, any Senior Subordinated Debt Document (including any agreement or indenture related thereto or to the Subordinated Debt Issuance) or any Material Document or any schedules, exhibits or agreements related thereto (the "Restricted Agreements"), in each case which would materially adversely affect the rights or remedies of the Lenders, or the Borrower's or any other Obligor's ability to perform hereunder or under any Loan Document or which would (a) increase the cash consideration payable in respect of the Recapitalization, (b), in the case of the Recapitalization Agreement, increase the Borrower's or any of its Restricted Subsidiaries' obligations or liabilities, contingent or otherwise (other than adjustments to the cash consideration payable in respect of the Acquisition made pursuant to the terms of the Recapitalization Agreement), (c) increase the principal amount of, or increase the interest rate on, or add or increase any fee with respect to the Indebtedness evidence by such Senior Subordinated Debt or any such Restricted Agreement, advance any dates upon which payments of principal or interest are due thereon or change any of the covenants with respect thereto in a manner which is more restrictive to the Borrower or any of its Restricted Subsidiaries or (d) in the case of any Senior Subordinated Debt Document, change the subordination provisions thereof (including any default or conditions to an event of default relating thereto), or change any collateral therefor (other than to release such collateral), if (in the case of this clause (d)), the effect of such amendment or change, individually or together with all other amendments or changes made, is to increase the obligations of the obligor thereunder or to confer any additional rights on the holders of such Senior Subordinated Debt, or any such Restricted Agreement (or a trustee or other representative on their behalf).

SECTION 7.2.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into, or cause, suffer or permit to exist any arrangement or contract with any of its other Affiliates (other than any Obligor or any other Restricted Subsidiary of the Borrower) unless such arrangement or contract is fair and equitable to the Borrower or such Restricted Subsidiary and is an arrangement or contract of the kind which would be entered into by a prudent Person in the position of the Borrower or such Restricted Subsidiary with a Person which is not one of its Affiliates; provided, however that the Borrower and its Restricted Subsidiaries shall be permitted to (i) enter into and perform their obligations, or take any actions contemplated or permitted, under the Transaction Documents (including the Investors' Agreement), (ii) make any Restricted Payment permitted under Section 7.2.6 and (iii) enter into and perform their obligations under arrangements with DLJ and its Affiliates for underwriting, investment banking and advisory services (including payments of the fees in respect of advisory services referred to in clause (c)(i) of Section 7.2.6) on usual and customary terms, (iv) make payment of reasonable and customary fees and reimbursement of expenses payable to directors of Holdco and (v) enter into employment arrangements with respect to the procurement of services of directors, officers and employees in the ordinary course of business and pay reasonable fees in connection therewith.

SECTION 7.2.12. Negative Pledges, Restrictive Agreements, etc. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any agreement prohibiting

(a) the (i) creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired securing any Obligation or any senior refinancing thereof (other than, in the case of any assets acquired with the proceeds of any Indebtedness permitted under Section 7.2.2(c), customary limitations and prohibitions contained in such Indebtedness and in the case of any Indebtedness permitted under clauses (f), (h), (i) and (j) of Section 7.2.2, customary limitations in respect of the Foreign Subsidiaries of the Borrower that are Restricted Subsidiaries that shall have incurred such Indebtedness and its assets), or (ii) ability of the Borrower or any other Obligor to amend or otherwise modify this Agreement or any other Loan Document; or

(b) any Restricted Subsidiary from making any payments, directly or indirectly, to the Borrower by way of dividends, advances, repayments of loans or advances, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments, or any other agreement or arrangement which restricts the ability of any such Restricted Subsidiary to make any payment, directly or indirectly, to the Borrower (other than customary limitations and prohibitions in any Indebtedness permitted under clauses (b), (e), (g), (h) and (i) of Section 7.2.2 that are applicable to the Restricted Subsidiary of the Borrower that has incurred such Indebtedness and its assets; provided, that such limitations shall be limited solely to such Restricted Subsidiary (and any of its Restricted Subsidiaries) and its (and their) assets).

SECTION 7.2.13. Securities of Subsidiaries. The Borrower will not permit any Restricted Subsidiary to issue any Capital Stock (whether for value or otherwise) to any Person other than the Borrower or another wholly-owned Subsidiary of the Borrower that is a Restricted Subsidiary.

SECTION 7.2.14. Sale and Leaseback. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any agreement or arrangement with any other Person providing for the leasing by the Borrower or any of its Restricted Subsidiaries of real or personal property which has been or is to be sold or transferred by the Borrower or any of its Restricted Subsidiaries to such other Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or any of its Restricted Subsidiaries.

SECTION 7.2.15. Designation of Senior Indebtedness. The Borrower will not permit any Indebtedness (other than the Indebtedness incurred hereunder or under any other the Loan Document) to constitute "Designated Senior Indebtedness" (or any other similar term) under the Senior Subordinated Debt Documents, without the consent of the Required Lenders.

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.1. Listing of Events of Default. Each of the following events or occurrences described in this Section 8.1 shall constitute an "Event of Default".

SECTION 8.1.1. Non-Payment of Obligations. (a) The Borrower shall default in the payment or prepayment of any principal of any Loan when due or any Reimbursement Obligations or any deposit of cash for collateral purposes pursuant to Section 2.6.4, as the case may be, or (b) any Obligor (including the Borrower) shall default (and such default shall continue unremedied for a period of three Business Days) in the payment when due of any interest or commitment fee with respect to the Loans or Commitments or of any other monetary Obligation.

SECTION 8.1.2. Breach of Warranty. Any representation or warranty of the Borrower or any other Obligor made or deemed to be made hereunder or in any other Loan Document executed by it or any other writing or certificate (including the Closing Date Certificate) furnished by or on behalf of the Borrower or any other Obligor to the Agents, the Issuers, the Lead Arranger or any Lender for the purposes of or in connection with this Agreement or any such other Loan Document (including any certificates delivered pursuant to Article V) is or shall be incorrect when made in any material respect.

SECTION 8.1.3. Non-Performance of Certain Covenants and Obligations. The Borrower shall default in the due performance and observance of any of its obligations under Sections 7.1.1(e), 7.1.7(b), 7.1.9, 7.1.10, 7.1.11, 7.1.12 or 7.2 (other than Section 7.2.1).

SECTION 8.1.4. Non-Performance of Other Covenants and Obligations. Any Obligor shall default in the due performance and observance of any other agreement contained herein or in any other Loan Document executed by it, and such default shall continue unremedied for a period of 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent at the direction of the Required Lenders.

SECTION 8.1.5. Default on Other Indebtedness. A default shall occur (i) in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any Indebtedness, other than Indebtedness described in Section 8.1.1, of the Borrower or any of its Restricted Subsidiaries or Holdco having a principal amount, individually or in the aggregate for Holdco, the Borrower and its Restricted Subsidiaries, in excess of $5,000,000, or (ii) a default shall occur in the performance or observance of any obligation or condition with respect to such Indebtedness having a principal amount, individually or in the aggregate, in excess of $5,000,000 if the effect of such default is to accelerate the maturity of any such Indebtedness or such default shall continue unremedied for any applicable period of time sufficient to permit the holder or

holders of such Indebtedness, or any trustee or agent for such holders, to cause such Indebtedness to become due and payable prior to its expressed maturity.

SECTION 8.1.6. Judgments. Any judgment or order for the payment of money in excess of $5,000,000 in the aggregate for Holdco, the Borrower and its Restricted Subsidiaries (not covered by insurance from a responsible insurance company that is not denying its liability with respect thereto) shall be rendered against the Borrower or any of its Restricted Subsidiaries or Holdco and remain unvacated and unpaid and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order, or (ii) 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.

SECTION 8.1.7. Pension Plans. Any of the following events shall occur with respect to any Pension Plan (i) the termination of any Pension Plan if, as a result of such termination, the Borrower would be required to make a contribution to such Pension Plan, or would reasonably expect to incur a liability or obligation to such Pension Plan, in excess of $5,000,000, or (ii) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA in an amount in excess of $5,000,000.

SECTION 8.1.8. Change in Control. Any Change in Control shall occur.

SECTION 8.1.9. Bankruptcy, Insolvency, etc. The Borrower or any of its Restricted Subsidiaries (other than Subsidiaries that are not Material Subsidiaries) or any other Obligor shall

(a) become insolvent or generally fail to pay, or admit in writing its inability to pay, debts as they become due;

(b) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, sequestrator or other custodian for the Borrower or any of its Restricted Subsidiaries (other than Subsidiaries that are not Material Subsidiaries) or any other Obligor or any material property of any thereof, or make a general assignment for the benefit of creditors;

(c) in the absence of such application, consent, acquiescence or assignment, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Borrower or any of its Restricted Subsidiaries (other than Subsidiaries that are not Material Subsidiaries) or any other Obligor or for a substantial part of the property of any thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within 60 days, provided that the Borrower, each such Restricted Subsidiary and each other Obligor hereby expressly authorizes the Agents, the Issuers

and each Lender to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend their rights under the Loan Documents;

(d) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Borrower or any of its Restricted Subsidiaries (other than Subsidiaries that are not Material Subsidiaries) or any other Obligor, and, if any such case or proceeding is not commenced by the Borrower or such Restricted Subsidiary or such other Obligor, such case or proceeding shall be consented to or acquiesced in by the Borrower or such Restricted Subsidiary or such other Obligor or shall result in the entry of an order for relief or shall remain for 60 days undismissed, provided that the Borrower, such Restricted Subsidiary and each other Obligor hereby expressly authorizes the Agents, the Issuers and each Lender to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend their rights under the Loan Documents; or

(e) take any action (corporate or otherwise) authorizing, or in furtherance of, any of the foregoing.

SECTION 8.1.10. Impairment of Security, etc. Any Loan Document, or any Lien granted thereunder, shall (except in accordance with its terms or pursuant to an agreement of the parties thereto), in whole or in part, terminate, cease to be in full force and effect or cease to be the legally valid, binding and enforceable obligation of any Obligor party thereto; the Borrower or any other Obligor shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability thereof; or any Lien securing any Obligation shall, in whole or in part, cease to be a perfected first priority Lien, subject only to those exceptions expressly permitted by the Loan Documents, except to the extent any event referred to above (a) relates to assets of the Borrower or any of its Restricted Subsidiaries which are immaterial, (b) results from the failure of the Administrative Agent to maintain possession of certificates representing securities pledged under any Pledge Agreement or to file continuation statements under the UCC of any applicable jurisdiction or (c) is covered by a lender's title insurance policy and the relevant insurer promptly after the occurrence thereof shall have acknowledged in writing that the same is covered by such title insurance policy.

SECTION 8.1.11. Subordinated Notes. The subordination provisions relating to the Senior Subordinated Notes or any other subordinated debt of the Borrower or any of its Restricted Subsidiaries (the "Subordination Provisions") shall fail to be enforceable by the Lenders (which have not effectively waived the benefits thereof) in accordance with the terms thereof, or the principal or interest on any Loan, Reimbursement Obligation or other Obligations shall fail to constitute "Senior Indebtedness" (as defined in any Senior Subordinated Note) or "senior indebtedness" (or any other similar term) under any document instrument or agreement

evidencing any such other subordinated debt; or the Borrower or any of its Subsidiaries shall, directly or indirectly, disavow or contest in any manner (i) the effectiveness, validity or enforceability of any of the Subordination Provisions, or (ii) that any of such Subordination Provisions exist for the benefit of the Agents and the Lenders.

SECTION 8.2. Action if Bankruptcy, etc. If any Event of Default described in clauses (b), (c) and (d) of Section 8.1.9 shall occur with respect to any Obligor (other than Subsidiaries that are not Material Subsidiaries), the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all outstanding Loans and all other Obligations (including Reimbursement Obligations) shall automatically be and become immediately due and payable, without notice or demand and the Borrower shall automatically and immediately be obligated to deposit with the Administrative Agent cash collateral in an amount equal to all Letter of Credit Outstandings.

SECTION 8.3. Action if Other Event of Default. If any Event of Default (other than an Event of Default described in clauses (b), (c) and (d) of Section 8.1.9 with respect to any Obligor (other than Subsidiaries that are not Material Subsidiaries)) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Administrative Agent, upon the direction of the Required Lenders, shall by notice to the Borrower declare all or any portion of the outstanding principal amount of the Loans and other Obligations (including Reimbursement Obligations) to be due and payable, require the Borrower to provide cash collateral to be deposited with the Administrative Agent in an amount equal to the undrawn amount of all Letters of Credit outstanding and/or declare the Commitments (if not theretofore terminated) to be terminated, whereupon the full unpaid amount of such Loans and other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, the Commitments shall terminate and the Borrower shall deposit with the Administrative Agent cash collateral in an amount equal to all Letters of Credit Outstandings.

ARTICLE IX

THE AGENTS

SECTION 9.1. Actions. Each Lender hereby appoints DLJ as its Syndication Agent and UBOC as its Administrative Agent under and for purposes of this Agreement and each other Loan Document. Each Lender authorizes the Agents to act on behalf of such Lender under this Agreement and each other Loan Document and, in the absence of other written instructions from the Required Lenders received from time to time by the Agents (with respect to which each of the Agents agrees that it will comply, except as otherwise provided in this Section or as otherwise advised by counsel), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Agents by the terms hereof and thereof, together with

such powers as may be reasonably incidental thereto. Each Lender hereby indemnifies (which indemnity shall survive any termination of this Agreement) the Agents, ratably in accordance with their respective Term Loans outstanding and Commitments (or, if no Term Loans or Commitments are at the time outstanding and in effect, then ratably in accordance with the principal amount of Term Loans held by such Lender and their respective Commitments as in effect in each case on the date of the termination of this Agreement), from and against any and all liabilities, obligations, losses, damages, claims, costs or expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against, either of the Agents in any way relating to or arising out of this Agreement and any other Loan Document, including reasonable attorneys' fees, and as to which any Agent is not reimbursed by the Borrower or any other Obligor (and without limiting the obligation of the Borrower or any other Obligor to do so); provided, however, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, claims, costs or expenses which are determined by a court of competent jurisdiction in a final proceeding to have resulted solely from such Agent's gross negligence or willful misconduct. The Agents shall not be required to take any action hereunder or under any other Loan Document, or to prosecute or defend any suit in respect of this Agreement or any other Loan Document, unless it is indemnified hereunder to its satisfaction. If any indemnity in favor of either of the Agents shall be or become, in such Agent's determination, inadequate, such Agent may call for additional indemnification from the Lenders and cease to do the acts indemnified against hereunder until such additional indemnity is given. The Borrower and the Lenders agree that the Administrative Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which such Agent is entitled under Articles IX and X.

SECTION 9.2. Funding Reliance, etc. Unless the Administrative Agent shall have been notified by telephone, confirmed in writing, by any Lender by 1:00 p.m., Los Angeles time, on the Business day prior to a Borrowing or disbursement with respect to a Letter of Credit pursuant to Section 2.6.2 that such Lender will not make available the amount which would constitute its Percentage of such Borrowing on the date specified therefor, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent and, in reliance upon such assumption, make available to the Borrower a corresponding amount. If and to the extent that such Lender shall not have made such amount available to the Administrative Agent, such Lender severally agrees and the Borrower agrees to repay the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date the Administrative Agent made such amount available to the Borrower to the date such amount is repaid to the Administrative Agent, at the interest rate applicable at the time to Loans comprising such Borrowing.

SECTION 9.3. Exculpation; Notice of Default. (a) None of the Agents or the Lead Arranger nor any of their respective directors, officers, employees or agents shall be liable to any

Lender for any action taken or omitted to be taken by it under this Agreement or any other Loan Document, or in connection herewith or therewith, except for its own willful misconduct or gross negligence, nor responsible for any recitals or warranties herein or therein, nor for the effectiveness, enforceability, validity or due execution of this Agreement or any other Loan Document, nor for the creation, perfection or priority of any Liens purported to be created by any of the Loan Documents, or the validity, genuineness, enforceability, existence, value or sufficiency of any collateral security, nor to make any inquiry respecting the performance by the Borrower of its obligations hereunder or under any other Loan Document. Any such inquiry which may be made by any Agent or any Issuer shall not obligate it to make any further inquiry or to take any action. The Agents and each Issuer shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which the Agents or the Issuers, as applicable, believe to be genuine and to have been presented by a proper Person.

(b) No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless such Agent has received written notice from (A) in the case of the Administrative Agent, a Lender or the Borrower referring to this Agreement describing such Default or Event of Default and stating that such notice is a "notice of default" and (B) in the case of the Syndication Agent, from the Administrative Agent as set forth in the immediately following sentence. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Syndication Agent and the Lenders.

SECTION 9.4. Successor. The Syndication Agent may resign as such upon one Business Day's notice to the Borrower and the Administrative Agent. The Administrative Agent may resign as such at any time upon at least 30 days' prior notice to the Borrower and all Lenders. If the Administrative Agent at any time shall resign, the Required Lenders may, with the prior consent of the Borrower (which consent shall not be unreasonably withheld), appoint another Lender as a successor Administrative Agent which shall thereupon become the Administrative Agent hereunder. 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 notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be one of the Lenders or a commercial banking institution organized under the laws of the United States or a United States branch or agency of a commercial banking institution, and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall be entitled to receive from the retiring Administrative Agent such documents of transfer and assignment as such successor Administrative Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring

Administrative Agent's resignation hereunder as the Administrative Agent, the provisions of (i) this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement, and (ii) Section 10.3 and Section 10.4 shall continue to inure to its benefit.

SECTION 9.5. Credit Extensions by each Agent. Each Agent and each Issuer shall have the same rights and powers with respect to (x) (i) in the case of an Agent, the Credit Extensions made by it or any of its Affiliates and (ii) in the case of an Issuer, the Loans made by it or any of its Affiliates, and (y) the Notes held by it or any of its Affiliates as any other Lender and may exercise the same as if it were not an Agent or Issuer. Each Agent, each Issuer and each of their respective Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if such Agent or Issuer were not an Agent or Issuer hereunder.

SECTION 9.6. Credit Decisions. Each Lender acknowledges that it has, independently of each Agent, the Lead Arranger, each Issuer and each other Lender, and based on such Lender's review of the financial information of the Borrower, this Agreement, the other Loan Documents (the terms and provisions of which being satisfactory to such Lender) and such other documents, information and investigations as such Lender has deemed appropriate, made its own credit decision to extend its Commitments. Each Lender also acknowledges that it will, independently of each Agent, the Lead Arranger, each Issuer and each other Lender, and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any other Loan Document.

SECTION 9.7. Copies, etc. The Administrative Agent shall give prompt notice to each Lender of each notice or request required or permitted to be given to the Administrative Agent by the Borrower pursuant to the terms of this Agreement (unless concurrently delivered to the Lenders by the Borrower). The Administrative Agent will distribute to each Lender each document or instrument received for such Lender's account and copies of all other communications received by the Administrative Agent from the Borrower for distribution to the Lenders by the Administrative Agent in accordance with the terms of this Agreement.

SECTION 9.8. The Syndication Agent and the Administrative Agent. Notwithstanding anything else to the contrary contained in this Agreement or any other Loan Document, the Agents, in their respective capacities as such, each in such capacity, shall have no duties or responsibilities under this Agreement or any other Loan Document nor any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against either Agent, as applicable, in such capacity except as are explicitly set forth herein or in the other Loan Documents.

SECTION 9.9. Documentation Agent. The Lender identified on the signature pages of this Agreement as the "Documentation Agent" shall not have any right, power, obligation, liability, responsibility or duty under this Agreement (or any other Loan Document) other than those applicable to all Lenders as such. Without limiting the foregoing, the Lender so identified as the "Documentation Agent" shall not have or be deemed to have any fiduciary relationship with any other Lender. Each Lender acknowledges that it has not relied, and will not rely, on the Lender so identified as the "Documentation Agent" in deciding to enter into this Agreement and each other Loan Document to which it is a party or in taking or not taking action hereunder or thereunder.

ARTICLE X

MISCELLANEOUS PROVISIONS

SECTION 10.1. Waivers, Amendments, etc. The provisions of this Agreement and of each other Loan Document may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by the Borrower and each Obligor party thereto and by the Required Lenders; provided, however, that any such amendment, modification or waiver of the type set forth below shall require the consent of the Person or Persons described below for such amendment, modification or waiver:

(a) Unless consented to by each Lender, no such amendment, modification or waiver shall be effective if it would modify any requirement hereunder that any particular action be taken by all the Lenders, all the Lenders with respect to any Tranche of Loans or Commitments or by the Required Lenders, release Holdco from its obligations under the Holdco Guaranty and Pledge Agreement, release any Subsidiary Guarantor that is a Material Subsidiary from its obligations under the Subsidiary Guaranty (except as otherwise provided in the Subsidiary Guaranty), if any, or release all or substantially all of the collateral security (except in each case as otherwise specifically provided in this Agreement, any such Subsidiary Guaranty or a Pledge Agreement).

(b) Unless consented to by each Lender adversely affected thereby, no such amendment, modification or waiver shall be effective if it would modify this Section 10.1, or clause (i) of Section 10.10, change the definition of "Required Lenders", increase any Commitment Amount or the Percentage of any Lender (other than pursuant to clause (c) of Section 2.1.2), reduce any fees described in Section 3.3 (other than the administration fee referred to in Section 3.3.2) or extend any Commitment Termination Date.

(c) No such amendment, modification or waiver shall be effective if it would extend the Stated Maturity Date for any Loan or reduce the principal amount of or rate of

interest on or fees payable in respect of any Loan or any Reimbursement Obligations (which shall in each case include the conversion of all or any part of the Obligations into equity of any Obligor), unless such amendment, modification or waiver shall have been consented to by the Lender which has made such Loan or, in the case of a Reimbursement Obligation, the Issuer owed, and those Lenders participating in, such Reimbursement Obligation.

(d) No such amendment, modification or waiver shall be effective if it would affect adversely the interests, rights or obligations of any Agent, Issuer or Lead Arranger (in its capacity as Agent, Issuer or Lead Arranger), unless such amendment, modification or waiver shall have been consented to by such Agent, Issuer or Lead Arranger, as the case may be.

(e) No such amendment, modification or waiver shall be effective if it would have the effect (either immediately or at some later time) of enabling the Borrower to satisfy a condition precedent to the making of a Revolving Loan or the issuance of a Letter of Credit unless such amendment, modification or waiver shall have been consented to by the holders of at least 51% of the Revolving Loan Commitments.

(f) No such amendment, modification or waiver shall be effective if it would amend, modify or waive the provisions of clause (a)(i) of Section 3.1.1 or clause (b) of Section 3.1.2 or effect any amendment, modification or waiver that by its terms adversely affects the rights of Lenders participating in any Tranche differently from those of Lenders participating in other Tranches, unless such amendment, modification or waiver shall have been consented to by the holders of at least 51% of the aggregate amount of Loans outstanding under the Tranche or Tranches affected by such modification, or, in the case of a modification affecting the Revolving Loan Commitments, the Lenders holding at least 51% of the Revolving Loan Commitments.

No failure or delay on the part of any Agent, any Issuer, any Lender or any other Secured Party in exercising any power or right under this Agreement or any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on the Borrower in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by any Agent, any Issuer or any Lender under this Agreement or any other Loan Document shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

For purposes of this Section 10.1, the Syndication Agent, in coordination with the Administrative Agent, shall have primary responsibility, together with the Borrower, in the negotiation, preparation and documentation relating to any amendment, modification or waiver

under this Agreement, any other Loan Document or any other agreement or document related hereto or thereto contemplated pursuant to this Section.

SECTION 10.2. Notices. All notices and other communications provided to any party under this Agreement or any other Loan Document shall be in writing or by facsimile and addressed, delivered or transmitted to such party (a) in the case of any Lender by any party other than the Administrative Agent, to such Lender in care of the Administrative Agent at its address or facsimile number set forth on its signature page hereto or on Schedule II hereto (and the Administrative Agent shall promptly forward such notice to the address or facsimile number of such Lender set forth on such Lender's signature page hereto or on Schedule II hereto or in the Lender Assignment Agreement pursuant to which such Lender became a Lender hereunder), (b) in the case of any Lender by the Administrative Agent, to such Lender at its address or facsimile number set forth on its signature page hereto or in the Lender Assignment Agreement pursuant to which it became a party hereto, (c) in the case of any Agent, at its address or facsimile number set forth below its signature hereto, and (d) in the case of the Borrower, to its address or facsimile number set forth on its signature page hereto, or, in any case, at such address or facsimile number as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; any notice, if transmitted by facsimile, shall be deemed given when transmitted (receipt acknowledged).

SECTION 10.3. Payment of Costs and Expenses. The Borrower agrees to pay on demand all reasonable expenses of each of the Agents (including the reasonable fees and out-of-pocket expenses of counsel to the Agents and of local or foreign counsel, if any, who may be retained by counsel to the Agents) in connection with

(a) the syndication by the Syndication Agent and the Lead Arranger of the Loans, the negotiation, preparation, execution and delivery of this Agreement and of each other Loan Document, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to this Agreement or any other Loan Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby are consummated;

(b) the filing, recording, refiling or rerecording of each Mortgage and each Pledge Agreement and/or any UCC financing statements relating thereto and all amendments, supplements and modifications to any thereof and any and all other documents or instruments of further assurance required to be filed or recorded or refiled or rerecorded by the terms hereof or of such Mortgage or Pledge Agreement; and

(c) the preparation and review of the form of any document or instrument relevant to this Agreement or any other Loan Document.

The Borrower further agrees to pay, and to save the Agents, the Issuers and the Lenders harmless from all liability for, any stamp or other similar taxes which may be payable in connection with the execution or delivery of this Agreement, the Credit Extensions made hereunder or the issuance of any Notes or Letters of Credit or any other Loan Documents. The Borrower also agrees to reimburse each Agent, each Issuer and each Lender upon demand for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and legal expenses) incurred by such Agent, such Issuer or such Lender in connection with (x) the negotiation of any restructuring or "work-out", whether or not consummated, of any Obligations and (y) the enforcement of any Obligations.

SECTION 10.4. Indemnification. In consideration of the execution and delivery of this Agreement by each Lender and the extension of the Commitments, the Borrower hereby, to the fullest extent permitted under applicable law, indemnifies, exonerates and holds each Agent, each Issuer, the Lead Arranger and each Lender and each of their respective Affiliates, and each of their respective partners, officers, directors, employees and agents, and each other Person controlling any of the foregoing within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties"), free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses actually incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to

(a) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Credit Extension;

(b) the entering into and performance of this Agreement and any other Loan Document by any of the Indemnified Parties (excluding any successful action brought by or on behalf of the Borrower as the result of any failure by any Lender to make any Credit Extension hereunder);

(c) any investigation, litigation or proceeding related to any acquisition or proposed acquisition by the Borrower or any of its Subsidiaries of all or any portion of the Capital Stock or assets of any Person, whether or not such Agent, such Issuer, such Lead Arranger or such Lender is party thereto;

(d) any alleged or actual investigation, litigation or proceeding related to any environmental cleanup, audit or noncompliance with or liability under any Environmental Law relating to the use, ownership or operation by Holdco, the Borrower or any of their respective Subsidiaries of any Hazardous Material; or

(e) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, any real property owned or operated by Holdco, the Borrower or any Subsidiary thereof of any Hazardous Material present on or under such property in a manner giving rise to liability at or prior to the time Holdco, the Borrower or such Subsidiary owned or operated such property (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of, Holdco, the Borrower or such Subsidiary,

except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the relevant Indemnified Party's gross negligence or willful misconduct or any Hazardous Materials that are manufactured, emitted, generated, treated, released, stored or disposed of on any real property of the Borrower or any of its Subsidiaries or any violation of Environmental Law that occurs on or with respect to any real property of the Borrower or any of its Subsidiaries to the extent occurring after such real property is transferred to any Indemnified Person or its successor by foreclosure sale, deed in lieu of foreclosure, or similar transfer, except to the extent such manufacture, emission, release, generation, treatment, storage or disposal or violation is actually caused by Holdco, the Borrower or any of the Borrower's Subsidiaries. The Borrower and its permitted successors and assigns hereby waive, release and agree not to make any claim, or bring any cost recovery action against, any Agent, any Issuer, the Lead Arranger or any Lender under CERCLA or any state equivalent, or any similar law now existing or hereafter enacted, except to the extent arising out of the gross negligence or willful misconduct of any Indemnified Party or arising out of any Hazardous Materials that are manufactured, emitted, generated, treated, released, stored or disposed of on any real property of the Borrower or any of its Subsidiaries or any violation of Environmental Law that occurs on or with respect to any real property of the Borrower or any of its Subsidiaries to the extent occurring after such real property is transferred to any Indemnified Person or its successor by foreclosure sale, deed in lieu of foreclosure, or similar transfer. It is expressly understood and agreed that to the extent that any Indemnified Party is strictly liable under any Environmental Laws, the Borrower's obligation to such Indemnified Party under this indemnity shall likewise be without regard to fault on the part of the Borrower, to the extent permitted under applicable law, with respect to the violation or condition which results in liability of such Indemnified Party. Notwithstanding anything to the contrary herein, each Agent, each Issuer, the Lead Arranger and each Lender shall be responsible with respect to any Hazardous Materials that are manufactured, emitted, generated, treated, released, stored or disposed of on any real property of the Borrower or any of its Subsidiaries or any violation of Environmental Law that occurs on or with respect to any such real property to the extent it occurs after such real property is transferred to any Agent, Issuer, Lead Arranger or Lender to its successor by foreclosure sale, deed in lieu of foreclosure, or similar transfer, except to the extent such manufacture, emission, release, generation, treatment, storage or disposal or violation is actually caused by Holdco, the Borrower or any of the Borrower's Subsidiaries. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the

Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

SECTION 10.5. Survival. The obligations of the Borrower under Sections 4.3, 4.4, 4.5, 4.6, 10.3 and 10.4, and the obligations of the Lenders under Sections 4.8 and 9.1, shall in each case survive any termination of this Agreement, the payment in full of all Obligations and the termination of all Commitments. The representations and warranties made by the Borrower and each other Obligor in this Agreement and in each other Loan Document shall survive the execution and delivery of this Agreement and each such other Loan Document.

SECTION 10.6. Severability. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or such Loan Document or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.7. Headings. The various headings of this Agreement and of each other Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or such other Loan Document or any provisions hereof or thereof.

SECTION 10.8. Execution in Counterparts, Effectiveness, etc. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 10.9. Governing Law; Entire Agreement. THIS AGREEMENT, ANY NOTES AND, EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED THEREIN, EACH OTHER LOAN DOCUMENT SHALL EACH BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK. This Agreement and the other Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto. Upon the execution and delivery of this Agreement by the parties hereto, all obligations and liabilities of DLJ Merchant Banking II, Inc. under or relating or with respect to the Commitment Letter shall be terminated and of no further force or effect.

SECTION 10.10. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that (i) the Borrower may not assign or transfer its rights or obligations hereunder without the prior written consent of each of the Agents and all Lenders, and (ii) the rights of sale, assignment and transfer of the Lenders are subject to Section 10.11.

SECTION 10.11. Sale and Transfer of Loans and Notes; Participations in Loans and Notes. Each Lender may assign, or sell participations in, its Loans and Commitments to one or more other Persons, on a non pro rata basis (except as provided below), in accordance with this Section 10.11.

SECTION 10.11.1. Assignments. Any Lender (the "Assignor Lender"),

(a) with the written consents of the Borrower, the Agents and (in the case of any assignment of participations in Letters of Credit or Revolving Loan Commitments) the Issuers (which consents (i) shall not be unreasonably delayed or withheld, (ii) of the Borrower shall not be required upon the occurrence and during the continuance of any Event of Default and (iii) of the Agents and the Issuers shall not be required in the case of assignments made by DLJ or any of its Affiliates), may at any time assign and delegate to one or more commercial banks, funds that are regularly engaged in making, purchasing or investing in loans or securities, or other financial institutions, and

(b) with notice to the Borrower, the Agents, and (in the case of any assignment of participations in Letters of Credit or Revolving Loan Commitments) the Issuers, but without the consent of the Borrower, the Agents or the Issuers, may assign and delegate to any of its Affiliates or Related Funds or to any other Lender or any Affiliate or Related Fund of any other Lender

(each Person described in either of the foregoing clauses as being the Person to whom such assignment and delegation is to be made, being hereinafter referred to as an "Assignee Lender"), all or any fraction of such Assignor Lender's Loans, participations in Letters of Credit and Letter of Credit Outstandings with respect thereto and Commitments (which assignment and delegation shall be, as among Revolving Loan Commitments, Revolving Loans and participations in Letters of Credit, of a constant, and not a varying, percentage) is in a minimum aggregate amount of (i) $2,000,000 (provided that (1) assignments that are made on the same day to funds that (x) invest in commercial loans and (y) are managed or advised by the same investment advisor or any Affiliate of such investment advisor may be treated as a single assignment for purposes of the minimum amount and (2) no minimum amount shall be required in the case of any assignment between two Lenders so long as the Assignor Lender has an aggregate amount of Loans and Commitments of at least $2,000,000 following such assignment) unless the Borrower and the Agents otherwise consent or (ii) the then remaining amount of such Assignor Lender's Loans and Commitments; provided, however, that any such Assignee Lender will comply, if applicable, with the provisions contained in Section 4.6 and the Borrower, each other Obligor and the Agents shall be entitled to continue to deal solely and directly with such Assignor Lender in connection with the interests so assigned and delegated to an Assignee Lender until

(c) written notice of such assignment and delegation, together with payment instructions, addresses and related information with respect to such Assignee Lender,

shall have been given to the Borrower and the Agents by such Assignor Lender and such Assignee Lender;

(d) such Assignee Lender shall have executed and delivered to the Borrower and the Agents a Lender Assignment Agreement, accepted by the Agents;

(e) the processing fees described below shall have been paid; and

(f) the Administrative Agent shall have registered such assignment and delegation in the Register pursuant to clause (b) of Section 2.7.

From and after the date that the Agents accept such Lender Assignment Agreement and such assignment and delegation is registered pursuant to clause (b) of Section 2.7, (x) the Assignee Lender thereunder shall be deemed automatically to have become a party hereto and to the extent that rights and obligations hereunder have been assigned and delegated to such Assignee Lender in connection with such Lender Assignment Agreement, shall have the rights and obligations of a Lender hereunder and under the other Loan Documents, and (y) the Assignor Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it in connection with such Lender Assignment Agreement, shall be released from its obligations hereunder and under the other Loan Documents. Any Assignor Lender that shall have previously requested and received any Note or Notes in respect of any Tranche to which any such assignment applies shall, upon the acceptance by the Administrative Agent of the applicable Lender Assignment Agreement, mark such Note or Notes "exchanged" and deliver them to the Borrower (against, if the Assignor Lender has retained Loans or Commitments with respect to the applicable Tranche and has requested replacement Notes pursuant to clause (b)(ii) of Section 2.7, its receipt from the Borrower of replacement Notes in the principal amount of the Loans and Commitments of the applicable Tranche retained by it). Such Assignor Lender or such Assignee Lender (unless the Assignor Lender or the Assignee Lender is DLJ or one of its Affiliates) must also pay a processing fee to the Administrative Agent upon delivery of any Lender Assignment Agreement in the amount of $2,500, unless such assignment and delegation is by a Lender to its Affiliate or Related Fund or if such assignment and delegation is by a Lender to a Federal Reserve Bank, as provided below or is otherwise consented to by the Administrative Agent. Any attempted assignment and delegation not made in accordance with this Section 10.11.1 shall be null and void. Nothing contained in this Section 10.11.1 shall prevent or prohibit any Lender from pledging its rights (but not its obligations to make Loans or participate in Letters of Credit of Letter of Credit Outstandings) under this Agreement and/or its Loans hereunder to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank and any Lender that is a fund that invests in bank loans may pledge all or any portion of its rights (but not its obligations to make Loans or participate in Letters of Credit or Letter of Credit Outstandings) hereunder to any trustee or any other representative of holders of obligations owed or securities issued by such fund as security for such obligations or securities. In the event that S&P, Moody's or Thompson's BankWatch (or InsuranceWatch Ratings Service, in the case of

Lenders that are insurance companies (or Best's Insurance Reports, if such insurance company is not rated by Insurance Watch Ratings Service)) shall, after the date that any Lender with a Commitment to make Revolving Loans or participate in Letters of Credit becomes a Lender, downgrade the long-term certificate of deposit rating or long-term senior unsecured debt rating of such Lender, and the resulting rating shall be below BBB-, Baa3 or C (or BB, in the case of Lender that is an insurance company (or B, in the case of an insurance company not rated by InsuranceWatch Ratings Service)) respectively, then the applicable Issuer or the Borrower shall have the right, but not the obligation, upon notice to such Lender and the Agents, to replace such Lender with an Assignee Lender in accordance with and subject to the restrictions contained in this Section, and such Lender hereby agrees to transfer and assign without recourse (in accordance with and subject to the restrictions contained in this Section) all its interests, rights and obligations in respect of its Revolving Loan Commitment under this Agreement to such Assignee Lender; provided, however, that (i) no such assignment shall conflict with any law, regulation or order of any governmental authority and (ii) such Assignee Lender shall pay to such Lender in immediately available funds on the date of such assignment the principal of and interest and fees (if any) accrued to the date of payment on the Loans made, and Letters of Credit participated in, by such Lender hereunder and all other amounts accrued for such Lender's account or owed to it hereunder.

SECTION 10.11.2. Participations. Any Lender may at any time sell to one or more commercial banks or other Persons (each such commercial bank and other Person being herein called a "Participant") participating interests in any of the Loans, Commitments, participations in Letters of Credit and Letters of Credit Outstandings or other interests of such Lender hereunder; provided, however, that

(a) no participation contemplated in this Section shall relieve such Lender from its Commitments or its other obligations hereunder or under any other Loan Document;

(b) such Lender shall remain solely responsible for the performance of its Commitments and such other obligations;

(c) the Borrower and each other Obligor and the Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents;

(d) no Participant, unless such Participant is an Affiliate of such Lender, or is itself a Lender, shall be entitled to require such Lender to take or refrain from taking any action hereunder or under any other Loan Document, except that such Lender may agree with any Participant that such Lender will not, without such Participant's consent, agree to (i) any reduction in the interest rate or amount of fees that such Participant is otherwise entitled to, (ii) a decrease in the principal amount, or an extension of the final Stated Maturity Date, of any Loan in which such Participant has purchased a participating

interest or (iii) a release of all or substantially all of the collateral security under the Loan Documents or any Material Subsidiary that is a Subsidiary Guarantor under the Subsidiary Guaranty, in each case except as otherwise specifically provided in a Loan Document; and

(e) the Borrower shall not be required to pay any amount under Sections 4.3, 4.4, 4.5, 4.6, 10.3 and 10.4 that is greater than the amount which it would have been required to pay had no participating interest been sold.

The Borrower acknowledges and agrees, subject to clause (e) above, that, to the fullest extent permitted under applicable law, each Participant, for purposes of Sections 4.3, 4.4, 4.5, 4.6, 4.8, 4.9, 10.3 and 10.4, shall be considered a Lender.

SECTION 10.12. Other Transactions. Nothing contained herein shall preclude any Agent or any other Lender from engaging in any transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Affiliates in which the Borrower or such Affiliate is not restricted hereby from engaging with any other Person.

SECTION 10.13. Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE AGENTS, THE LENDERS, THE ISSUERS OR THE BORROWER RELATING THERETO SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY (TO THE EXTENT PERMITTED UNDER APPLICABLE LAW) IN THE COURTS OF THE STATE OF NEW YORK, NEW YORK COUNTY, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE BORROWER HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. THE BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. THE BORROWER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE

FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE BORROWER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OF FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE BORROWER HEREBY IRREVOCABLY WAIVES (TO THE EXTENT PERMITTED UNDER APPLICABLE LAW) SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 10.14. Waiver of Jury Trial. THE AGENTS, THE ISSUERS, THE LENDERS AND THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE AGENTS, THE ISSUERS, THE LENDERS OR THE BORROWER RELATING THERETO. THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE AGENTS AND THE LENDERS ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER LOAN DOCUMENT.

SECTION 10.15. Confidentiality. The Agents, the Issuers, the Lead Arranger and the Lenders shall hold all non-public information obtained pursuant to or in connection with this Agreement or obtained by them based on a review of the books and records of the Borrower or any of its Subsidiaries in accordance with their customary procedures for handling confidential information of this nature, but may make disclosure to any of their examiners, Affiliates, Related Funds, investment advisors or Affiliates thereof, outside auditors, counsel and other professional advisors in connection with this Agreement or as reasonably required by any potential bona fide transferee, participant or assignee, or to any direct or indirect contractual counterparties in swap agreements or such contractual counterparties' professional advisors, or in connection with the exercise of remedies under a Loan Document, or as requested by any governmental or regulatory agency, any rating agency or the National Association of Insurance Commissioners, or representative of any thereof or pursuant to legal process; provided, however, that

(a) unless specifically prohibited by applicable law or court order, each Agent, each Issuer, the Lead Arranger and each Lender shall promptly notify the Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Agent, such Issuer, the Lead Arranger and such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information;

(b) prior to any such disclosure pursuant to this Section 10.15, each Agent, each Issuer, the Lead Arranger and each Lender shall require any such bona fide transferee, participant and assignee receiving a disclosure of non-public information to agree in writing

(i) to be bound by this Section 10.15; and

(ii) to require such Person to require any other Person to whom such Person discloses such non-public information to be similarly bound by this Section 10.15; and

(c) except as may be required by an order of a court of competent jurisdiction and to the extent set forth therein, no Lender shall be obligated or required to return any materials furnished by the Borrower or any Subsidiary.

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

CHARLES RIVER LABORATORIES, INC.

By:_____
Name:
Title:

251 Ballardvale Street
Wilmington, MA 01877-1096
Attention: Dennis R. Shaughnessy
Telecopier: (978) 694-9504

DLJ CAPITAL FUNDING, INC.,
as Syndication Agent and as a Lender

By:_____
Name:
Title:

277 Park Avenue
New York, NY 10172
Attention: James Paradise
Telecopier: (212) 892-7542

Commitment Percentages:

Percentage of Revolving Loans:

Percentage of Term-A Loans:

Percentage of Term-B Loans:

UNION BANK OF CALIFORNIA, N.A.,
as Administrative Agent and as a Lender

By:_____
Name:
Title:

445 South Figueroa Street
16th Floor
Los Angeles, CA 90071
Attention: Ronald Launsbach
Telecopier: (213) 629-5328

Commitment Percentages:

Percentage of Revolving Loans:

Percentage of Term-A Loans:

Percentage of Term-B Loans:

NATIONAL CITY BANK,
as Documentation Agent and as a Lender

By:_____
Name:
Title:

1900 East Ninth Street
Mail Locator 2077
Cleveland, OH 44114
Attention: Joseph Robison
Telecopier: (216) 222-0003

Commitment Percentages:

Percentage of Revolving Loans:

Percentage of Term-A Loans:

Percentage of Term-B Loans:

SCHEDULE I

DISCLOSURE SCHEDULE

ITEM 6.7 Litigation.

Description of Proceeding	Action or Claim Sought

ITEM 6.8 Existing Subsidiaries.

ITEM 6.11 Employee Benefit Plans.

ITEM 6.12 Environmental Matters.

ITEM 7.1.11 Intellectual Property.

ITEM 7.1.12 Mortgaged Properties.

ITEM 7.2.2(a) Ongoing Indebtedness.

ITEM 7.2.2 (b) Ongoing Liens.

ITEM 7.2.5(a) Ongoing Investments.

SCHEDULE II

Percentages and Administrative Information

Lender	Revolving Loan Commitment	Term-A Loan Commitment	Term-B Loan Commitment	Address for Notices (other than Notices relating to LIBO Rate Loans)	LIBOR Office
DLJ Capital Funding, Inc.	64.2857143%	64.2857143%	100%	277 Park Avenue New York, NY 10172 Attention: James Paradise Telephone: (212) 892-7740 Telecopier: (212) 892-7542	277 Park Avenue New York, NY 10172 Attention: James Paradise Telephone: (212) 892-7740 Telecopier: (212) 892-7542
Union Bank of California, N.A.	35.7142857%	35.7142857%	0%	445 South Figueroa St. Mail Code: 916-075 Los Angeles, CA 90071 Attention: Amelita Akim Telephone: (213) 236-5276 Telecopier: (213) 236-7544	445 South Figueroa St. Mail Code: 916-075 Los Angeles, CA 90071 Attention: Amelita Akim Telephone: (213) 236-5276 Telecopier: (213) 236-7544

EXHIBIT 10.4

CHARLES RIVER LABORATORIES, INC.

13 1/2% SENIOR SUBORDINATED NOTES DUE 2009

Guaranteed to the extent set forth herein by

SBI HOLDINGS, INC.
SIERRA BIOMEDICAL, INC.
SIERRA BIOMEDICAL SAN DIEGO, INC.

INDENTURE

Dated as of September 29, 1999

STATE STREET BANK AND TRUST COMPANY

TRUSTEE

CROSS-REFERENCE TABLE*

(a)(1)(B).....6.04
(a)(2).....N.A.
(b).....6.07
(c).....2.12
317 (a)(1).....6.08
(a)(2).....6.09
(b).....2.04
318 (a).....10.01
(b).....N.A.
(c).....10.01
N.A. means not applicable.
*This Cross-Reference Table is not part of the Indenture.

TABLE OF CONTENTS

INDENTURE dated as of September 29, 1999, by and among Charles River Laboratories, Inc., a Delaware corporation (the "Company"), the guarantors listed on the signature pages hereto and State Street Bank and Trust Company, as trustee (the "Trustee").

The Company, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 13 1/2% Senior Subordinated Notes due 2009 (the "Notes"). Interest on the Notes will accrue at the rate of 13.5% per year; provided that the rate at which interest accrues will increase to 14.0% per year on August 15, 2000 in the event that the Ratio of Consolidated Net Debt to Consolidated Cash Flow for the Company as of June 30, 2000 is equal to or greater than 5.00 to 1.

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

"144A Global Note" means the form of the Notes initially sold to QIBs.

"Accounts Receivable Subsidiary" means an Unrestricted Subsidiary of the Company to which the Company or any of its Restricted Subsidiaries sells any of its accounts receivable pursuant to a Receivables Facility.

"Acquired Indebtedness" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time that other Person is merged with or into or became a Subsidiary of that specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, that other Person merging with or into or becoming a Subsidiary of that specified Person; and

(2) Indebtedness secured by a Lien encumbering an asset acquired by that specified Person at the time that asset is acquired by that specified Person.

"Additional Notes" means Notes (other than the Initial Notes)issued under this Indenture in accordance with Sections 2.02 and 4.09 hereof, as part of the same series as the Initial Notes.

"Affiliate" of any specified Person means any other Person which, directly or indirectly, controls, is controlled by or is under direct or indirect common control with, that specified Person. For purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent" means any Registrar, Paying Agent or co-registrar.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Cedelbank that apply to such transfer or exchange.

"Asset Sale" means:

(1) the sale, lease, conveyance, disposition or other transfer (a "disposition") of any properties, assets or rights (including, without limitation, by way of a sale and leaseback); provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole will be governed by the provisions of Sections 4.14 and/or 5.01 and not by the provisions of Section 4.10; and

(2) the issuance, sale or transfer by the Company or any of its Restricted Subsidiaries of Equity Interests of any of the Company's Restricted Subsidiaries,

in the case of either clause (1) or (2), whether in a single transaction or a series of related transactions,

(a) that have a fair market value in excess of $5.0 million; or

(b) for net proceeds in excess of $5.0 million.

Notwithstanding the foregoing, the following items shall not be deemed to be Asset Sales:

(1) dispositions in the ordinary course of business;

(2) a disposition of assets by the Company to a Restricted Subsidiary or by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(3) a disposition of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(4) the sale and leaseback of any assets within 90 days of the acquisition thereof;

(5) foreclosures on assets;

(6) any exchange of like property pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, for use in a Permitted Business;

(7) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(8) a Permitted Investment or a Restricted Payment that is permitted by Section 4.07 hereof; and

(9) sales of accounts receivable, or participations therein, in connection with any Receivables Facility.

"Attributable Indebtedness" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in that sale and leaseback transaction, including any period for which that lease has been extended or may, at the option of the lessor, be extended.

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means the Board of Directors of the Company, or any authorized committee of the Board of Directors.

"Business Day" means any day other than a Legal Holiday.

"Capital Expenditure Indebtedness" means Indebtedness incurred by any Person to finance the purchase or construction or any property or assets acquired or constructed by that Person which have a useful life of more than one year so long as:

(1) the purchase or construction price for that property or assets is included in "addition to property, plant or equipment" in accordance with GAAP;

(2) the acquisition or construction of that property or assets is not part of any acquisition of a Person or line of business; and

(3) that Indebtedness is incurred within 90 days of the acquisition or completion of construction of that property or assets.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means;

(1) Government Securities;

(2) any certificate of deposit maturing not more than 365 days after the date of acquisition issued by, or demand deposit or time deposit of, an Eligible Institution or any lender under the New Credit Facility;

(3) commercial paper maturing not more than 365 days after the date of acquisition of an issuer (other than an Affiliate of the Company) with a rating, at the time as of which any investment therein is made, of "A-3" (or higher) according to S&P or "P-2" (or higher) according to Moody's or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of investments;

(4) any bankers acceptances of money market deposit accounts issued by an Eligible Institution;

(5) any fund investing exclusively in investments of the types described in clauses (1) through (4) above; and

(6) in the case of any Subsidiary organized or having its principal place of business outside the United States, investments denominated in the currency of the jurisdiction in which that Subsidiary is organized or has its principal place of business which are similar to the items specified in clauses (1) through (5) above, including without limitation any deposit with a bank that is a lender to any Restricted Subsidiary.

"Cedelbank" means Cedelbank, a limited liability company (a societe anonyme) organized under Luxembourg law.

"Change of Control" means the occurrence of any of the following:

(1) the sale, lease, transfer, conveyance or other disposition, other than by way of merger or consolidation, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any "person" or "group" (as those terms are used in Section 13(d) of the Exchange Act), other than the Principals and their Related Parties;

(2) the adoption of a plan for the liquidation or dissolution of the Company;

(3) the consummation of any transaction, including, without limitation, any merger or consolidation, the result of which is that any "person" or "group" (as those terms are used in Section 13(d) of the Exchange Act), other than the Principals and their Related Parties, becomes the "beneficial owner" (as that term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly through one or more intermediaries, of 50% or more of the voting power of the outstanding voting stock of the Company; or

(4) the first day on which a majority of the members of the board of directors of the Company are not Continuing Members.

"Commission" means the Securities and Exchange Commission.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of that Person and its Restricted Subsidiaries for that period plus, to the extent deducted in computing Consolidated Net Income,

(1) provision for taxes based on income or profits of that Person and its Restricted Subsidiaries for that period;

(2) Fixed Charges of that Person for that period;

(3) depreciation, amortization (including amortization of goodwill and other intangibles) and all other non-cash charges, but excluding any other non-cash charge to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization

of a prepaid cash expense that was paid in a prior period, of that Person and its Restricted Subsidiaries for that period;

(4) net periodic post-retirement benefits;

(5) other income or expense net as set forth on the face of that Person's statement of operations;

(6) expenses and charges of the Company related to the Transactions, including any purchase price adjustment or any other payments made pursuant to or as contemplated in the Transaction Agreements or any financial advisory agreements with Donaldson, Lufkin & Jenrette Securities Corporation and Transaction Financing, the New Credit Facility and the application of the proceeds thereof; and

(7) any non-capitalized transaction costs incurred in connection with actual, proposed or abandoned financings, acquisitions or divestitures, including, but not limited to, financing and refinancing fees and costs incurred in connection with the Transactions and Transaction Financing,

in each case, on a consolidated basis and determined in accordance with GAAP. Notwithstanding the foregoing, the provision for taxes based on the income or profile of, the Fixed Charges of, and the depreciation and amortization and other non-cash charges of, a Restricted Subsidiary of a Person shall be added to Consolidated Net Income to compute Consolidated Cash Flow only to the extent (and in the same proportion) that Net Income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum of, without duplication,

(1) the interest expense of that Person and its Restricted Subsidiaries for that period, on a consolidated basis, determined in accordance with GAAP, including amortization of original issue discount, non-cash interest payments, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Indebtedness, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments, if any, pursuant to Hedging Obligations; provided that in no event shall any amortization of deferred financing costs be included in Consolidated Interest Expense; and

(2) the consolidated capitalized interest of that Person and its Restricted Subsidiaries for that period, whether paid or accrued; provided, however, that Receivables Fees shall be deemed not to constitute Consolidated Interest Expense.

Notwithstanding the foregoing, the Consolidated Interest Expense with respect to any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary shall be included only to the extent and in the same proportion that the net income of that Restricted Subsidiary was included in calculating Consolidated Net Income.

"Consolidated Net Debt" means, with respect to any Person as of any date of determination, the aggregate principal amount of Indebtedness for borrowed money of such Person and its Restricted

Subsidiaries as of such date, less the aggregate amount of cash and Cash Equivalents of such Person and its Restricted Subsidiaries, in each case determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of that Person and its Restricted Subsidiaries for that period, on a consolidated basis, determined in accordance with GAAP; provided that

(1) the Net Income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Restricted Subsidiary thereof;

(2) the Net Income (or loss) of any Restricted Subsidiary other than a Subsidiary organized or having its principal place of business outside the United States shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income (or loss) is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary;

(3) the Net Income (or loss) of any Person acquired in a pooling of interests transaction for any period prior to the date of that acquisition shall be excluded; and

(4) the cumulative effect of a change in accounting principles shall be excluded.

Continuing Members" means, as of any date of determination, any member of the Board of Directors who:

(1) was a member of Board of Directors immediately after consummation of the Recapitalization and the Recapitalization Financing; or

(2) was nominated for election or elected to the Board of Directors with the approval of, or whose election to the Board of Directors was ratified by, at least a majority of the Continuing Members who were members of the Board of Directors at the time of that nomination or election.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 hereof or such other address as to which the Trustee may give notice to the Company.

"Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"Default" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, in the form of Exhibit A-1 hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means The Depository Trust Company.

"Designated Noncash Consideration" means the fair market value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of that valuation, executed by the principal executive officer and the principal financial officer of the Company, less the amount of cash or Cash Equivalents received in connection with a sale of that Designated Noncash Consideration.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable), or upon the happening of any event (other than any event solely within the control of the issuer thereof), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, is exchangeable for Indebtedness (except to the extent exchangeable at the option of that Person subject to the terms of any debt instrument to which that Person is a party) or redeemable at the option of the Holder thereof, in whole or in part, on or prior to the date on which the Notes mature; provided that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase that Capital Stock upon the occurrence of a Change of Control or an Asset Sale shall not constitute Disqualified Stock if the terms of that Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to those provisions unless that repurchase or redemption complies with Section 4.07 hereof; and provided further that, if that Capital Stock is issued to any plan for the benefit of employees of the Company or its Subsidiaries or by any such plan to those employees, that Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company in order to satisfy applicable statutory or regulatory obligations.

"DLJ Merchant Banking Funds" means DLJ Merchant Banking Partners II, L.P. and its Affiliates.

"Domestic Subsidiary" means a Subsidiary that is organized under the laws of the United States or any State, district or territory thereof.

"Eligible Institution" means a commercial banking institution that has combined capital and surplus not less than $100.0 million or its equivalent in foreign currency, whose short-term debt is rated "A-3" or higher according to Standard & Poor's Ratings Group ("S&P") or "P-2" or higher according to Moody's Investor Services, Inc. ("Moody's") or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of investments.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

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

"Exchange Notes" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f) hereof.

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Existing Indebtedness" means Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness under the New Credit Facility) in existence on the date of this Indenture, until those amounts are repaid.

"Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of,

(1) the Consolidated Interest Expense of that Person for that period; and

(2) all dividend payments on any series of preferred stock of that Person (other than dividends payable solely in Equity Interests that are not Disqualified Stock),

in each case, on a consolidated basis and in accordance with GAAP.

Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of the Consolidated Cash Flow of that Person for that period (exclusive of amounts attributable to discontinued operations, as determined in accordance with GAAP, or operations and businesses disposed of prior to the Calculation Date) to the Fixed Charges of that Person for that period (exclusive of amounts attributable to discontinued operations, as determined in accordance with GAAP, or operations and businesses disposed of prior to the Calculation Date).

In the event that the referent Person or any of its Subsidiaries incurs, assumes, guarantees or redeems any Indebtedness (other than revolving credit borrowings) or issues or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to that incurrence, assumption, guarantee or redemption of Indebtedness, or that issuance or redemption of preferred stock and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of making the computation referred to above, the Recapitalization and acquisitions that have been made by the Company or any of its Subsidiaries, including all mergers or consolidations and any related financing transactions, during the four-quarter reference period or subsequent to that reference period and on or prior to the Calculation Date shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for that reference period shall be calculated to include the Consolidated Cash Flow of the acquired entities on a pro forma basis after giving effect to cost savings reasonably expected to be realized in connection with that acquisition, as determined in good faith by an officer of the Company (regardless of whether those cost savings could then be reflected in pro forma financial statements under GAAP, Regulation S-X promulgated by the Commission or any other regulation or policy of the Commission) and without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income.

"Foreign Credit Facilities" means any Indebtedness of a Restricted Subsidiary organized or having its principal place of business outside the United States. Indebtedness under the Foreign Credit Facilities outstanding on the date on which the Notes are first issued and authenticated under this Indenture shall be deemed to have been incurred on that date in reliance on the first paragraph of Section 4.09 hereof.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such

other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, in the form of Exhibit A hereto issued in accordance with Section 2.01, 2.06(b)(iv), 2.06(d)(ii) or 2.06(f) hereof.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit or reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Guarantors" means (i) each Restricted Subsidiary of the Company on the date of this Indenture that is a Domestic Subsidiary and (ii) any other Subsidiary that executes a Note Guarantee in accordance with the provisions of this Indenture.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (a) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements and (b) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Holder" means a Person in whose name a Note is registered.

"Indebtedness" means, with respect to any Person, any indebtedness of that Person in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense, trade payable or customer contract advances, if and to the extent any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of that Person prepared in accordance with GAAP, as well as all Indebtedness of others secured by a Lien on any asset of that Person (whether or not that Indebtedness is assumed by that Person) and, to the extent not otherwise included, the guarantee by that Person of any Indebtedness of any other Person, provided that Indebtedness shall not include the pledge by the Company of the Capital Stock of an Unrestricted Subsidiary of the Company to secure Non-Recourse Debt of that Unrestricted Subsidiary.

The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value thereof, (together with any interest thereon that is more than 30 days past due), in the case of any Indebtedness that does not require current payments of interest; and

(2) the principal amount thereof (together with any interest thereon that is more than 30 days past due), in the case of any other Indebtedness provided that the principal amount of any Indebtedness that is denominated in any currency other than United States dollars shall be the amount thereof, as determined pursuant to the foregoing provision, converted into

United States dollars at the Spot Rate in effect on the date that Indebtedness was incurred or, if that indebtedness was incurred prior to the date of this Indenture, the Spot Rate in effect on the date of this Indenture.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Notes" means the first $150,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who are not also QIBs.

"Investments" means, with respect to any Person, all investments by that Person in other Persons, including Affiliates, in the forms of direct or indirect loans (including guarantees by the referent Person of, and Liens on any assets of the referent Person securing, Indebtedness or other obligations of other Persons), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP, provided that an investment by the Company for consideration consisting of common equity securities of the Company shall not be deemed to be an Investment other than for purposes of clause (3) of the definition of "Qualified Proceeds."

If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, that Person is no longer a Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of that Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or the city in which the principal corporate trust office of the Trustee is located, or at a place of payment, are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of that asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Liquidated Damages" means all liquidated damages then owing pursuant to Section 5 of the Registration Rights Agreement.

"Management Loans" means one or more loans by the Company or Parent to officers and/or directors of the Company and any of its Restricted Subsidiaries to finance the purchase by such officers and directors of common stock of Parent or the Company or membership interests in CRL Acquisition LLC; provided that the aggregate principal amount of all such Management Loans outstanding at any time shall not exceed $1.5 million.

"Net Income" means, with respect to any Person, the net income (loss) of that Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on that gain (or loss), realized in connection with:

(a) any Asset Sale, including, without limitation, dispositions pursuant to sale and leaseback transactions; or

(b) the extinguishment of any Indebtedness of that Person or any of its Restricted Subsidiaries; and

(2) any extraordinary or nonrecurring gain (or loss), together with any related provision for taxes on that extraordinary or nonrecurring gain (or loss).

"Net Proceeds" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of, without duplication,

(1) the direct costs relating to that Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, recording fees, title transfer fees and appraiser fees and cost of preparation of assets for sale, and any relocation expenses incurred as a result thereof;

(2) taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements);

(3) amounts required to be applied to the repayment of Indebtedness (other than revolving credit Indebtedness incurred pursuant to the New Credit Facility) secured by a Lien on the asset or assets that were the subject of that Asset Sale; and

(4) any reserve established in accordance with GAAP or any amount placed in escrow, in either case for adjustment in respect of the sale price of such asset or assets until such time as that reserve is reversed or that escrow arrangement is terminated, in which case Net Proceeds shall include only the amount of the reserve so reversed or the amount returned to the Company or its Restricted Subsidiaries from that escrow arrangement, as the case may be.

"New Credit Facility" means that certain Credit Agreement, dated as of September 29, 1999 among the Company, certain subsidiaries of the Company from time to time party thereto as guarantors, various financial institutions party thereto, and DLJ Capital Funding, Inc., as syndication agent and administrative agent, including any related notes, guarantees, letters of credit collateral documents, rate

protection or hedging arrangement, instruments and agreements executed in connection therewith, and, in each case, as amended, modified, renewed, refunded, replaced or refinanced from time to time, including any agreement:

(1) extending or shortening the maturity of any Indebtedness incurred thereunder or contemplated thereby;

(2) adding or deleting borrowers or guarantors thereunder;

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder, provided that on the date that Indebtedness is incurred it would not be prohibited by clause (i) of Section 4.09 hereof; or

(4) otherwise altering the terms and conditions thereof.

Indebtedness under the New Credit Facility outstanding on the date on which the Notes are first issued and authenticated under this Indenture shall be deemed to have been incurred on that date in reliance on the first paragraph of Section 4.09 hereof.

"Non-Recourse Debt" means Indebtedness,

(1) no default with respect to, which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(2) as to which the lenders have been notified in writing that they will not have any recourse to the stock (other than the stock of an Unrestricted Subsidiary pledged by the Company to secure debt of that Unrestricted Subsidiary) or assets of the Company or any of its Restricted Subsidiaries;

provided that in no event shall Indebtedness of any Unrestricted Subsidiary fail to be Non-Recourse Debt solely as a result of any default provisions contained in a guarantee thereof by the Company or any of its Restricted Subsidiaries if the Company or that Restricted Subsidiary was otherwise permitted to incur that guarantee pursuant to this Indenture.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Note Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Note Guarantee" means the guarantee by each Guarantor of the Company's payment obligations under this Indenture and on the Notes, executed pursuant to the provisions of this Indenture.

"Notes" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offering" means the offering of the Units by the Company.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person or any other officer designated by the Board of Directors.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Sections 12.04 and 12.05 hereof.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Sections 12.04 and 12.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Trustee.

"Parent" means Charles River Laboratories Holdings, Inc., the corporate parent of the Company, or its successors.

"Pari Passu Indebtedness" means Indebtedness of the Company that ranks pari passu in right of payment to the Notes.

"Participant" means, with respect to the Depositary, Euroclear or Cedelbank, a Person who has an account with the Depositary, Euroclear or Cedelbank, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Cedelbank).

"Participating Broker-Dealer" has the meaning set forth in the Registration Rights Agreement.

"Permitted Business" means any person engaged, directly or indirectly, in the animal research or biomedical products and services business or any business reasonably related, incidental or ancillary thereto.

"Permitted Investments" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of that Investment,

  (a) that Person becomes a Restricted Subsidiary of the Company; or

  (b) that Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Wholly Owned Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;

(5) any Investment acquired solely in exchange for Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investment in a Person engaged in a Permitted Business (other than an Investment in an Unrestricted Subsidiary) having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (6) that are at that time outstanding, not to exceed 15% of Total Assets at the time of that Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(7) Investments relating to any special purpose Wholly Owned Subsidiary of the Company organized in connection with a Receivables Facility that, in the good faith determination of the Board of Directors, are necessary or advisable to effect that Receivables Facility;

(8) the Management Loans or Investments in Parent to fund the Management Loans; and

(9) Hedging Obligations permitted to be incurred under Section 4.09 hereof.

"Permitted Liens" means:

(1) Liens on property of a Person existing at the time that Person is merged into or consolidated with the Company or any Restricted Subsidiary, provided that those Liens were not incurred in contemplation of that merger or consolidation and do not secure any property or assets of the Company or any Restricted Subsidiary other than the property or assets subject to the Liens prior to that merger or consolidation;

(2) Liens existing on the date of this Indenture;

(3) Liens securing Indebtedness consisting of Capitalized Lease Obligations, purchase money Indebtedness, mortgage financings, industrial revenue bonds or other monetary obligations, in each case incurred solely for the purpose of financing all or any part of the purchase price or cost of construction or installation of assets used in the business of the Company or its Restricted Subsidiaries, or repairs, additions or improvements to those assets, provided that:

(a) those Liens secure Indebtedness in an amount not in excess of the original purchase price or the original cost of any such assets or repair, additional or improvement thereto (plus an amount equal to the reasonable fees and expenses in connection with the incurrence of that Indebtedness);

(b) those Liens do not extend to any other assets of the Company or its Restricted Subsidiaries (and, in the case of repair, addition or improvements to any such assets, that Lien extends only to the assets (and improvements thereto or thereon) repaired, added to or improved);

(c) the Incurrence of that Indebtedness is permitted by Section 4.09 hereof;" and

(d) those Liens attach within 365 days of that purchase, construction, installation, repair, addition or improvement;

(4) Liens to secure any refinancings, renewals, extensions, modification or replacements (collectively, "refinancing") (or successive refinancings), in whole or in part, of any Indebtedness secured by Liens referred to in the clauses above so long as that Lien does not extend to any other property (other than improvements thereto);

(5) Liens securing letters of credit entered into in the ordinary course of business and consistent with past business practice;

(6) Liens on and pledges of the capital stock of any Unrestricted Subsidiary securing Non-Recourse Debt of that Unrestricted Subsidiary;

(7) Liens securing (a) Indebtedness (including all Obligations) under the New Credit Facility or any Foreign Credit Facility (b) Hedging Obligations payable to a lender under the New Credit Facility or an Affiliate thereof or to a Person that was a lender of Affiliate thereof at the time the contract was entered into to the extent such Hedging Obligations are secured by Liens on assets also securing Indebtedness (including all Obligations) under the New Credit Facility; and

(8) other Liens securing Indebtedness that is permitted by the terms of this Indenture to be outstanding having an aggregate principal amount at any one time outstanding not to exceed $50.0 million.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued within 60 days after repayment of, in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries; provided that:

(1) the principal amount (or accreted value, if applicable) of that Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus premium, if any, and accrued interest on the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of reasonable expenses incurred in connection therewith);

(2) that Permitted Refinancing Indebtedness has a final maturity date no earlier than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, that Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes on terms at least as favorable, taken as a whole, to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or agency or political subdivision thereof (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

"Principals" means the DLJ Merchant Banking Funds.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"Public Equity Offering" means:

any issuance of common stock by the Company, other than to Parent and other than Disqualified Stock; or

any issuance of common stock or preferred stock by Parent, other than Disqualified Stock.

that is registered pursuant to the Securities Act, other than issuances registered on Form S-8 and issuances registered on Form S-4, excluding issuances of common stock pursuant to employee benefit plans of Parent or the Company or otherwise as compensation to employees of Parent or the Company.

"Qualified Proceeds" means any of the following or any combination of the following:

(1) cash;

(2) Cash Equivalents;

(3) assets (other than Investments) that are used or useful in a Permitted Business; and

(4) the Capital Stock of any Person engaged in a Permitted Business if, in connection with the receipt by the Company or any Restricted Subsidiary of the Company of that Capital Stock,

(a) that Person becomes a Restricted Subsidiary of the Company or any Restricted Subsidiary of the Company; or

(b) that Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary of the Company.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Ratio of Consolidated Net Debt to Consolidated Cash Flow" means, with respect to any Person as of any date of determination, the ratio of (x) the Consolidated Net Debt of such Person as of such date of determination (exclusive of amounts attributable to discontinued operations, as determined in accordance with GAAP, or operations and businesses disposed of prior to the date of determination) to (y) the Consolidated Cash Flow of such Person for the four full fiscal quarters ending on or immediately preceding such date of determination (exclusive of amounts attributable to discontinued operations, as determined in accordance with GAAP, or operations and businesses disposed of prior to the date of determination).

In the event that the referent Person or any of its Subsidiaries incurs, assumes, guarantees or redeems any Indebtedness (other than revolving credit borrowings) or issues or redeems preferred stock subsequent to the commencement of the period for which the Ratio of Consolidated Net Debt to Consolidated Cash Flow is being calculated but prior to the date of determination, then the Ratio of Consolidated Net Debt to Consolidated Cash Flow shall be calculated giving pro forma effect to that incurrence, assumption, guarantee or redemption of Indebtedness, or that

issuance or redemption of preferred stock and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of making the computation referred to above, the Recapitalization and acquisitions that have been made by Charles River or any of its Subsidiaries, including all mergers or consolidations and any related financing transactions, during the four-quarter reference period shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow of the acquired entities on a pro forma basis after giving effect to cost savings reasonably expected to be realized in connection with that acquisition, as determined in good faith by an officer of Charles River (regardless of whether those cost savings could then be reflected in pro forma financial statements under GAAP, Regulation S-X promulgated by the SEC or any other regulation or policy of the SEC) and without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income.

"Recapitalization" means the recapitalization of the Company by the Principals and their Related Parties pursuant to the terms of the Recapitalization Agreement.

"Recapitalization Agreement" means that certain Recapitalization Agreement dated as of July 25, 1999 among the Company, Bausch & Lomb Incorporated, Parent, Charles River SPAFAS, Inc., Bausch & Lomb International, Inc., Wilmington Partners, L.P., Bausch & Lomb Canada, Inc., CRL Acquisition LLC and DLJ Merchant Banking Partners II, L.P.

"Receivables Facility" means one or more receivables financing facilities, as amended from time to time, pursuant to which the Company or any of its Restricted Subsidiaries sells its accounts receivable to an Accounts Receivable Subsidiary.

"Receivables Fees" means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of September 29, 1999, by and among the Company and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time, and, with respect to any Additional Notes, one or more registration rights agreements between the Company and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as appropriate.

"Regulation S Permanent Global Note" means a permanent global Note in the form of Exhibit A-1 hereto bearing the Global Note Legend and the Private Placement Legend, if applicable, and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"Regulation S Temporary Global Note" means a temporary global Note in the form of Exhibit A-2 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"Related Party" means, with respect to any Principal,

(1) any controlling stockholder or partner of that Principal on the date of this Indenture; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Person beneficially holding (directly or through one or more Subsidiaries) a 51% or more controlling interest of which consist of the Principals and/or such other Persons referred to in the immediately preceding clauses (1) or (2).

"Responsible Officer," when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Period" means the 40-day distribution compliance period as defined in Regulation S.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

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

"Senior Guarantees" means the Guarantees by the Guarantors of Obligations under the New Credit Facility.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"Sierra Acquisition" means the acquisition of SBI Holdings, Inc. by the Company pursuant to the terms of the Sierra Acquisition Agreement.

"Sierra Acquisition Agreement" means Stock Purchase Agreement among the Company and SBI Holdings, Inc. and its stockholders dated September 3, 1999.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as that Regulation is in effect on the date hereof.

"Spot Rate" means, for any currency, the spot rate at which such currency is offered for sale against United States dollars as determined by reference to the New York foreign exchange selling rates, as published in The Wall Street Journal on that date of determination for the immediately preceding business day or, if that rate is not available, as determined in any publicly available source of similar market data.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which that payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any Person,

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company,

(a) the sole general partner or the managing general partner or managing member of which is that Person or a Subsidiary of that Person; or

(b) the only general partners or managing members of which are that Person or of one or more Subsidiaries of that Person (or any combination thereof).

"Tax Sharing Agreement" means any tax sharing agreement or arrangement between the Company and Parent, as the same may be amended from time to time; provided that in no event shall the amount permitted to be paid pursuant to all such agreements and/or arrangements exceed the amount the Company would be required to pay for income taxes were it to file a consolidated tax return for itself and its consolidated Restricted Subsidiaries as if it were a corporation that was a parent of a consolidated group.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C.ss.ss.77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA.

"Total Assets" means the total consolidated assets of the Company and its Restricted Subsidiaries, as shown on the most recent balance sheet (excluding the footnotes thereto) of the Company.

"Transactions" means the Recapitalization and the Sierra Acquisition.

"Transaction Agreements" means the Recapitalization Agreement and the Sierra Acquisition Agreement.

"Transaction Financing" means;

(1) the issuance and sale by Parent of senior discount debentures with warrants and senior subordinated discount note for consideration

(2) the issuance and sale by the Company of the Notes; and

(3) the execution and delivery by the Company and certain of its subsidiaries of the New Credit Facility and the borrowing of loans, if any, and issuance of letters of credit thereunder to fund the Transactions and any related transactions, including without limitation, the payment of fees and expenses and the refinancing of outstanding indebtedness of the Company and its subsidiaries;

the proceeds of each of which were used to fund the purchase price for the Recapitalization and related fees and expenses.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Global Note" means a permanent global Note in the form of Exhibit A-1 attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a board resolution, but only to the extent that Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or that Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation,

(a) to subscribe for additional Equity Interests (other than Investments described in clause (7) of the definition of Permitted Investments); or

(b) to maintain or preserve that Person's financial condition or to cause that Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any such designation by the board of directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of the board resolution giving effect to that designation and an Officers' Certificate certifying that designation complied with the foregoing conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as a Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of that Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of that date (and, if that Indebtedness is not permitted to be incurred as of that date under Section 4.09 hereof, the Company shall be in default of that covenant).

The Board of Directors may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that the designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of that Unrestricted Subsidiary and that designation shall only be permitted if:

(1) that Indebtedness is permitted under Section 4.09 hereof; and

(2) no Default or Event of Default would be in existence following that designation.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying,

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof; by

(b) the number of years (calculated to the nearest one-twelfth) that will elapse between that date and the making of that payment; by

(2) the then outstanding principal amount of that Indebtedness.

"Wholly Owned Restricted Subsidiary" of any Person means a Restricted Subsidiary of that Person all the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by that Person or by one or more Wholly Owned Restricted Subsidiaries of that Person or by that Person and one or more Wholly Owned Restricted Subsidiaries of that Person.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of that Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by that Person or by one or more Wholly Owned Subsidiaries of that Person.

Section 1.02 Other Definitions.

Term	Defined in Section

Section 1.03 Incorporation of TIA Provisions.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Notes means the Company and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule under the TIA have the meanings so assigned to them.

Section 1.04 Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) provisions apply to successive events and transactions; and

(6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the Commission from time to time.

ARTICLE 2
THE NOTES

Section 2.01 Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $1,000 and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A-1 attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A-1 attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) Temporary Global Notes. Notes offered and sold in reliance on Regulation S shall be issued initially in the form of Exhibit A-2 attached hereto, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Cedelbank, duly executed by the

Company and authenticated by the Trustee as hereinafter provided. The Restricted Period shall be terminated upon the receipt by the Trustee of (i) a written certificate from the Depositary, together with copies of certificates from Euroclear and Cedelbank certifying that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who will take delivery of a beneficial ownership interest in a 144A Global Note, all as contemplated by Section 2.06 (a) (ii) hereof), and (ii) an Officers' Certificate from the Company. Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Note shall be exchanged for beneficial interests in Regulation S Permanent Global Notes pursuant to the Applicable Procedures. Simultaneously with the authentication of Regulation S Permanent Global Notes, the Trustee shall cancel the Regulation S Temporary Global Note. The aggregate principal amount of the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) Euroclear and Cedelbank Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedelbank" and "Customer Handbook" of Cedelbank shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes that are held by Participants through Euroclear or Cedelbank.

Section 2.02 Execution and Authentication.

One Officer shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Company signed by one Officer (an "Authentication Order"), authenticate Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the Notes, plus Additional Notes issued pursuant to this Section 2.02 and Section 4.09 hereof. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 Registrar and Paying Agent.

The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any

additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Note Custodian with respect to the Global Notes.

Section 2.04 Paying Agent to Hold Money in Trust.

The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.05 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA ss. 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA ss. 312(a).

Section 2.06 Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if (i) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 90 days after the date of such notice from the Depositary, (ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee or (iii) there shall have occurred and be continuing to occur a Default or Event of Default with respect to the Notes; provided that in no event shall the Regulation S Temporary Global Note be exchanged by the Company for Definitive Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required

pursuant to Rule 903(c)(3)(ii)(B) under the Securities Act. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. In addition, beneficial interests in a Global Note may be exchanged for certificated Notes upon request but only upon at least 20 days' prior written notice given to the Trustee by or on behalf of DTC in accordance with customary procedures. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, except as provided in this Section 2.06. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, a beneficial interest in the Regulation S Temporary Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding 144A Global Note only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made (i)(a) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A or (b) pursuant to another exemption from the registration requirements under the Securities Act which is accompanied by an opinion of counsel regarding the availability of such exemption and (ii) in accordance with all applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar

containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; provided that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Note or the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof and, if the transfer occurs prior to the expiration of the Restricted Period, the interest transferred shall be held immediately thereafter through Euroclear or Cedelbank.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof,

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(c)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof,

(E) and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests.

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, and in the case of clause (c) above, the Regulation S Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof,

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) estricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such

Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) f the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company shall execute and the Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN,

THE HOLDER: (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB"), (B) IT HAS ACQUIRED THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) (1), (2), (3) OR (7) OR REGULATION D UNDER THE SECURITIES ACT (AN "IAI")), (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (C) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT, (D) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (E) TO AN IAI THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS NOTE (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY) OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(iii), c(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE

TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF CHARLES RIVER LABORATORIES, INC."

(iii) Regulation S Temporary Global Note Legend. The Regulation S Temporary Global Note shall bear a legend in substantially the following form:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Company's order or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 3.06, 3.09, 4.10 and 4.14 hereof).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (c) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest and Liquidated Damages, if any, on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07 Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07 hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.09 Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned shall be so disregarded.

Section 2.10 Temporary Notes.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall, as soon as practicable upon receipt of the written order of the Company signed by an Officer of the Company, authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.11 Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall destroy cancelled Notes (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all cancelled Notes shall be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 Defaulted Interest.

If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date, provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02 Selection of Notes to Be Redeemed.

If less than all of the Notes are to be redeemed at any time, selection of Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not so listed, on a pro rata basis, by lot or by another method as the Trustee shall deem fair and appropriate; provided that no Notes of $1,000 or less shall be redeemed in part.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of $1,000 or whole multiples of $1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03 Notice of Redemption.

Subject to the provisions of Section 3.09 hereof, notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

The notice shall identify the Notes to be redeemed and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05 Deposit of Redemption Price.

One Business Day prior to the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest and Liquidated Damages, if any, not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07 Optional Redemption.

(a) Except as provided below, the Notes will not be redeemable at the Company's option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, in cash at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on October 1 of the years indicated below:

Year	Percentage
2004	106.750%
2005	104.500%
2006	102.250%
2007 and thereafter	100.000%

Notwithstanding the foregoing, on or prior to October 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of Notes from time to time originally issued under this Indenture in cash at a redemption price of 113.500%% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the redemption date, with the net cash proceeds of one or more Public Equity Offerings; provided that at least 65% of the aggregate principal amount of Notes from time to time originally issued under this Indenture remains outstanding immediately after the occurrence of the redemption; and provided further that the redemption shall occur within 90 days of the date of the closing of any such Public Equity Offering.

(b) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

Section 3.08 Mandatory Redemption.

The Company is not required to make mandatory redemption of, or sinking fund payments with respect to, the Notes.

Section 3.09 Offer to Purchase by Application of Excess Proceeds.

In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence an Asset Sale Offer, it shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Company shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.10 hereof (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is

registered at the close of business on such record date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrete or accrue interest;

(d) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrete or accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may only elect to have all of such Note purchased and may not elect to have only a portion of such Note purchased;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Company shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the

Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note, and the Trustee, upon written request from the Company shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4
COVENANTS

Section 4.01 Payment of Notes.

The Company shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Interest on the Notes will accrue at the rate of 13.5% per year; provided that the rate at which interest accrues will increase to 14.0% per year on August 15, 2000 in the event that the Ratio of Consolidated Net Debt to Consolidated Cash Flow for the Company as of June 30, 2000 is equal to or greater than 5.00 to 1. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, (i) holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due and (ii) is not prohibited from paying such money to the Holders pursuant to the terms of this Indenture or the Notes. The Company shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; and shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of

New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 Reports.

Whether or not required by the rules and regulations of the Commission, so long as any Notes are outstanding, the Company will furnish to the Holders of Notes (a) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file those Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Company's certified independent accountants; and (b) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file those reports, in each case, within the time periods specified in the Commission's rules and regulations.

In addition, following the consummation of the Exchange Offer contemplated by the Registration Rights Agreement, whether or not required by the rules and regulations of the Commission, the Company will file a copy of all such information and reports referred to in clauses (a) and (b) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

In addition, the Company and the Guarantors have agreed that, for so long as any Notes remain outstanding, they will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Section 4.04 Compliance Certificate.

(a) The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year have been made under the supervision of the signing Officers with a view to determining whether the Company have kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or propose to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest or Liquidated Damages, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03(a) above shall be accompanied by a written statement of the Company's independent public accountants (which shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such

violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05 Taxes.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06 Stay, Extension and Usury Laws.

The Company covenants that (to the extent permitted by law) it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company hereby expressly waives (to the extent permitted by law) all benefit or advantage of any such law, and covenants that (to the extent permitted by law) it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 Restricted Payments.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, (1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests other than dividends or distributions payable in Equity Interests other than Disqualified Stock of the Company or dividends or distributions payable to the Company or any Wholly Owned Restricted Subsidiary of the Company; (2) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Company or Parent other than any of those Equity Interests owned by the Company or any Restricted Subsidiary of the Company; (3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Indebtedness of the Company that is subordinated in right of payment to the Notes, except in accordance with the mandatory redemption or repayment provisions set forth in the original documentation governing that Indebtedness (but not pursuant to any mandatory offer to repurchase upon the occurrence of any event); or (4) make any Restricted Investment (all payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment:

(i) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(ii) the Company would, immediately after giving pro forma effect thereto as if that Restricted Payment had been made at the beginning of the applicable four-quarter period, have

been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof; and

(iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of this Indenture (excluding Restricted Payments permitted by clauses (a) (to the extent that the declaration of any dividend referred to therein reduces amounts available for Restricted Payments pursuant to this clause (iii)), (b) through (i), (k) through (o) and (q) of the next succeeding paragraph), is less than the sum, without duplication, of (A) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) commencing June 27, 1999 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of that Restricted Payment (or, if Consolidated Net Income for that period is a deficit, less 100% of the deficit), plus (B) 100% of the Qualified Proceeds received by the Company on or after the date of this Indenture from contributions to the Company's capital or from the issue or sale on or after the date of this Indenture of Equity Interests of the Company or of Disqualified Stock or convertible debt securities of the Company to the extent that they have been converted into those Equity Interests, other than Equity Interests, Disqualified Stock or convertible debt securities sold to a Subsidiary of the Company and Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock; plus (C) the amount equal to the net reduction in Investments in Persons after the date of this Indenture who are not Restricted Subsidiaries (other than Permitted Investments) resulting from (x) Qualified Proceeds received as a dividend, repayment of a loan or advance or other transfer of assets (valued at the fair market value thereof) to the Company or any Restricted Subsidiary from those Persons; (y) Qualified Proceeds received upon the sale or liquidation of those Investments and (z) the redesignation of Unrestricted Subsidiaries (excluding any increase in the amount available for Restricted Payments pursuant to clause (j) or (n) below arising from the redesignation of that Unrestricted Subsidiary) whose assets are used or useful in, or which is engaged in, one or more Permitted Business as Restricted Subsidiaries (valued, proportionate to the Company's equity interest in that Subsidiary, at the fair market value of the net assets of that Subsidiary at the time of such redesignation).

The foregoing provisions will not prohibit:

(a) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration, payment would have complied with the provisions of this Indenture;

(b) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of other Equity Interests of the Company (other than any Disqualified Stock), provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (iii)(B) of the preceding paragraph;

(c) the defeasance, redemption, repurchase, retirement or other acquisition of subordinated Indebtedness of the Company with the net cash proceeds from an incurrence of, or in exchange for, Permitted Refinancing Indebtedness;

(d) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or Parent or CRL Acquisition LLC held by any member of Parent's, the Company's (or any of its Restricted Subsidiaries') management pursuant to any management equity subscription agreement or stock option agreement and any dividend to Parent to fund any such repurchase, redemption, acquisition or retirement; provided that (i) the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed (x) $5.0 million in any calendar year, with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum (without giving effect to the following clause (y)) of $10.0 million in any calendar year; plus (y) the aggregate net cash proceeds received by the Company during that calendar year from any reissuance of Equity Interests by the Company or Parent to members of management of the Company and its Restricted Subsidiaries; provided that the amount of any such net cash proceeds that are used to permit an acquisition or retirement for value pursuant to this clause (d) shall be excluded from clause (iii)(B) of the preceding paragraph; and (ii) no Default or Event of Default shall have occurred and be continuing immediately after that transaction;

(e) payments and transactions in connection with the Transactions, including any purchase price adjustment or any other payments made pursuant to or contemplated in the Transaction Agreements or any financial advisory agreements with Donaldson, Lufkin & Jenrette Securities Corporation, the Transaction Financing, the Offering, the New Credit Facility (including commitment, syndication and arrangement fees payable thereunder) and the application of the proceeds thereof, and the payment of fees and expenses with respect thereto;

(f) the payment of dividends or the making of loans or advances by the Company to Parent not to exceed $2.5 million in any fiscal year for costs and expenses incurred by Parent in its capacity as a holding company or for services rendered by Parent on behalf of the Company;

(g) payments or distributions to Parent pursuant to any Tax Sharing Agreement;

(h) the payment of dividends by a Restricted Subsidiary on any class of common stock of that Restricted Subsidiary if (i) that dividend is paid pro rata to all holders of that class of common stock; and (ii) at least 50.1% of that class of common stock is held by the Company or one or more of its Restricted Subsidiaries;

(i) the repurchase of any class of common stock of a Restricted Subsidiary if (i) that repurchase is made pro rata with respect to that class of common stock; and (ii) at least 50.1% of that class of common stock is held by the Company or one or more of its Restricted Subsidiaries;

(j) any other Restricted Investment made in a Permitted Business which, together with all other Restricted Investments made pursuant to this clause (j) since the date of this Indenture, does not exceed $5.0 million (in each case, after giving effect to all subsequent reductions in the amount of any Restricted Investment made pursuant to this clause (j), either as a result of (i) the repayment or disposition thereof for cash or (ii) the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary (valued, proportionate to the Company's equity interest in that Subsidiary at the time of that redesignation) at the fair market value of the net assets of that Subsidiary at the time of such redesignation), in the case of clause (i) and (ii), not to exceed the amount of the Restricted Investment previously made pursuant to this clause (j); provided that no Default or Event of Default shall have occurred and be continuing immediately after making that Restricted Investment;

(k) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Company or any Restricted Subsidiary issued on or after the date of this Indenture in

accordance with Section 4.09 hereof; provided that no Default or Event of Default shall have occurred and be continuing immediately after making that Restricted Payment;

(l) repurchases of Equity Interests deemed to occur upon exercise of stock options if those Equity Interests represent a portion of the exercise price of those options;

(m) any other Restricted Payment which, together with all other Restricted Payments made pursuant to this clause (n) since the date of this Indenture, does not exceed $5.0 million, in each case, after giving effect to all subsequent reductions in the amount of any Restricted Investment made pursuant to this clause (n) either as a result of (i) the repayment or disposition thereof for cash or (ii) the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary (valued, proportionate to the Company's equity interest in that Subsidiary at the time of such redesignation at the fair market value of the net assets of that Subsidiary at the time of that redesignation), in the case of clause (i) and (ii), not to exceed the amount of the Restricted Investment previously made pursuant to this clause (n); provided that no Default or Event of Default shall have occurred and be continuing immediately after making that Restricted Payment;

(n) the pledge by the Company of the Capital Stock of an Unrestricted Subsidiary of the Company to secure Non-Recourse Debt of that Unrestricted Subsidiary;

(o) the purchase, redemption or other acquisition or retirement for value of any Equity Interests of any Restricted Subsidiary issued after the date of this Indenture, provided that the aggregate price paid for any such repurchased, redeemed, acquired or retired Equity Interests shall not exceed the sum of (i) the amount of cash and Cash Equivalents received by that Restricted Subsidiary from the issue or sale thereof; and (ii) any accrued dividends thereon the payment of which would be permitted pursuant to clause (k) above;

(p) any Investment in an Unrestricted Subsidiary that is funded by Qualified Proceeds received by the Company on or after the date of this Indenture from contributions to the Company's capital or from the issue and sale on or after the date of this Indenture of Equity Interests of the Company or of Disqualified Stock or convertible debt securities to the extent they have been converted into such Equity Interests (other than Equity Interests, Disqualified Stock or convertible debt securities sold to a Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock) in an amount (measured at the time such Investment is made and without giving effect to subsequent changes in value) that does not exceed the amount of such Qualified Proceeds (excluding any such Qualified Proceeds to the extent utilized to permit a prior "Restricted Payment" pursuant to clause (iii)(B) of the preceding paragraph); and

(q) distributions or payments of Receivables Fees.

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. For purposes of making that designation, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of that designation and will reduce the amount available for Restricted Payments under the first paragraph of this Section 4.07. All such outstanding Investments will be deemed to constitute Restricted Investments in an amount equal to the greater of (i) the net book value of those Investments at the time of that designation and (ii) the fair market value of those Investments at the time of that designation. Such designation will only be permitted if that Restricted Investment would be permitted at that time and if that Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

The amount of (i) all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment and (ii) Qualified Proceeds (other than cash) shall be the fair market value on the date of receipt thereof by the Company of such Qualified Proceeds.

The fair market value of any non-cash Restricted Payment shall be determined by the Board of Directors whose resolution with respect thereto shall be delivered to the Trustee.

Not later than the date of making any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that the Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed.

Section 4.08 Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to (a)(i) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries (A) on its Capital Stock or (B) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries; (b) make loans or advances to the Company or any of its Restricted Subsidiaries; or (c) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries. However, the foregoing restrictions will not apply to encumbrances or restrictions existing under or by reason of (a) Existing Indebtedness as in effect on the date of this Indenture; (b) the New Credit Facility as in effect as of the date of this Indenture, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; (c) this Indenture and the Notes; (d) applicable law and any applicable rule, regulation or order; (e) any agreement or instrument of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of that acquisition (except to the extent created in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, provided that, in the case of Indebtedness, that Indebtedness was permitted by the terms of this Indenture to be incurred; (f) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices; (g) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (e) above on the property so acquired; (h) contracts for the sale of assets, including, without limitation, customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of that Subsidiary; (i) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing that Permitted Refinancing Indebtedness are, in the good faith judgment of the Company's board of directors, not materially less favorable, taken as a whole, to the Holders of the Notes than those contained in the agreements governing the Indebtedness being refinanced; (j) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.09 and 4.12 hereof that limit the right of the debtor to dispose of the assets securing that Indebtedness; (k) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; (l) other Indebtedness or Disqualified Stock of Restricted Subsidiaries permitted to be incurred subsequent to the Issuance Date pursuant to the provisions of Section 4.09 hereof; (m) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business; and (n) restrictions created in connection with any Receivables Facility that, in the good faith determination of the board of directors of the Company, are necessary or advisable to effect that Receivables Facility.

Section 4.09 Incurrence of Indebtedness and Issuance of Preferred Stock.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Indebtedness); the Company will not, and will not permit any of its Restricted Subsidiaries to, issue any shares of Disqualified Stock; and the Company will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; provided that the Company or any Restricted Subsidiary may incur Indebtedness, including Acquired Indebtedness, or issue shares of Disqualified Stock if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which that additional Indebtedness is incurred or that Disqualified Stock is issued would have been at least 2.0 to 1 if such four-quarter period ended prior to September 30, 2002 and 2.25 to 1 thereafter, determined on a consolidated pro forma basis, including a pro forma application of the net proceeds therefrom, as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of that four-quarter period.

The provisions of the first paragraph of this Section 4.09 will not apply to the incurrence of any of the following items of Indebtedness (collectively, "Permitted Indebtedness"):

(i) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness under the New Credit Facility and the Foreign Credit Facilities; provided that the aggregate principal amount of all Indebtedness (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and those Restricted Subsidiaries thereunder) then classified as having been incurred in reliance upon this clause (i) that remains outstanding under the New Credit Facility and the Foreign Credit Facilities after giving effect to that incurrence does not exceed an amount equal to $215.0 million;

(ii) the incurrence by the Company and its Restricted Subsidiaries of Existing Indebtedness;

(iii) the incurrence by the Company of Indebtedness represented by the Notes and this Indenture and the Note Guarantees;

(iv) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Expenditure Indebtedness, Capital Lease Obligations or other obligations, in each case, the proceeeds of which are used solely for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment (including acquisitions of Capital Stock of a Person that becomes a Restricted Subsidiary to the extent of the fair market value of the property, plant or equipment so acquired) used in the business of the Company or that Restricted Subsidiary, in an aggregate principal amount (or accreted value, as applicable) not to exceed $20.0 million outstanding after giving effect to that incurrence;

(v) Indebtedness arising from agreements of the Company or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing that acquisition; provided that (A) that Indebtedness is not reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote or footnotes to financial

statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on that balance sheet for purposes of this clause (A)) and (B) the maximum assumable liability in respect of that Indebtedness shall at no time exceed the gross proceeds including non-cash proceeds (the fair market value of those non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company and/or that Restricted Subsidiary in connection with that disposition;

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be incurred;

(vii) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and/or any of its Restricted Subsidiaries; provided that (i) if the Company is the obligor on that Indebtedness, that Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes; and (ii)(A) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary thereof and (B) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary thereof shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vii);

(viii) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging; (A) interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Indenture to be outstanding; and (B) exchange rate risk with respect to agreements or Indebtedness of such Person payable denominated in a currency other than United States dollars, provided that those agreements do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or interest rates or by reason of fees, indemnities and compensation payable thereunder;

(ix) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09;

(x) obligations in respect of performance and surety bonds and completion guarantees (including related letters of credit) provided by the Company or any Restricted Subsidiary in the ordinary course of business; and

(xi) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) outstanding after giving effect to that incurrence, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (xi), not to exceed $30.0 million.

For purposes of determining compliance with this Section 4.09, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (i) through (xi) above or is entitled to be incurred pursuant to the first paragraph of this Section 4.09, the Company shall, in its sole discretion, classify such item of Indebtedness in any manner that complies

with this Section 4.09 and such item of Indebtedness will be treated as having been incurred pursuant to only one of those clauses or pursuant to the first paragraph hereof of this Section 4.09. In addition, the Company may, at any time, change the classification of an item of Indebtedness (or any portion thereof) to any other clause or to the first paragraph hereof; provided that the Company would be permitted to incur such item of Indebtedness (or such portion thereof) pursuant to such other clause or the first paragraph hereof of this Section 4.09, as the case may be, at the time of reclassification. Accrual of interest, accretion or amortization of original issue discount will not be deemed to be an incurrence of Indebtedness for purposes of this Section 4.09.

All Indebtedness under the New Credit Facility and the Foreign Credit Facilities outstanding on the date on which Notes are first issued and authenticated under this Indenture shall be deemed to have been incurred on such date in reliance on the first paragraph of this Section 4.09.

Section 4.10 Asset Sales.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless (a) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of that Asset Sale at least equal to the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee) of the assets or Equity Interests issued or sold or otherwise disposed of; and (b) at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of (i) cash or Cash Equivalents; or (ii) property or assets that are used or useful in a Permitted Business, or the Capital Stock of any Person engaged in a Permitted Business if, as a result of the acquisition by the Company or any Restricted Subsidiary thereof, such Person becomes a Restricted Subsidiary; provided that the amount of (x) any liabilities, as shown on the Company's or such Restricted Subsidiary's most recent balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or the Restricted Subsidiary from further liability; (y) any securities, notes or other obligations received by the Company or the Restricted Subsidiary from the transferee that are converted within 180 days of their receipt by the Company or the Restricted Subsidiary into cash or Cash Equivalents but only to the extent of the cash or Cash Equivalents received; and (z) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in that Asset Sale having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (z) that is at that time outstanding, not to exceed 15% of Total Assets at the time of the receipt of that Designated Noncash Consideration, with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be cash for purposes of this Section 4.10; and provided further that the 75% limitation referred to in clause (b) above will not apply to any Asset Sale in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the foregoing proviso, is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 75% limitation.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company or the Restricted Subsidiary, as the case may be, shall apply such Net Proceeds, at its option (or to the extent the Company is required to apply such Net Proceeds pursuant to the terms of the New Credit Facility), to (a) repay or purchase Senior Indebtedness or Pari Passu Indebtedness of the Company or any Indebtedness of any Restricted Subsidiary, as the case may be, provided that if the Company shall so repay or purchase Pari Passu Indebtedness of the Company, (i) it will equally and ratably reduce Indebtedness under the Notes if the Notes are then redeemable; or, (ii) if the Notes may not then be redeemed, the Company shall make an

offer, in accordance with the procedures set forth below for an Asset Sale Offer, to all Holders of Notes to purchase at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of purchase, the Notes that would otherwise be redeemed; or (b)(i) an investment in property, the making of a capital expenditure or the acquisition of assets that are used or useful in a Permitted Business; or (ii) the acquisition of Capital Stock of any Person primarily engaged in a Permitted Business if (x) as a result of the acquisition by the Company or any Restricted Subsidiary thereof, that Person becomes a Restricted Subsidiary; or (y) the Investment in that Capital Stock is permitted by clause (6) of the definition of Permitted Investments. Pending the final application of any Net Proceeds, the Company may temporarily reduce Indebtedness or otherwise invest those Net Proceeds in any manner that is not prohibited by this Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company will be required to make an offer to all Holders of Notes (an "Asset Sale Offer") to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of purchase, in accordance with the procedures set forth in this Indenture. To the extent that any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof in connection with an Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased as set forth under Sections 3.02 and 3.03 hereof. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture relating to such Asset Sale Offer, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

Section 4.11 Transactions with Affiliates.

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each of the foregoing, an "Affiliate Transaction"), unless (a) such Affiliate Transaction is on terms that are no less favorable to the Company or such Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or that Restricted Subsidiary with an unrelated Person; and (b) the Company delivers to the Trustee, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $7.5 million, either (i) a resolution of the Board of Directors set forth in an Officers' Certificate certifying that the relevant Affiliate Transaction complies with clause (a) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; or (ii) an opinion as to the fairness to the Holders of that Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

Notwithstanding the foregoing, the following items shall not be deemed to be Affiliate Transactions: (a) customary directors' fees, indemnification or similar arrangements or any employment agreement or other compensation plan or arrangement entered into by the Company or any of its Restricted

Subsidiaries in the ordinary course of business (including ordinary course loans to employees not to exceed (i) $5.0 million outstanding in the aggregate at any time and (ii) $2.0 million to any one employee) and consistent with the past practice of the Company or that Restricted Subsidiary; (b) transactions between or among the Company and/or its Restricted Subsidiaries; (c) payments of customary fees by the Company or any of its Restricted Subsidiaries to DLJ Merchant Banking Funds and their Affiliates made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures which are approved by a majority of the Board of Directors in good faith; (d) any agreement as in effect on the date of this Indenture or any amendment thereto (so long as that amendment is not disadvantageous to the Holders of the Notes in any material respect) or any transaction contemplated thereby; (e) payments and transactions in connection with the Transactions, including any purchase price adjustment or any other payments made pursuant to the Transaction Agreements or any financial advisory agreements with Donaldson, Lufkin & Jenrette Securities Corporation and the Transaction Financing, the New Credit Facility (including commitment, syndication and arrangement fees payable thereunder) and the Offering (including underwriting discounts and commissions in connection therewith) and the application of the proceeds thereof, and the payment of the fees and expenses with respect thereto; (f) Restricted Payments that are permitted by Section 4.07 hereof and any Permitted Investments; and (g) sales of accounts receivable, or participations therein, in connection with any Receivables Facility.

Section 4.12 Liens.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien, other than a Permitted Lien, that secures obligations under any Pari Passu Indebtedness or subordinated Indebtedness of the Company on any asset or property now owned or hereafter acquired by the Company or any of its Restricted Subsidiaries, or any income or profits therefrom or assign or convey any right to receive income therefrom, unless the Notes are equally and ratably secured with the obligations so secured until such time as those obligations are no longer secured by a Lien; provided that, in any case involving a Lien securing subordinated Indebtedness of the Company, that Lien is subordinated to the Lien securing the Notes to the same extent that that subordinated Indebtedness is subordinated to the Notes.

Section 4.13 Corporate Existence.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) the corporate, partnership or other existence of itself and each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of itself and any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.14 Offer to Repurchase Upon Change of Control.

(a) Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require the Company to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in

cash equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of repurchase (the "Change of Control Payment"). Within 60 days following any Change of Control, the Company will, or will cause the Trustee to, mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in that notice, which date shall be no earlier than 30 days and no later than 60 days from the date that notice is mailed (the "Change of Control Payment Date"), pursuant to the procedures required by this Indenture and described in that notice. The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture relating to a Change of Control Offer, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful, (a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer; (b) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and (c) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company. The Paying Agent will promptly mail to each Holder of Notes so tendered the Change of Control Payment for that Holder's Notes, and the Trustee will promptly authenticate and mail, or cause to be transferred by book-entry, to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each new Note will be in a principal amount of $1,000 or an integral multiple thereof. Prior to complying with the provisions of this Section 4.14, but in any event within 90 days following a Change of Control, the Company will either repay all outstanding Senior Indebtedness or obtain the requisite consents, if any, under all agreements governing outstanding Senior Indebtedness to permit the repurchase of Notes required by this Section 4.14. The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.14, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Section 4.15 No Senior Subordinated Indebtedness.

Notwithstanding the provisions of Section 4.09 hereof, (i) the Company shall not incur any Indebtedness that is subordinate or junior in right of payment to any Senior Indebtedness and senior in right of payment to the Notes, and (ii) no Guarantor will incur any Indebtedness that is subordinate or junior in right of payment to any Senior Indebtedness and senior in right of payment to that Guarantor's Note Guarantee.

Section 4.16 Limitation on Sale and Leaseback Transactions.

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Company or any Restricted Subsidiary may enter into a sale and leaseback transaction if (a) the Company or such Restricted Subsidiary, as the case may be, could have (i)

incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such sale and leaseback transaction pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof; and (ii) incurred a Lien to secure that Indebtedness pursuant to Section 4.12 hereof; (b) the gross cash proceeds of such sale and leaseback transaction are at least equal to the fair market value (as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Trustee) of the property that is the subject of that sale and leaseback transaction; and (c) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10 hereof.

Section 4.17 Additional Note Guarantees.

If the Company or any of its Subsidiaries shall acquire or create a Wholly-Owned Restricted Subsidiary after the date of this Indenture, then such newly acquired or created a Wholly-Owned Restricted Subsidiary shall execute a Note Guarantee in the form of a Supplemental Indenture and deliver an Opinion of Counsel, in accordance with the terms of this Indenture, except for (i) all Subsidiaries organized outside of the United States and its territories, (ii) all Subsidiaries that have properly been designated as Unrestricted Subsidiaries in accordance with this Indenture for so long as they continue to constitute Unrestricted Subsidiaries and (iii) all Subsidiaries that have not guaranteed any Indebtedness under the New Credit Facility.

ARTICLE 5
SUCCESSORS

Section 5.01 Merger, Consolidation, or Sale of Assets.

The Company may not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, another Person unless (a) the Company is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which that sale, assignment, transfer, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which that sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Registration Rights Agreement, the Notes and this Indenture pursuant to a supplemental indenture in a form reasonably satisfactory to the Trustee; (c) immediately after that transaction no Default or Event of Default exists; and (d) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which that sale, assignment, transfer, conveyance or other disposition shall have been made (i) will, at the time of such transaction and after giving pro forma effect thereto as if that transaction had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof or (ii) would, together with its Restricted Subsidiaries, have a higher Fixed Charge Coverage Ratio immediately after that transaction (after giving pro forma effect thereto as if that transaction had occurred at the beginning of the applicable four-quarter period) than the Fixed Charge Coverage Ratio of the Company and its Restricted Subsidiaries immediately prior to that transaction. The foregoing clause (d) will not prohibit (i) a merger between the Company and a Wholly Owned Subsidiary of Parent created for the purpose of holding the Capital Stock of the Company; (ii) a merger between the Company and a Wholly Owned Restricted Subsidiary; or (iii) a merger between the Company and an Affiliate incorporated solely for the purpose of reincorporating the Company in another State of the United States so long as, in each

case, the amount of Indebtedness of the Company and its Restricted Subsidiaries is not increased thereby. The Company will not lease all or substantially all of its assets to any Person.

Section 5.02 Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; provided, however, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest or Liquidated Damages, if any, on the Notes except in the case of a sale of all or substantially all of the Company's assets that meets the requirements of Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

Each of the following constitutes an Event of Default:

(a) default for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes (whether or not prohibited by Article 10 hereof);

(b) default in payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by Article 10 hereof);

(c) failure by the Company or any of its Restricted Subsidiaries for 30 days after receipt of notice from the Trustee or Holders of at least 25% in principal amount of the Notes then outstanding to comply with Sections 4.07, 4.09, 4.10, 4.14 or Article 5 hereof;

(d) failure by the Company for 60 days after notice from the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to comply with any of its other agreements in this Indenture or the Notes;

(e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether that Indebtedness or guarantee now exists, or is created after the date of this Indenture, which default (i) is caused by a failure to pay Indebtedness at its stated final maturity (after giving effect to any applicable grace period provided in such Indebtedness) (a "Payment Default") or (ii) results in the acceleration of that Indebtedness prior to its stated final maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more;

(f) failure by the Company or any of its Restricted Subsidiaries to pay final judgments aggregating in excess of $10.0 million (net of any amounts with respect to which a reputable and creditworthy insurance company has acknowledged liability in writing), which judgments are not paid, discharged or stayed for a period of 60 days;

(g) except as permitted by this Indenture, if any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee;

(h) the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

(i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a Custodian of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02 Acceleration.

If any Event of Default (other than an Event of Default specified in clause (h) or (i) of Section 6.01 hereof with respect to the Company, any Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary) occurs and is continuing, the Holders of at least 25% in principal amount of the then outstanding Notes

may direct the Trustee to declare all the Notes to be due and payable immediately. However, so long as any Indebtedness permitted to be incurred pursuant to the New Credit Facility shall be outstanding, such acceleration shall not be effective until the earlier of (i) an acceleration under any such Indebtedness under the New Credit Facility; or (ii) five Business Days after receipt by the Company and the administrative agent under the New Credit Facility of written notice of such acceleration. Except as stated in the prior sentence, upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (h) or (i) of Section 6.01 hereof occurs with respect to the Company, any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce this Indenture or the Notes except as provided in this Indenture. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium or Liquidated Damages, if any, that has become due solely because of the acceleration) have been cured or waived, provided that, in the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in clause (e) of Section 6.01 hereof, the declaration of acceleration of the Notes shall be automatically annulled if the holders of any Indebtedness described in clause (e) of Section 6.01 hereof have rescinded the declaration of acceleration in respect of such Indebtedness within 30 days of the date of such declaration and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction; and (ii) all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Section 6.03 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest and Liquidated Damages, if any, on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 Waiver of Past Defaults.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium and Liquidated Damages, if any, or interest on, the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 Control by Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06 Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07 Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium and Liquidated Damages, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08 Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium and Liquidated Damages, if any, and interest remaining unpaid on the Notes and interest and Liquidated Damages, if any, on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities.

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to holders of Senior Indebtedness to the extent required by Article 10 or Section 11.02 hereof;

Third: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

Fourth: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in

the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture, but need not verify the contents thereof.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Sections 6.02, 6.04 or 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c), (e) and (f) of this Section 7.01 and Section 7.02 hereof.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) Except with respect to Section 4.01 hereof, the Trustee shall have no duty to inquire as to the performance of the Company's covenants in Article 4 hereof. In addition, the Trustee shall not be deemed to have knowledge of any Default or Event of Default except (i) any Event of Default occurring pursuant to Sections 6.01(a), 6.01(b) and 4.01 or (ii) any Default or Event of Default of which the Trustee shall have received written notification or obtained actual knowledge.

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee may, in its discretion, make such further inquiry or investigation into such facts or matters as it may see fit and if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company personally or by agent or attorney.

(i) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(j) Delivery of reports, information and documents to the Trustee under Section 4.03 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including

the Company's compliance with any of the covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 7.03 Individual Rights of Trustee.

The Trustee may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04 Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after such Default or Event of Default becomes known to the Trustee. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest or Liquidated Damages, if any, on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA ss. 313(a) (but if no event described in TIA ss. 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA ss. (b)(2). The Trustee shall also transmit by mail all reports as required by TIA ss. 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the Commission and each stock exchange on which the Notes are listed in accordance with TIA ss. 313(d). The Company shall promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07 Compensation and Indemnity.

The Company shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by

any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company and any Guarantor shall jointly and severally indemnify the Trustee and its agents, employees, officers, directors and shareholders for, and hold the same harmless against, any and all losses, liabilities or expenses (including without limitation reasonable attorney's fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company (including this Section 7.07) and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. At the Trustee's sole discretion, the Company shall defend the claim and the Trustee shall cooperate in the defense at the Company's expense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company and any Guarantor under this Section 7.07 shall survive the resignation or removal of the Trustee and/or the satisfaction and discharge or termination of this Indenture.

To secure the Company's payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the resignation or removal of the Trustee and/or the satisfaction and discharge or termination of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA ss. 313(b)(2) to the extent applicable.

Section 7.08 Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of Notes of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a Custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of Notes of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10 hereof, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

Section 7.09 Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIAss. 310(a)(1), (2) and (5). The Trustee is subject to TIAss. 310(b).

Section 7.11 Preferential Collection of Claims Against Company.

The Trustee is subject to TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes and Note Guarantees upon compliance with the conditions set forth below in this Article 8.

Section 8.02 Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes, Note Guarantees and this Indenture on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, Note Guarantees and this Indenture, which Notes shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes, Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest and Liquidated Damages, if any, on those Notes when those payments are due from the trust referred to below;

(b) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's obligations in connection therewith; and

(d) the Legal Defeasance provisions of this Indenture.

Section 8.03 Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from its obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.14, 4.15, 4.16 and 4.17 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant

Defeasance means that, with respect to the outstanding Notes, the Company and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(c) through 6.01(f) hereof shall not constitute Events of Default.

Section 8.04 Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Notes and Note Guarantees:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in United States dollars, non-callable Government Securities, or a combination thereof, in those amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest and Liquidated Damages, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that (i) the Company has received from, or there has been published by, the Internal Revenue Service; a ruling or (ii) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of that deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or, insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 123rd day after the date of deposit;

(e) that Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(f) the Company must have delivered to the Trustee an Opinion of Counsel to the effect that, subject to customary assumptions and exclusions, after the 123rd day following the deposit, the trust funds will not be subject to the effect of Section 547 of the United States Bankruptcy Code or any analogous New York State law provision or any other applicable federal or New York bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; and

(h) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel (which opinion may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest and Liquidated Damages, if any, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 Repayment to Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest or Liquidated Damages, if any, on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest or Liquidated Damages, if any, has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as a secured creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as

trustees thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture, the Notes and the Note Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest or Liquidated Damages, if any, on any Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Company, the Guarantors and the Trustee may amend or supplement this Indenture, the Note Guarantees or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;

(c) to provide for the assumption of the Company's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 or Article 11 hereof or to provide for the assumption of any Guarantor's obligations under its Note Guarantee in the case of a merger or consolidation of the Guarantor;

(d) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not materially adversely affect the legal rights hereunder of any Holder of the Note;

(e) to comply with requirements of the Commission in order to effect or maintain the qualification of this Indenture under the TIA;

(f) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date hereof; or

(g) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company and the Guarantors in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 With Consent of Holders of Notes.

Except as provided below in this Section 9.02, the Company, the Guarantors and the Trustee may amend or supplement this Indenture (including Section 3.09, 4.10 and 4.14 hereof), the Note Guarantees and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest or Liquidated Damages, if any, on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Notwithstanding the foregoing, any (i) amendment to or waiver of Section 4.14 hereof, and (ii) amendment to Article 10 herein will require the consent of the Holders of at least two-thirds in aggregate principal amount of the Notes then outstanding if such amendment would materially adversely affect the rights of Holders of Notes. Section 2.08 hereof shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company and the Guarantors in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount

of the Notes (including Additional Notes, if any) then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than Section 4.14 hereof);

(c) reduce the rate of or extend the time for payment of interest on any Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults;

(g) waive a redemption payment with respect to any Note (other than Section 4.14 hereof);

(h) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(i) make any change in the foregoing amendment and waiver provisions.

Section 9.03 Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 Trustee to Sign Amendments, etc.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental Indenture until its Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01 hereof) shall be fully protected in relying upon, in addition to the documents required by Section 11.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10
SUBORDINATION

Section 10.01 Agreement to Subordinate.

The Company agrees, and each Holder by accepting a Note agrees, that the payment of Subordinated Note Obligations are subordinated in right of payment, to the extent and in the manner set forth in this Article 10, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness, whether outstanding on the date of this Indenture or thereafter incurred and that the subordination is for the benefit of the holders of Senior Indebtedness. The provisions of this Article 10 shall constitute a continuing offer to all Persons that, in reliance upon such provisions, become holders of, or continue to hold Senior Indebtedness, and they or each of them may enforce the rights of holders of Senior Indebtedness hereunder, subject to the terms and provisions hereof.

Section 10.02 Certain Definitions.

"cash equivalents" means Cash Equivalents of the type described in clause (i) of the definition thereof maturing not more than 90 days after the date of the acquisition thereof.

"Designated Senior Indebtedness" means (a) any Indebtedness outstanding under the New Credit Facility; and (b) any other Senior Indebtedness permitted under this Indenture the principal amount of which is $25.0 million or more and that has been designated by the Company in writing to the Trustee as "Designated Senior Indebtedness."

"Permitted Junior Securities" means Equity Interests in the Company or debt securities of the Company that are subordinated to all Senior Indebtedness and any debt securities issued in exchange for Senior Indebtedness to substantially the same extent as, or to a greater extent than, the Notes are subordinated to Senior Indebtedness.

"Representative" means the indenture trustee or other trustee, agent or representative for any Senior Indebtedness.

"Senior Indebtedness" means, with respect to any Person, (a) all Obligations of that Person outstanding under the New Credit Facility and all Hedging Obligations payable to a lender or an Affiliate thereof or to a Person that was a lender or an Affiliate thereof at the time the contract was entered into under the New Credit Facility or any of its Affiliates, including, without limitation, interest accruing

subsequent to the filing of, or which would have accrued but for the filing of, a petition for bankruptcy, whether or not that interest is an allowable claim in that bankruptcy proceeding; (b) any other Indebtedness, unless the instrument under which that Indebtedness is incurred expressly provides that it is subordinated in right of payment to any other Senior Indebtedness of that Person; and (c) all Obligations with respect to the foregoing. Notwithstanding anything to the contrary in the foregoing, Senior Indebtedness will not include (i) any liability for federal, state, local or other taxes; (ii) any Indebtedness of that Person, other than pursuant to the New Credit Facility, to any of its Subsidiaries or other Affiliates; (iii) any trade payables; or (iv) any Indebtedness that is incurred in violation of this Indenture.

"Subordinated Note Obligations" means all Obligations with respect to the Notes, including, without limitation, principal, premium, if any, interest and Liquidated Damages, if any, payable pursuant to the terms of the Notes (including upon the acceleration or redemption thereof), together with and including any amounts received or receivable upon the exercise of rights of rescission or other rights of action, including claims for damages, or otherwise.

A "distribution" or "payment" may consist of a distribution, payment or other transfer of assets by or on behalf of the Company (including, without limitation, a redemption, repurchase or other acquisition of the Notes) from any source, of any kind or character, whether in cash, securities or other property, by set-off or otherwise.

Section 10.03 Liquidation; Dissolution; Bankruptcy.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, an assignment for the benefit of creditors or any marshalling of the Company's assets and liabilities, (a) the holders of Senior Indebtedness will be entitled to receive payment in full in cash or cash equivalents of all Obligations due in respect of such Senior Indebtedness, including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Indebtedness, before the Holders of Notes will be entitled to receive any payment with respect to the Subordinated Note Obligations (except that Holders of Notes may receive and retain Permitted Junior Securities and payments and other distributions made from the trust described in Section 8.04 hereof), and (b) until all Obligations with respect to Senior Indebtedness are paid in full in cash or cash equivalents, any distribution to which the Holders of Notes would be entitled but for this Article 10 shall be made to the holders of Senior Indebtedness (except that Holders of Notes may receive and retain Permitted Junior Securities and payments and other distributions made from the trust described in Section 8.04 hereof) as their interests appear.

Section 10.04 Default on Designated Senior Indebtedness.

The Company may not make any payment or distribution to the Trustee or any Holder upon or in respect of the Subordinated Note Obligations (except in Permitted Junior Securities or from the trust described in Section 8.04 hereof) until all principal and other obligations with respect to Senior Indebtedness have been paid in full in cash or cash equivalents, if:

(a) a default in the payment of the principal (including reimbursement obligations in respect of letters of credit) of, premium, if any, or interest on or commitment, letter of credit or administrative fees relating to, Designated Senior Indebtedness occurs and is continuing beyond any applicable period of grace in the agreement, indenture or other document governing such Designated Senior Indebtedness; or

(b) any other default occurs and is continuing with respect to Designated Senior Indebtedness that permits holders of the Designated Senior Indebtedness as to which that default relates to accelerate its maturity and the Trustee receives a notice of such default (a "Payment Blockage Notice") from the Company or the holders of any Designated Senior Indebtedness (or their Representative).

Payments on the Notes may and shall be resumed (a) in the case of a payment default, upon the date on which that default is cured or waived; and (b) in case of a nonpayment default, the earlier of the date on which that nonpayment default is cured or waived or 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any Designated Senior Indebtedness has been accelerated. No new period of payment blockage may be commenced unless and until 360 days have elapsed since the effectiveness of the immediately prior Payment Blockage Notice. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless that default shall have been waived or cured for a period of not less than 90 days.

Section 10.05 Acceleration of Securities.

If payment of the Notes is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Indebtedness of the acceleration.

Section 10.06 When Distribution Must Be Paid Over.

In the event that the Trustee or any Holder receives any payment of any Subordinated Note Obligations at a time when the Trustee or such Holder, as applicable, has actual knowledge that such payment is prohibited by Section 10.03 or 10.04 hereof, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the holders of Senior Indebtedness as their interests may appear or their Representative under the indenture or other agreement (if any) pursuant to which Senior Indebtedness may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Indebtedness remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 10, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness, and shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article 10, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

Section 10.07 Notice by Company.

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Notes to violate this Article 10, but failure to give such notice shall not affect the subordination of the Notes to the Senior Indebtedness as provided in this Article 10.

Section 10.08 Subrogation.

After all Senior Indebtedness is paid in full in cash or cash equivalents and until the Notes are paid in full, Holders of Notes shall be subrogated (equally and ratably with all other Indebtedness pari passu with the Notes) to the rights of holders of Senior Indebtedness to receive distributions applicable to Senior Indebtedness to the extent that distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Indebtedness. A distribution made under this Article 10 to holders of Senior Indebtedness that otherwise would have been made to Holders of Notes is not, as between the Company and Holders, a payment by the Company on the Notes.

Section 10.09 Relative Rights.

This Article 10 defines the relative rights of Holders of Notes and holders of Senior Indebtedness. Nothing in this Indenture shall:

(1) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest and Liquidated Damages, if any, on the Notes in accordance with their terms;

(2) affect the relative rights of Holders of Notes and creditors of the Company other than their rights in relation to holders of Senior Indebtedness; or

(3) prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Indebtedness to receive distributions and payments otherwise payable to Holders of Notes.

If the Company fails because of this Article 10 to pay principal of or interest or Liquidated Damages, if any, on a Note on the due date, the failure is still a Default or Event of Default.

Section 10.10 Subordination May Not Be Impaired by Company.

No right of any holder of Senior Indebtedness to enforce the subordination of the Indebtedness evidenced by the Notes shall be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Section 10.11 Distribution or Notice to Representative.

Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 10, the Trustee and the Holders of Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

Section 10.12 Rights of Trustee and Paying Agent.

Notwithstanding the provisions of this Article 10 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless the Trustee shall have received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 10. Only the Company or a Representative may give the notice. Nothing in this Article 10 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Indebtedness with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 10.13 Authorization to Effect Subordination.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 10, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the Representative is hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

Section 10.14 No Waiver of Subordination Provisions.

(a) No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act by any such holder.

(b) Without in any way limiting the generality of paragraph (a) of this Section 10.14, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or any Holder, without incurring responsibility to any Holder and without impairing or releasing the subordination provided in this Article 10 or the obligations hereunder of the Holders to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, any Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (iii) release any Person liable in any manner for the collection of Senior Indebtedness; and (iv) exercise or refrain from exercising any rights against either Company or any other Person.

Section 10.15 Amendments.

The provisions of this Article 10 shall not be amended or modified without the written consent of the holders of all Senior Indebtedness.

Section 10.16 Trustee's Compensation not Prejudiced.

Nothing in this Article 10 shall apply to amounts due to the Trustee pursuant to other Sections of this Indenture.

ARTICLE 11
NOTE GUARANTEES

Section 11.01 Guarantee.

Subject to this Article 11, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that: (1) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee. The Guarantors shall have the right to seek

contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

Section 11.02 Subordination of Note Guarantee.

The Obligations of each Guarantor under its Note Guarantee pursuant to this Article 11 shall be junior and subordinated to the Senior Guarantee of such Guarantor on the same basis as the Notes are junior and subordinated to Senior Indebtedness of the Company. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guarantors only at such times as they may receive and/or retain payments in respect of the Notes pursuant to this Indenture, including Article 10 hereof with respect to subordination.

Section 11.03 Limitation of Guarantor Liability.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 11, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent transfer or conveyance.

Section 11.04 Execution And Delivery Of Note Guarantee.

To evidence its Note Guarantee set forth in Section 11.01, each Guarantor hereby agrees that a notation of such Note Guarantee substantially in the form included in Exhibit E shall be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of such Guarantor by its President or one of its Vice Presidents.

Each Guarantor hereby agrees that its Note Guarantee set forth in Section 11.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

If an Officer whose signature is on this Indenture or on the Note Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Note Guarantee is endorsed, the Note Guarantee shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Note Guarantee set forth in this Indenture on behalf of the Guarantors.

In the event that the Company creates or acquires any new Subsidiaries subsequent to the date of this Indenture, if required by Section 4.17 hereof, the Company shall cause such Subsidiaries to execute supplemental indentures to this Indenture and Note Guarantees in accordance with Section 4.17 hereof and this Article 11, to the extent applicable.

Section 11.05 Guarantors May Consolidate, Etc., On Certain Terms.

Except as otherwise provided in Section 11.06, no Guarantor may consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person whether or not affiliated with such Guarantor unless:

(a) subject to Section 11.06 hereof, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes, this Indenture, the Note Guarantees and the Registration Rights Agreement on the terms set forth herein or therein; and

(b) immediately after giving effect to such transaction, no Default or Event of Default exists.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantees endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Note Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (a) and (b) above, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 11.06 Releases Following Sale Of Assets.

In the event of a sale or other disposition of all of the assets of a Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all to the capital stock of a Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) a Restricted Subsidiary of the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Note Guarantee; provided that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture, including without limitation Section 4.10 hereof. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of this Indenture, including without limitation Section 4.10 hereof, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Note Guarantee.

Any Guarantor not released from its obligations under its Note Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 11.

ARTICLE 12
MISCELLANEOUS

Section 12.01 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Sec. 318(c), the imposed duties shall control.

Section 12.02 Notices.

Any notice or communication by the Company, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address.

If to the Company or any Guarantor:

251 Ballardvale Street
Wilmington, MA 01887
Telecopier No.: 978-988-5665
Attention: General Counsel

With a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Telecopier No.: (212) 450-4800
Attention: Richard Truesdell, Esq.

If to the Trustee:

State Street Bank and Trust Company
Goodwin Square, 23rd Floor
225 Asylum Street
Hartford, CT 06103
Telecopier No.: (860) 244-1897
Attention: Corporate Trust Administration

With a copy to:

Brown Rudnick Freed & Gesmer, P.C.
City Place 1
Hartford, CT 06103
Telecopier No.: (860) 509-6501
Attention: James E. Rosenbluth, Esq.

The Company, any Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA ss. 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03 Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

Section 12.04 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 12.05 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA ss. 314(a)(4)) shall comply with the provisions of TIA ss. 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 12.06 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07 No Personal Liability of Directors, Officers, Employees and Stockholders.

No member, director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company and the Guarantors under the Notes, the Note Guarantees or this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 12.08 Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE AND THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 12.09 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.10 Successors.

All agreements of the Company and the Guarantors in this Indenture, the Notes and the Note Guarantees shall bind their successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11 Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13 Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

Dated as of September 29, 1999

CHARLES RIVER LABORATORIES, INC.

By:_____
Name:
Title:

SBI HOLDINGS, INC.

By:_____
Name:
Title:

SIERRA BIOMEDICAL, INC.

By:_____
Name:
Title:

SIERRA BIOMEDICAL SAN DIEGO, INC.

By:_____
Name:
Title:

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By:_____
Name:
Title:

EXHIBIT A-1
(Face of Global Note)

==========

CUSIP/CINS _____

13 1/2% Senior Subordinated Notes due 2009

No. __ $ _____

CHARLES RIVER LABORATORIES, INC.

promises to pay to _____, or registered assigns, the principal sum of _____ Dollars on October 1, 2009.

Interest Payment Dates: October 1 and April 1

Record Dates: September 15 and March 15

Dated: _____

CHARLES RIVER LABORATORIES, INC.

BY:_____
Name:
Title:

This is one of the Global Notes referred
to in the within-mentioned Indenture:

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By:_____
Name:
Title:

==========

(Back of Note)

13 1/2% [Series A] [Series B] Senior Subordinated Notes due 2009

[Insert the following if the Note is issued in global form.]

[Unless and until it is exchanged in whole or in part for Notes in definitive form, this Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC (and any payment is made to Cede & Co. or such other entity as may be requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, Cede & Co., has an interest herein.]

[Insert the Private Placement legend, if applicable, pursuant to the provisions of the Indenture]

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Charles River Laboratories, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Note at 13 1/2% per annum from September 29, 1999 until maturity and shall pay the Liquidated Damages payable pursuant to Section 5 of the Registration Rights Agreement referred to below. Interest on the Notes will accrue at the rate of 13.5% per year; provided that the rate at which interest accrues will increase to 14.0% per year on August 15, 2000 in the event that the Ratio of Consolidated Net Debt to Consolidated Cash Flow for the Company as of June 30, 2000 is equal to or greater than 5.00 to 1. The Company will pay interest and Liquidated Damages semi-annually on October 1 and April 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; and provided further that the first Interest Payment Date shall be April 1, 2000. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) and Liquidated Damages to the Persons who are registered Holders of Notes at the close of business on the September 15 or March 15 next preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium and Liquidated Damages, if any, and interest at the office of the Paying Agent and Registrar.

Holders of Notes must surrender their Notes to the Paying Agent to collect principal payments, and the Company may pay principal and interest and Liquidated Damages, if any, by check and may mail checks to a Holder's registered address; provided that all payments with respect to Global Notes and Definitive Notes, the Holders of which have given wire transfer instructions to the Company, will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, State Street Bank and Trust Company, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Notes under an Indenture dated as of [September 24], 1999 ("Indenture"), between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code ss.ss. 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Company initially limited to $150.0 million in aggregate principal amount. Additional Notes may be issued pursuant to Sections 2.02 and 4.09 of the Indenture and, if issued, will be treated as a single class for all purposes under the Indenture.

5. OPTIONAL REDEMPTION.

(a) Except as provided in subparagraph (b) of this Paragraph 5, the Notes will not be redeemable at the Company's option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, in cash at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on October 1 of the years indicated below:

Year	Percentage
2004	106.750%
2005	104.500%
2006	102.250%
2007 and thereafter	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, on or prior to October 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of Notes ever issued under the Indenture in cash at a redemption price of 113.500% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the redemption date, with the net cash proceeds of one or more Public Equity Offerings; provided that at least 65% of the aggregate principal amount of Notes ever issued under the Indenture remains outstanding immediately after the occurrence of any such redemption; and provided further that such redemption shall occur within 90 days of the date of the closing of any such Public Equity Offering.

(c) Any redemption pursuant to this subparagraph 5 shall be made pursuant to the provisions of Section 3.01 through 3.06 of the Indenture.

6. MANDATORY REDEMPTION. Except as set forth in paragraph 7 below, the Company shall not be required to make mandatory redemption payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require the Company to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described in Section 4.14 of the Indenture (the "Change of Control Offer") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 60 days following any Change of Control, the Company will, or will cause the Trustee to, mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

(b) Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company or the Restricted Subsidiary, as the case may be, shall apply the Net Proceeds, at its option (or to the extent the Company is required to apply the Net Proceeds pursuant to the terms of the New Credit Facility), to (a) repay or purchase Senior Indebtedness or Pari Passu Indebtedness of the Company or any Indebtedness of any Restricted Subsidiary, as the case may be, provided that, if the Company shall so repay or purchase Pari Passu Indebtedness of the Company; (i) it will equally and ratably reduce Indebtedness under the Notes if the Notes are then redeemable; or (ii) if the Notes may not then be redeemed, the Company shall make an offer, in accordance with the procedures set forth in the Indenture, to all Holders of Notes to purchase at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of purchase, the Notes that would otherwise be redeemed; or (b)(i) an investment in property, the making of a capital expenditure or the acquisition of assets that are used or useful in a Permitted Business; or (ii) the acquisition of Capital Stock of any Person primarily engaged in a Permitted Business if (x) as a result of the acquisition by the Company or any Restricted Subsidiary thereof, such Person becomes a Restricted Subsidiary; or (y) the Investment in that Capital Stock is permitted by clause (6) of the definition of Permitted Investments. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Indebtedness or otherwise invest those Net Proceeds in any manner that is not prohibited by this Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company will be required to make an offer to all Holders of Notes (an "Asset Sale Offer") to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of purchase, in accordance with the procedures set forth in this Indenture. To the extent that any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof in connection with an Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased as set forth under Sections 3.02 and 3.03 of the Indenture. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero. Holders of Notes that are the subject of an offer to purchase may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture, the Note Guarantees or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes (and Additional Notes, if any) and any existing Default or compliance with any provision of the Indenture, the Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (and Additional Notes, if any). Without the consent of any Holder of a Note, the Indenture, the Note Guarantees or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's or Guarantor's obligations to Holders of the Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not materially adversely affect the legal rights under the Indenture of any such Holder, to comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act, to provide for the Issuance of Additional Notes in accordance with the limitations set forth in the Indenture, or to allow any Guarantor to execute a supplemental indenture to the Indenture and/or a Note Guarantee with respect to the Notes.

12. DEFAULTS AND REMEDIES. Each of the following constitutes an "Event of Default": (a) default for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes (whether or not prohibited by Article 10 of the Indenture); (b) default in payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by Article 10 of the Indenture); (c) failure by the Company or any of its Restricted Subsidiaries for 30 days after receipt of notice from the Trustee or Holders of at least 25% in principal amount of the Notes (including Additional Notes, if any) then outstanding to comply with Sections 4.07, 4.09, 4.10, 4.14 or Article 5 hereof; (d) failure by the Company for 60 days after notice from the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to comply with any of its other agreements in this Indenture or the Notes; (e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, which default (i) is caused by a failure to pay Indebtedness at its stated final maturity (after giving effect to any applicable grace period provided in such Indebtedness) (a "Payment Default") or (ii) results in the acceleration of such

Indebtedness prior to its stated final maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more; (f) failure by the Company or any of its Restricted Subsidiaries to pay final judgments aggregating in excess of $10.0 million (net of any amounts with respect to which a reputable and creditworthy insurance company has acknowledged liability in writing), which judgments are not paid, discharged or stayed for a period of 60 days; (g) except as permitted by the Indenture, if any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of a Guarantor, shall deny or disaffirm its obligations under its Note Guarantee; and (h) certain events of bankruptcy or insolvency as described in the Indenture.

If any Event of Default (other than certain events of bankruptcy or insolvency) occurs and is continuing, Holders of at least 25% in principal amount of the then outstanding Notes may direct the Trustee to declare all the Notes to be due and payable immediately. However, so long as any Indebtedness permitted to be incurred pursuant to the New Credit Facility shall be outstanding, such acceleration shall not be effective until the earlier of (i) an acceleration under any such Indebtedness under the New Credit Facility; or (ii) five Business Days after receipt by the Company and the administrative agent under the New Credit Facility of written notice of such acceleration. Except as stated in the prior sentence, upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal or interest that has become due solely because of the acceleration) have been cured or waived provided that, in the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in clause (e) of Section 12 above, the declaration of acceleration of the Notes shall be automatically annulled if the holders of any Indebtedness described in clause (e) of Section 12 above have rescinded the declaration of acceleration in respect of such Indebtedness within 30 days of the date of such declaration and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction; and (ii) all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived, provided that, in the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in clause (e) of this Section 12, the declaration of acceleration of the Notes shall be automatically annulled if the holders of any Indebtedness described in clause (e) of this Section 12 have rescinded the declaration of acceleration in respect of such Indebtedness within 30 days of the date of such declaration and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default to deliver to the Trustee a statement specifying such Default or Event of Default.

13. SUBORDINATION. The payment of Subordinated Note Obligations will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness, whether outstanding on the date of the Indenture or thereafter incurred. the Company agrees, and each Holder by accepting a Note agrees, that the payment of principal of, premium

and interest and Liquidated Damages, if any, on the Notes is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness (whether outstanding on the date hereof or thereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Indebtedness.

14. TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

15. NO RECOURSE AGAINST OTHERS. No member, director, officer, employee, incorporator or stockholder, of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company and the Guarantors under the Notes, the Note Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

16. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the Registration Rights Agreement dated as of September 29, 1999, between the Company and the parties named on the signature pages thereof (the "Registration Rights Agreement").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Charles River Laboratories, Inc.
251 Ballardvale Street
Wilmington, MA 01887
Telecopier No.: 978-988-5665
Attention: General Counsel

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

- ---

- ---
(Insert assignee's soc. sec. or tax I.D. no.)

- ---

- ---

- ---

- ---
(Print or type assignee's name, address and zip code)

and irrevocably appoint_____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: Your Signature:_____
(Sign exactly as your name appears on the Note)

Tax Identification No:

Signature Guarantee:_____

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.14 of the Indenture, check the box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased: $_____

Date: Your Signature:_____
(Sign exactly as your name appears on the Note)

Tax Identification No:

Signature Guarantee:_____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE1

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

1 This should be included only if the Note is issued in global form.

EXHIBIT A-2
(Face of Regulation S Temporary Global Note)

==========

CUSIP/CINS _____

13 1/2% Senior Subordinated Notes due 2009

No.__ $ _____

CHARLES RIVER LABORATORIES, INC.

promises to pay to _____, oe registered assigns, the principal sum of _____ Dollars on October 1, 2009.

Interest Payment Dates: October 1 and April 1

Record Dates: September 15 and March 15

Dated:

CHARLES RIVER LABORATORIES, INC.

BY:_____
Name:
Title:

This is one of the Global Notes referred to in the within-mentioned Indenture:

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By:_____
Name:
Title:

==========

(Back of Regulation S Temporary Global Note)

13 1/2% [Series A] [Series B] Senior Subordinated Notes due 2009

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A OR REGULATION S THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT, (d) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES LESS THAN $250,000, AN OPINION OF COUNSEL THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT OR (e) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE."

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Charles River Laboratories, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Note at 13 1/2% per annum from September 29, 1999 until maturity and shall pay the Liquidated Damages payable pursuant to Section 5 of the Registration Rights Agreement referred to below. Interest on the Notes will accrue at the rate of 13.5% per year; provided that the rate at which interest accrues will increase to 14.0% per year on August 15,

2000 in the event that the Ratio of Consolidated Net Debt to Consolidated Cash Flow for the Company as of June 30, 2000 is equal to or greater than 5.00 to 1. The Company will pay interest and Liquidated Damages semi-annually on October 1 and April 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; and provided further that the first Interest Payment Date shall be April 1, 2000. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) and Liquidated Damages to the Persons who are registered Holders of Notes at the close of business on the September 15 or March 15 next preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium and Liquidated Damages, if any, and interest at the office of the Paying Agent and Registrar. Holders of Notes must surrender their Notes to the Paying Agent to collect principal payments, and the Company may pay principal and interest and Liquidated Damages, if any, by check and may mail checks to a Holder's registered address; provided that all payments with respect to Global Notes and Definitive Notes, the Holders of which have given wire transfer instructions to the Company, will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, State Street Bank and Trust Company, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Notes under an Indenture dated as of [September 24], 1999 ("Indenture"), between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code ss.ss. 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Company initially limited to $150.0 million in aggregate principal amount. Additional Notes may be issued pursuant to Sections 2.02 and 4.09 of the Indenture and, if issued, will be treated as a single class for all purposes under the Indenture.

5. OPTIONAL REDEMPTION.

(a) Except as provided in subparagraph (b) of this Paragraph 5, the Notes will not be redeemable at the Company's option prior to October 1, 2004. Thereafter, the Notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more

than 60 days' notice, in cash at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on October 1 of the years indicated below:

Year	Percentage
2004	106.750%
2005	104.500%
2006	102.250%
2007 and thereafter	100.000%

(b).....Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, on or prior to October 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of Notes ever issued under the Indenture in cash at a redemption price of 113.500% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the redemption date, with the net cash proceeds of one or more Public Equity Offerings; provided that at least 65% of the aggregate principal amount of Notes ever issued under the Indenture remains outstanding immediately after the occurrence of any such redemption; and provided further that such redemption shall occur within 90 days of the date of the closing of any such Public Equity Offering.

(c) Any redemption pursuant to this subparagraph 5 shall be made pursuant to the provisions of Section 3.01 through 3.06 of the Indenture.

6. MANDATORY REDEMPTION. Except as set forth in paragraph 7 below, the Company shall not be required to make mandatory redemption payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require the Company to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described in Section 4.14 of the Indenture (the "Change of Control Offer") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 60 days following any Change of Control, the Company will, or will cause the Trustee to, mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

(b). Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company or the Restricted Subsidiary, as the case may be, shall apply the Net Proceeds, at its option (or to the extent the Company is required to apply the Net Proceeds pursuant to the terms of the New Credit Facility), to (a) repay or purchase Senior Indebtedness or Pari Passu Indebtedness of the Company or any Indebtedness of any Restricted Subsidiary, as the case may be, provided that, if the Company shall so repay or purchase Pari Passu Indebtedness of the Company; (i) it will equally and ratably reduce Indebtedness under the Notes if the Notes are then redeemable; or (ii) if the Notes may not then be redeemed, the Company shall make an offer, in accordance with the procedures set forth in the Indenture, to all Holders of Notes to purchase at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of purchase, the Notes that would otherwise be redeemed;

or (b)(i) an investment in property, the making of a capital expenditure or the acquisition of assets that are used or useful in a Permitted Business; or (ii) the acquisition of Capital Stock of any Person primarily engaged in a Permitted Business if (x) as a result of the acquisition by the Company or any Restricted Subsidiary thereof, such Person becomes a Restricted Subsidiary; or (y) the Investment in that Capital Stock is permitted by clause (6) of the definition of Permitted Investments. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Indebtedness or otherwise invest those Net Proceeds in any manner that is not prohibited by this Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company will be required to make an offer to all Holders of Notes (an "Asset Sale Offer") to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of purchase, in accordance with the procedures set forth in this Indenture. To the extent that any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof in connection with an Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased as set forth under Sections 3.02 and 3.03 of the Indenture. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero. Holders of Notes that are the subject of an offer to purchase may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture, the Note Guarantees or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes (and Additional Notes, if any) and any existing Default or compliance with any provision of the Indenture, the Note Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (and Additional Notes, if any). Without the consent of any Holder of a Note, the Indenture, the Note Guarantees or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's or Guarantor's obligations to Holders of the Notes in case of a merger or

consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not materially adversely affect the legal rights under the Indenture of any such Holder, to comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act, to provide for the Issuance of Additional Notes in accordance with the limitations set forth in the Indenture, or to allow any Guarantor to execute a supplemental indenture to the Indenture and/or a Note Guarantee with respect to the Notes.

12. DEFAULTS AND REMEDIES. Each of the following constitutes an "Event of Default": (a) default for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes (whether or not prohibited by Article 10 of the Indenture); (b) default in payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by Article 10 of the Indenture); (c) failure by the Company or any of its Restricted Subsidiaries for 30 days after receipt of notice from the Trustee or Holders of at least 25% in principal amount of the Notes (including Additional Notes, if any) then outstanding to comply with Sections 4.07, 4.09, 4.10, 4.14 or Article 5 hereof; (d) failure by the Company for 60 days after notice from the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to comply with any of its other agreements in this Indenture or the Notes; (e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, which default (i) is caused by a failure to pay Indebtedness at its stated final maturity (after giving effect to any applicable grace period provided in such Indebtedness) (a "Payment Default") or (ii) results in the acceleration of such Indebtedness prior to its stated final maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more; (f) failure by the Company or any of its Restricted Subsidiaries to pay final judgments aggregating in excess of $10.0 million (net of any amounts with respect to which a reputable and creditworthy insurance company has acknowledged liability in writing), which judgments are not paid, discharged or stayed for a period of 60 days; (g) except as permitted by the Indenture, if any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of a Guarantor, shall deny or disaffirm its obligations under its Note Guarantee; and (h) certain events of bankruptcy or insolvency as described in the Indenture.

If any Event of Default (other than certain events of bankruptcy or insolvency) occurs and is continuing, Holders of at least 25% in principal amount of the then outstanding Notes may direct the Trustee to declare all the Notes to be due and payable immediately. However, so long as any Indebtedness permitted to be incurred pursuant to the New Credit Facility shall be outstanding, such acceleration shall not be effective until the earlier of (i) an acceleration under any such Indebtedness under the New Credit Facility; or (ii) five Business Days after receipt by the Company and the administrative agent under the New Credit Facility of written notice of such acceleration. Except as stated in the prior sentence, upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal or interest that has become due solely because of the acceleration) have been cured or waived provided that, in the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any

Indebtedness described in clause (e) of Section 12 above, the declaration of acceleration of the Notes shall be automatically annulled if the holders of any Indebtedness described in clause (e) of Section 12 above have rescinded the declaration of acceleration in respect of such Indebtedness within 30 days of the date of such declaration and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction; and (ii) all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived, provided that, in the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in clause (e) of this Section 12, the declaration of acceleration of the Notes shall be automatically annulled if the holders of any Indebtedness described in clause (e) of this Section 12 have rescinded the declaration of acceleration in respect of such Indebtedness within 30 days of the date of such declaration and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default to deliver to the Trustee a statement specifying such Default or Event of Default.

13. SUBORDINATION. The payment of Subordinated Note Obligations will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness, whether outstanding on the date of the Indenture or thereafter incurred. the Company agrees, and each Holder by accepting a Note agrees, that the payment of principal of, premium and interest and Liquidated Damages, if any, on the Notes is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness (whether outstanding on the date hereof or thereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Indebtedness.

14. TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

15. NO RECOURSE AGAINST OTHERS. No member, director, officer, employee, incorporator or stockholder, of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company and the Guarantors under the Notes, the Note Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

16. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the

Registration Rights Agreement dated as of September 29, 1999, between the Company and the parties named on the signature pages thereof (the "Registration Rights Agreement").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Charles River Laboratories, Inc.
251 Ballardvale Street
Wilmington, MA 01887
Telecopier No.: 978-988-5665
Attention: General Counsel

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

- ---

- ---
(Insert assignee's soc. sec. or tax I.D. no.)

- ---

- ---

- ---

- ---
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: Your Signature:_____
(Sign exactly as your name appears on the Note)

Tax Identification No:_____

Signature Guarantee:_____

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.14 of the Indenture, check the box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased: $_____

Date: Your Signature:_____
(Sign exactly as your name appears on the Note)

Tax Identification No:_____

Signature Guarantee:_____

SCHEDULE OF EXCHANGES OF REGULATION S TEMPORARY GLOBAL NOTE

The following exchanges of a part of this Regulation S Temporary Global Note for an interest in another Global Note, or of other Restricted Global Notes for an interest in this Regulation S Temporary Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

EXHIBIT B
FORM OF CERTIFICATE OF TRANSFER

Charles River Laboratories, Inc.
251 Ballardvale Street
Wilmington, MA 01887
Telecopier No.: 978-988-5665
Attention: General Counsel

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, MA 02111
Telecopier No.: (617) 662-1452
Attention: Corporate Trust Department, Transfer Unit

Re: 13 1/2% Senior Subordinated Notes due 2009

Reference is hereby made to the Indenture, dated as of September 29, 1999 (the "Indenture"), among Charles River Laboratories, Inc. (the "Company"), as issuer, the Guarantors listed on the signature pages thereto, and State Street Bank and Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $_____ in such Note[s] or interests (the "Transfer"), to _____ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [ ] Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. [ ] Check if Transferee will take delivery of a beneficial interest in the Regulation S Temporary Global Note, the Regulation S Global Note or a Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being

made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note, the Regulation S Temporary Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. [ ] Check and complete if Transferee will take delivery of a beneficial interest in the IAI Global Note or a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [ ] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) [ ] such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) [ ] such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) [ ] such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4. [ ] Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) [ ] Check if Transfer is pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) [ ] Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) [ ] Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

BY:_____
Name:
Title:

Dated: _____, ____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note (CUSIP _____), or

(ii) [ ] Regulation S Global Note (CUSIP _____), or

(iii) [ ] IAI Global Note (CUSIP _____), or

(b) [ ] a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note (CUSIP _____), or (ii)

(ii) [ ] Regulation S Global Note (CUSIP _____), or

(iii) [ ] IAI Global Note (CUSIP _____), or (iv)

(iv) [ ] Unrestricted Global Note (CUSIP _____), or

(b) [ ] a Restricted Definitive Note, or

(c) [ ] an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C
FORM OF CERTIFICATE OF EXCHANGE

Charles River Laboratories, Inc.
251 Ballardvale Street
Wilmington, MA 01887
Telecopier No.: 978-988-5665
Attention: General Counsel

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, MA 02111
Telecopier No.: (617) 662-1452
Attention: Corporate Trust Department, Transfer Unit

Re: 13 1/2% Senior Subordinated Notes Due 2009

Reference is hereby made to the Indenture, dated as of September 29, 1999 (the "Indenture"), among Charles River Laboratories, Inc. (the "Company"), as issuer, the Guarantors listed on the signature pages thereto, and State Street Bank and Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $_____ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note

(a) [ ] Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) [ ] Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the

Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) [ ] Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) [ ] Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes

(a) [ ] Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) [ ] Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] [GRAPHIC OMITTED] "144A Global Note", [GRAPHIC OMITTED] "Regulation S Global Note", [GRAPHIC OMITTED] "IAI Global Note" with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Owner]

By:_____
Name:
Title:

Dated: _____, ____

EXHIBIT D
FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Charles River Laboratories, Inc.
251 Ballardvale Street
Wilmington, MA 01887
Telecopier No.: 978-988-5665
Attention: General Counsel

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, MA 02111
Telecopier No.: (617) 662-1452
Attention: Corporate Trust Department, Transfer Unit

Re: 13 1/2% Senior Subordinated Notes due 2009

Reference is hereby made to the Indenture, dated as of September 29, 1999 (the "Indenture"), among Charles River Laboratories, Inc. (the "Company"), as issuer, the Guarantors listed on the signature pages thereto, and State Street Bank and Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $_____ aggregate principal amount of:

(a) [ ] a beneficial interest in a Global Note, or

(b) [ ] a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the

form of this letter and, if such transfer is in respect of a principal amount of Notes, at the time of transfer of less than $250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect. We further understand that any subsequent transfer by us of the Notes or beneficial interest therein acquired by us must be effected through one of the Placement Agents.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Accredited Investor]

By: _____
Name:
Title:

Dated: _____, ____

EXHIBIT E

FORM OF NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of [September 24], 1999 (the "Indenture") among Charles River Laboratories, Inc., the Guarantors listed on Schedule I thereto and State Street Bank and Trust Company, as trustee (the "Trustee"), (a) the due and punctual payment of the principal of, premium, if any, and interest on the Notes (as defined in the Indenture), whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal and premium, and, to the extent permitted by law, interest, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms of the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to the Note Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee. Each Holder of a Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; provided, however, that the Indebtedness evidenced by this Note Guarantee shall cease to be so subordinated and subject in right of payment upon any defeasance of this Note in accordance with the provisions of the Indenture.

[NAME OF GUARANTOR(S)]

By:_____
Name:
Title:

EXHIBIT F

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of [___, 1999] among [_____] (the "Guaranteeing Subsidiary"), a subsidiary of Charles River Laboratories, Inc. (or its permitted successor), a Delaware corporation (the "Company"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and State Street Bank and Trust Company, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of September 29, 1999 providing for the issuance of an aggregate principal amount of up to $150.0 million of 13 1/2% Senior Subordinated Notes due 2009 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all Guarantors named in the Indenture, to jointly and severally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any

amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture, and the Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

(i) Pursuant to Section 11.03 of the Indenture, after giving effect to any maximum amount and any other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 11 of the Indenture, this new Note Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guarantor under this Note Guarantee will not constitute a fraudulent transfer or conveyance.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) The Guaranteeing Subsidiary may not consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another corporation, Person or entity whether or not affiliated with such Guarantor unless:

(i) subject to Sections 11.05 and 11.06 of the Indenture, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes, the Indenture and the Note Guarantee on the terms set forth herein or therein; and

(ii) immediately after giving effect to such transaction, no Default or Event of Default exists.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by the Guarantor, such successor corporation shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Note Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Articles 4 and 5 and Section 11.06 of Article 11 of the Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all to the capital stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Note Guarantee; provided that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any

documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Note Guarantee.

(b) Any Guarantor not released from its obligations under its Note Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Indenture as provided in Article 11 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future member, director, officer, employee, incorporator, stockholder or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

10. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: _____, ____

[GUARANTEEING SUBSIDIARY]

By:_____
Name:
Title:

SBI HOLDINGS, INC.

By:_____
Name:
Title:

SIERRA BIOMEDICAL, INC.

By:_____
Name:
Title:

SIERRA BIOMEDICAL SAN DIEGO, INC.

By:_____
Name:
Title:

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By:_____
Name:
Title:

Schedule I
SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Indenture as of the Issue Date:

SBI Holdings, Inc.
Sierra Biomedical, Inc.
Sierra Biomedical San Diego, Inc.

EXHIBIT 10.5

==========

CHARLES RIVER LABORATORIES, INC.
and
CHARLES RIVER LABORATORIES HOLDINGS, INC.

as Issuers

$150,000,000
150,000 Units Consisting of
13 1/2% Senior Subordinated Notes due 2009 and
Warrants to purchase 591,366 shares of Common Stock

PURCHASE AGREEMENT

DATED AS OF SEPTEMBER 23, 1999

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

==========

$150,000,000

150,000 Units Consisting of
13 1/2% Senior Subordinated Notes due 2009 and
Warrants to purchase 591,366 shares of Common Stock

PURCHASE AGREEMENT

September 23, 1999

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
277 Park Avenue
New York, New York 10172

Ladies and Gentlemen:

Charles River Laboratories, Inc., a Delaware corporation (the "Company"), and Charles River Laboratories Holdings, Inc., a Delaware corporation ("Holdings" and, together with the Company, the "Issuers"), propose to issue and sell to Donaldson, Lufkin & Jenrette Securities Corporation (the "Initial Purchaser") 150,000 units (the "Units"), each consisting of $1,000 in aggregate principal amount of the Company's 13 1/2% Series A Senior Subordinated Notes due 2009 (the "Series A Notes"), together with the Subsidiary Guarantees described below and one warrant (the "Warrants") to purchase 591,366 shares of common stock of Holdings, par value $0.01 per share (the "Common Stock"), subject to the terms and conditions set forth herein. The Series A Notes are to be issued pursuant to the provisions of an indenture (the "Indenture"), to be dated as of the Closing Date (as defined below), among the Company, the Guarantors (as defined below) and State Street Bank and Trust Company, as trustee (the "Trustee"). The Series A Notes and the Series B Notes (as defined below) issuable in exchange therefor are collectively referred to herein as the "Notes." As of the Consummation (as defined), the Notes will be guaranteed (the "Subsidiary Guarantees") by each of the Guarantors (as defined below). The Warrants will be issued pursuant to a warrant agreement (the "Warrant Agreement"), to be dated as of the Closing Date, between Holdings and State Street Bank and Trust Company, as warrant agent (the "Warrant Agent"). Shares of Common Stock of Holdings issuable upon exercise of the Warrants are collectively referred to herein as the "Warrant

Shares." The Units, the Notes, the Warrants and the Warrant Shares are collectively referred to herein as the "Securities." Capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture. This Agreement, the Securities, the Warrant Agreement, the Warrant Registration Rights Agreement (as defined), the Indenture, the Subsidiary Guarantees, the Registration Rights Agreement (as defined) and the Credit Agreement (as defined) are collectively referred to herein as the "Operative Documents."

The Series A Notes are being issued and sold in connection with the recapitalization (the "Recapitalization") of the Company, pursuant to a Recapitalization Agreement dated as of July 25, 1999 among the Company,

Holdings, certain subsidiaries of Bausch & Lomb Incorporated (the "Rollover Shareholders"), CRL Acquisition LLC and DLJ Merchant Banking Partners II, L.P. ("DLJMB"). In connection with the Recapitalization, (i) the Company will enter into a syndicated senior secured loan facility pursuant to a credit agreement to be dated as of the Closing Date with a group of lenders, including DLJ Capital Funding, Inc., as syndication agent (the "Credit Agreement") and (ii) DLJMB and certain of its affiliated funds and entities, the Rollover Shareholders and certain management of the Company will retain or purchase capital stock of Holdings, in each case as described in the Offering Memorandum (as defined below). The Company has also entered into a stock purchase agreement to acquire SBI Holdings, Inc., and its wholly-owned subsidiaries, Sierra Biomedical, Inc. and Sierra Biomedical San Diego, Inc. (collectively, the "Sierra Entities"), which will be consummated on the Closing Date (the "Sierra Acquisition"). Upon the consummation of the Sierra Acquisition (the "Consummation"), the Sierra Entities will execute the Indenture and become guarantors of the Notes issued thereunder (each, a "Guarantor" and collectively, the "Guarantors").

1. Offering Memorandum. The Units will be offered and sold to the Initial Purchaser pursuant to one or more exemptions from the registration requirements under the Securities Act of 1933, as amended (the "Securities Act"). The Issuers have prepared a preliminary offering memorandum, dated September 7, 1999 (the "Preliminary Offering Memorandum"), and a final offering memorandum, dated September 23, 1999 (the "Offering Memorandum"), relating to the Units.

Upon original issuance thereof, and until such time as the same is no longer required pursuant to the Indenture and the Warrant Agreement, the Securities (and all securities issued in exchange therefor, in substitution thereof or upon conversion thereof) shall bear the following legend:

> "THIS [NOTE] [SECURITY] (OR ITS PREDECESSOR) [AND THE WARRANT SHARES TO BE ISSUED UPON ITS EXERCISE HAVE] [HAS] NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:
>
> (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (As defined in Rule 144A under the Securities Act) (A "QIB"), (B) IT HAS ACQUIRED THIS [NOTE] [SECURITY] IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (As defined in Rule 501(A) (1), (2), (3) or (7) of Regulation D under the Securities Act (AN "IAI"),
>
> (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS [NOTE] [SECURITY] EXCEPT (A) TO the COMPANY OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (C) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S OF THE SECURITIES ACT, (D) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (E) TO AN IAI THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE [TRUSTEE] [WARRANT AGENT] A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS

[NOTE] [SECURITY] (the form of which can be obtained from the [Trustee] [warrant agent]) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF [NOTES] [SECURITIES] LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY) OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, [AND]

[(3) AGREES NOT TO ENGAGE IN HEDGING TRANSACTIONS UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND]

(3) [4] AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS [NOTE] [SECURITY] OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE [INDENTURE] [WARRANT AGREEMENT] CONTAINS A PROVISION REQUIRING THE [TRUSTEE] [WARRANT AGENT] TO REFUSE TO REGISTER ANY TRANSFER OF THIS [NOTE] [SECURITY] IN VIOLATION OF THE FOREGOING."

2. Agreements to Sell and Purchase. On the basis of the representations, warranties and covenants contained in this Agreement, and subject to the terms and conditions contained herein, the Issuers agree to issue and sell to the Initial Purchaser, and the Initial Purchaser agrees to purchase from the Issuers, all of the Units initially at a purchase price equal to $970.00 per Unit.

3. Terms of Offering. The Initial Purchaser has advised the Issuer that the Initial Purchaser will make offers (the "Exempt Resales") of the Units purchased hereunder on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom the Initial Purchaser reasonably believes to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), and (ii) persons permitted to purchase the Series A Notes in offshore transactions in reliance upon Regulation S under the Securities Act (each, a "Regulation S Purchaser") (such persons specified in clauses (i) and (ii) being referred to herein as the "Eligible Purchasers"). The Initial Purchaser will offer the Units to Eligible Purchasers initially at a price equal to $970.00 per Unit. Such price may be changed at any time without notice.

Holders (including subsequent transferees) of the Series A Notes will have the registration rights set forth in the registration rights agreement (the "Registration Rights Agreement"), to be dated the Closing Date, in substantially the form of Exhibit A hereto, for so long as such Series A Notes constitute "Transfer Restricted Securities" (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Company and the Guarantors will agree to file with the Securities and Exchange Commission (the "Commission") under the circumstances set forth therein, (i) a registration statement under the Securities Act (the "Exchange Offer Registration Statement") relating to the Company's 13 1/2% Series B Senior Subordinated Notes due 2009 (the "Series B Notes"), to be offered in exchange for the Series A Notes (such offer to exchange being referred to as the "Exchange Offer") and the Subsidiary Guarantees

thereof (the "Series B Guarantees") and (ii) a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement" and, together with the Exchange Offer Registration Statement, the "Registration Statements") relating to the resale by certain holders of the Series A Notes and to use their reasonable best efforts to cause such Registration Statements to be declared and remain effective and usable for the periods specified in the Registration Rights Agreement and to consummate the Exchange Offer.

Holders (including subsequent transferees) of the Warrants and the Warrant Shares will have the rights set forth in the Warrant Agreement and the warrant registration rights agreement (the "Warrant Registration Rights Agreement"), to be dated the Closing Date. Pursuant to the Warrant Registration Rights Agreement, Holdings will agree to grant to the holders of the Warrant Shares the right to require Holdings to file a shelf registration statement (the "Warrant Registration Statement") covering resales of the Warrants and Warrant Shares and the exercise of the Warrants purchased pursuant to such Warrant Registration Statement and to use its reasonable best efforts to make such Warrant Registration Statement effective.

4. Delivery and Payment.

(a) Delivery of, and payment of the Purchase Price for, the Units shall be made at the offices of Davis Polk & Wardwell or such other location as may be mutually acceptable. Such delivery and payment shall be made at 9:00 a.m. New York City time, on September 29, 1999, or at such other time on the same date or such other date as shall be agreed upon by the Initial Purchaser and the Issuers in writing. The time and date of such delivery and the payment for the Units are herein called the "Closing Date."

(b) One or more of the Units in definitive global form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), having an aggregate principal amount corresponding to the aggregate principal amount of the Units sold pursuant to Exempt Resales (collectively, the "Global Unit"), shall be delivered by the Issuers to the Initial Purchaser (or as the Initial Purchaser directs) in each case with any transfer taxes thereon duly paid by the Issuers against payment by the Initial Purchaser of the Purchase Price thereof by wire transfer in immediately available funds to the order of the Issuers. The Global Units shall be made available to the Initial Purchaser for inspection not later than 9:30 a.m., New York City time, on the business day immediately preceding the Closing Date.

5. Agreements of the Issuers and the Guarantors. As of the date hereof, the Issuers, and as of the Consummation, the Guarantors, hereby agree with the Initial Purchaser as follows:

(a) To advise the Initial Purchaser promptly and, if requested by the Initial Purchaser, confirm such advice in writing, (i) of the issuance by any state securities commission of any stop order suspending the qualification or exemption from qualification of any Securities for offering or sale in any jurisdiction designated by the Initial Purchaser pursuant to Section 5(e) hereof, or the initiation of any proceeding by any state securities commission or any other federal or state regulatory authority for such purpose, and (ii) of the happening of any event during the period referred to in Section 5(c) below that makes any statement of a material fact made in the Preliminary Offering Memorandum or the Offering Memorandum untrue or that requires any additions to or changes in the Preliminary Offering Memorandum or the Offering Memorandum in order to make the statements therein not misleading. The Issuers and the Guarantors shall use their reasonable best efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of any of the Securities under any state securities or Blue Sky laws, and, if at any time any state securities commission or other federal or state regulatory authority shall issue an order suspending the qualification or exemption of any Securities under any state securities or Blue Sky laws, the Issuers and the Guarantors shall use their reasonable best efforts to obtain the withdrawal or lifting of such

order at the earliest possible time; provided, however, that the Issuers and the Guarantors shall not be required in connection therewith to qualify as a foreign entity in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation, other than as to matters and transactions relating to the Preliminary Offering Memorandum, the Offering Memorandum or Exempt Resales, in any jurisdiction in which it is not now so subject.

(b) To furnish the Initial Purchaser and those persons identified by the Initial Purchaser to the Issuers as many copies of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments or supplements thereto, as the Initial Purchaser may reasonably request for the time period specified in Section 5(c). Subject to the Initial Purchaser's compliance with its representations and warranties and agreements set forth in Section 7 hereof, the Issuers and the Guarantors consent to the use of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments and supplements thereto required pursuant hereto, by the Initial Purchaser in connection with Exempt Resales.

(c) During such period as, in the opinion of counsel for the Initial Purchaser, an Offering Memorandum is required by law to be delivered in connection with Exempt Resales by the Initial Purchaser and in connection with market-making activities of the Initial Purchaser for so long as any Units are outstanding, (i) not to make any amendment or supplement to the Offering Memorandum of which the Initial Purchaser shall not previously have been advised or to which the Initial Purchaser shall reasonably object after being so advised and (ii) to prepare promptly, upon the Initial Purchaser's reasonable request, any amendment or supplement to the Offering Memorandum which may be necessary or advisable in connection with such Exempt Resales or such market-making activities.

(d) If, during the period referred to in Section 5(c) above, any event shall occur or condition shall exist as a result of which, in the opinion of counsel to the Initial Purchaser, it becomes necessary to amend or supplement the Offering Memorandum in order to make the statements therein, in the light of the circumstances when such Offering Memorandum is delivered to an Eligible Purchaser, not misleading, or if, in the opinion of counsel to the Initial Purchaser, it is necessary to amend or supplement the Offering Memorandum to comply with any applicable law, forthwith to prepare an appropriate amendment or supplement to such Offering Memorandum so that the statements therein, as so amended or supplemented, will not, in the light of the circumstances when it is so delivered, be misleading, or so that such Offering Memorandum will comply with applicable law, and to furnish to the Initial Purchaser and such other persons as the Initial Purchaser may designate such number of copies thereof as the Initial Purchaser may reasonably request.

(e) Prior to the sale of all Units pursuant to Exempt Resales as contemplated hereby, to cooperate with the Initial Purchaser and counsel to the Initial Purchaser in connection with the registration or qualification of the Units for offer and sale to the Initial Purchaser and pursuant to Exempt Resales under the securities or Blue Sky laws of such jurisdictions as the Initial Purchaser may request and to continue such registration or qualification in effect so long as required for Exempt Resales and to file such consents to service of process or other documents as may be necessary in order to effect such registration or qualification; provided, however, that neither of the Issuers nor any Guarantor shall be required in connection therewith to qualify as a foreign entity in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation, other than as to matters and transactions relating to the Preliminary Offering Memorandum, the Offering Memorandum or Exempt Resales, in any jurisdiction in which it is not now so subject.

(f) So long as the Securities are outstanding and the Indenture so requires, (i) to mail and make generally available as soon as practicable after the end of each fiscal year to the record holders of the Series

A Notes a financial report of the Issuers and their subsidiaries on a consolidated basis all such financial reports to include a consolidated balance sheet, a consolidated statement of operations, a consolidated statement of cash flows and a consolidated statement of shareholders' equity as of the end of and for such fiscal year, together with comparable information as of the end of and for the preceding year, certified by the Issuers' independent public accountants and (ii) to mail and make generally available as soon as practicable after the end of each quarterly period (except for the last quarterly period of each fiscal year) to such holders, a consolidated balance sheet, a consolidated statement of operations and a consolidated statement of cash flows as of the end of and for such period, and for the period from the beginning of such year to the close of such quarterly period, together with comparable information for the corresponding periods of the preceding year.

(g) So long as the Securities are outstanding, to furnish to the Initial Purchaser as soon as available copies of all reports or other communications furnished by the Issuers and the Guarantors to their security holders or furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Issuers and the Guarantors is listed and such other publicly available information concerning the Issuers and/or their subsidiaries as the Initial Purchaser may reasonably request.

(h) So long as any of the Securities remain outstanding and during any period in which the Issuers and the Guarantors are not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to make available to any holder of Securities in connection with any sale thereof and any prospective purchaser of such Securities from such holder, the information ("Rule 144A Information") required by Rule 144A(d)(4) under the Securities Act.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of the obligations of the Issuers and the Guarantors under this Agreement, including: (i) the fees, disbursements and expenses of counsel to the Issuers and the Guarantors and accountants of the Issuers and the Guarantors in connection with the sale and delivery of the Units to the Initial Purchaser and pursuant to Exempt Resales, and all other fees and expenses in connection with the preparation, printing, filing and distribution of the Preliminary Offering Memorandum, the Offering Memorandum and all amendments and supplements to any of the foregoing (including financial statements), including the mailing and delivering of copies thereof to the Initial Purchaser and persons designated by them in the quantities specified herein, (ii) all costs and expenses related to the transfer and delivery of the Units to the Initial Purchaser and pursuant to Exempt Resales, including any transfer or other taxes payable thereon, (iii) all costs of printing or producing this Agreement, the other Operative Documents and any other agreements or documents in connection with the offering, purchase, sale or delivery of the Units, (iv) all expenses in connection with the registration or qualification of the Units and the Subsidiary Guarantees for offer and sale under the securities or Blue Sky laws of the several states and all costs of printing or producing any preliminary and supplemental Blue Sky memoranda in connection therewith (including the filing fees and fees and disbursements of counsel for the Initial Purchaser in connection with such registration or qualification and memoranda relating thereto), (v) the cost of printing certificates representing the Units and the Subsidiary Guarantees, (vi) all expenses and listing fees in connection with the application for quotation of the Units in the National Association of Securities Dealers, Inc. ("NASD") Automated Quotation System - PORTAL ("PORTAL"), (vii) the fees and expenses of the Trustee and the Trustee's counsel in connection with the Indenture, the Notes and the Subsidiary Guarantees, (viii) the fees and expenses of the Warrant Agent and the Warrant Agent's counsel in connection with the Warrant Agreement, (ix) the costs and charges of any transfer agent, registrar and/or depositary (including the DTC), (x) any fees charged by rating agencies for the rating of the Notes, (xi) all costs and expenses of the Exchange Offer and any Registration Statement, as set forth in the

Registration Rights Agreement, (xii) all costs and expenses of the Warrant Registration Statement, as set forth in the Warrant Registration Rights Agreement, and (xiii) all other costs and expenses incident to the performance of the obligations of the Issuers and the Guarantors hereunder for which provision is not otherwise made in this Section.

The Sierra Entities shall not be responsible for any fees and expenses described in this paragraph unless and until the Sierra Acquisition is Consummated.

(j) To use its reasonable best efforts to effect the inclusion of the Securities in PORTAL and to maintain the listing of the Securities on PORTAL for so long as the Securities are outstanding.

(k) To obtain the approval of DTC for "book-entry" transfer of the Securities, and to comply with all agreements set forth in the representation letters of the Issuers and the Guarantors to DTC relating to the approval of the Securities by DTC for "book-entry" transfer.

(l) During the period beginning on the date hereof and continuing to and including the Closing Date, not to offer, sell, contract to sell or otherwise transfer or dispose of any debt securities of the Issuers or any Guarantor or any warrants, rights or options to purchase or otherwise acquire debt securities of the Issuers or any Guarantor substantially similar to the Securities and the Subsidiary Guarantees (other than (i) the Securities and the Subsidiary Guarantees or (ii) commercial paper issued in the ordinary course of business), without the prior written consent of the Initial Purchaser.

(m) Not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that would be integrated with the sale of the Units to the Initial Purchaser or pursuant to Exempt Resales in a manner that would require the registration of any such sale of the Units under the Securities Act.

(n) Not to voluntarily claim, and to actively resist any attempts to claim, the benefit of any usury laws against the holders of any Securities.

(o) To cause the Exchange Offer to be made in the appropriate form to permit Series B Notes and guarantees thereof by the Guarantors registered pursuant to the Securities Act to be offered in exchange for the Series A Notes, subject to the limitations contemplated by the Registration Rights Agreement, and to comply with all applicable federal and state securities laws in connection with the Exchange Offer.

(p) To cause the Warrant Registration Statement to be made on the appropriate form and to comply with all applicable federal and state securities laws in connection therewith.

(q) To comply with all of its agreements set forth in the Registration Rights Agreement.

(r) To comply with all of its agreements set forth in the Warrant Agreement.

(s) To use its reasonable best efforts to do and perform all things required or necessary to be done and performed under this Agreement by it prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Units and the Subsidiary Guarantees.

(t) For so long as any of the Securities and the Subsidiary Guarantees are outstanding and if, in the reasonable judgment of the Initial Purchaser or its counsel, the Initial Purchaser or any of its affiliates (as defined in the rules and regulations under the Securities Act) is required to deliver a prospectus (any such prospectus, a "Market Making Prospectus") in connection with sales of the Units, to (i) provide the Initial Purchaser and its affiliates, without charge, as many copies of the Market Making Prospectus as they may

reasonably request, (ii) periodically amend the Registration Statement or the Warrant Registration Statement so that the information contained therein complies with the requirements of Section 10(a) of the Securities Act, (iii) amend the Registration Statement, the Warrant Registration Statement or amend or supplement the Market Making Prospectus when necessary to reflect any material changes in the information provided therein and promptly file such amendment or supplement with the Commission, (iv) provide the Initial Purchaser and its affiliates with copies of each amendment or supplement so filed and such other documents, including opinions of counsel and "comfort" letters, as they may reasonably request and (v) indemnify the Initial Purchaser and its affiliates with respect to the Market Making Prospectus and, if applicable, contribute to any amount paid or payable by the Initial Purchaser and its affiliates in a manner substantially identical to that specified in Section 8 hereof (with appropriate modifications). The Issuers consent to the use, subject to the provisions of the Securities Act and the state securities or Blue Sky laws of the jurisdictions in which the Units are offered by the Initial Purchaser, of each Market Making Prospectus.

6. Representations, Warranties and Agreements of the Issuers. As of the date hereof, the Issuers, and as of the Consummation, the Guarantors, represent and warrant to, and agree with, the Initial Purchaser that:

(a) The Preliminary Offering Memorandum and the Offering Memorandum do not, and any supplement or amendment to them will not, contain any 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, except that the representations and warranties contained in this paragraph (a) shall not apply to statements in or omissions from the Preliminary Offering Memorandum or the Offering Memorandum (or any supplement or amendment thereto) based upon information relating to the Initial Purchaser furnished to the Issuers in writing by the Initial Purchaser expressly for use therein. No stop order preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or any amendment or supplement thereto, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act, has been issued.

(b) Each of the Issuers and their subsidiaries has been duly organized, is validly existing and in good standing under the laws of its jurisdiction of organization and has the requisite power and authority to carry on its business as described in the Preliminary Offering Memorandum and the Offering Memorandum and to own, lease and operate its properties, and each is duly qualified and is in good standing as a foreign entity authorized to do business in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not (i) have a material adverse effect on the business, prospects, financial condition or results of operations of the Issuers and their subsidiaries, taken as a whole or (ii) in any manner draw into question the validity of any of the Operative Documents (the events referred to in clauses (i) and (ii), each a "Material Adverse Effect").

(c) All equity interests of the Issuers have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights.

(d) The entities listed on Schedule B hereto are the only subsidiaries, direct or indirect, of the Issuers. Except as otherwise set forth in the Offering Memorandum, all of the outstanding equity interests of each of the Issuers' subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable, as applicable, and are owned by the Issuers, directly or indirectly through one or more subsidiaries, free and clear of any security interest, claim, lien, encumbrance or adverse interest of any nature (each, a "Lien")

(e) This Agreement has been duly authorized, executed and delivered by the Issuers and each of the Guarantors.

(f) The Indenture has been duly authorized by the Company and each of the Guarantors, and on the Closing Date, will have been validly executed and delivered by the Company and each of the Guarantors. When the Indenture has been duly executed and delivered by the Company and each of the Guarantors, the Indenture will be a valid and binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing Date, the Indenture will conform in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "TIA" or "Trust Indenture Act"), and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

(g) Each of the Issuers has duly and validly authorized the issuance of the Notes and the Warrants as a Unit. On the Closing Date, the Units will conform as to legal matters to the description thereof contained in the Offering Memorandum.

(h) The Series A Notes have been duly authorized and, on the Closing Date, will have been validly executed and delivered by the Company. When the Series A Notes have been issued, executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchaser in accordance with the terms of this Agreement, the Series A Notes will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing Date, the Series A Notes will conform as to legal matters to the description thereof contained in the Offering Memorandum.

(i) On the Closing Date, the Series B Notes will have been duly authorized by the Company. When the Series B Notes are issued, executed and authenticated in accordance with the terms of the Exchange Offer and the Indenture, the Series B Notes will be entitled to the benefits of the Indenture and will be the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

(j) The Warrants have been duly authorized by Holdings and, on the Closing Date, will have been validly delivered by Holdings. When the Warrants are issued, the Warrants will be valid and binding obligations of Holdings, enforceable against Holdings in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing Date, the Warrants will conform as to legal matters to the description thereof in the Offering Memorandum.

(k) The Warrant Shares have been duly and validly authorized for issuance by Holdings, and when issued pursuant to the terms of the Warrants and the Warrant Agreement will be fully paid and

nonassessable and will not be subject to any preemptive or similar rights. On the Closing Date, the Warrant Shares will conform as to legal matters to the description thereof contained in the Offering Memorandum.

(l) The Subsidiary Guarantee to be endorsed on the Series A Notes by each Guarantor has been duly authorized by such Guarantor and, on the Closing Date, will have been duly executed and delivered by each such Guarantor. When the Series A Notes have been issued, executed and authenticated in accordance with the Indenture and delivered to and paid for by the Initial Purchaser in accordance with the terms of this Agreement, the Subsidiary Guarantee of each Guarantor endorsed thereon will be entitled to the benefits of the Indenture and will be the valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing Date, the Subsidiary Guarantees to be endorsed on the Series A Notes will conform as to legal matters to the description thereof contained in the Offering Memorandum.

(m) The Subsidiary Guarantee to be endorsed on the Series B Notes by each Guarantor has been duly authorized by such Guarantor and, when issued, will have been duly executed and delivered by each such Guarantor. When the Series B Notes have been issued, executed and authenticated in accordance with the terms of the Exchange Offer and the Indenture, the Subsidiary Guarantee of each Guarantor endorsed thereon will be entitled to the benefits of the Indenture and will be the valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditor's rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. When the Series B Notes are issued, authenticated, and delivered, the Subsidiary Guarantees to be endorsed on the Series B Notes will conform as to legal matters to the description thereof in the Offering Memorandum.

(n) The Registration Rights Agreement has been duly authorized by the Company and each of the Guarantors and, on the Closing Date, will have been duly executed and delivered by the Company and each of the Guarantors. When the Registration Rights Agreement has been duly executed and delivered by the Company and each of the Guarantors, the Registration Rights Agreement will be a valid and binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (iii) rights to indemnity and contribution thereunder may be limited by applicable law. On the Closing Date, the Registration Rights Agreement will conform as to legal matters to the description thereof in the Offering Memorandum.

(o) The Warrant Agreement has been duly and validly authorized by Holdings and, when duly executed and delivered by Holdings, will be a valid and binding agreement of Holdings, enforceable against it in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (iii) rights to indemnity and contribution thereunder may be limited by applicable law. On the Closing Date, the Warrant Agreement will conform as to legal matters to the description thereof in the Offering Memorandum.

(p) The Warrant Registration Rights Agreement has been duly and validly authorized by Holdings and, when duly executed and delivered by Holdings, will be a valid and binding agreement of

Holdings, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (iii) rights to indemnity and contribution thereunder may be limited by applicable law. On the Closing Date, the Warrant Registration Rights Agreement will conform as to legal matters to the description thereof in the Offering Memorandum.

(q) The indebtedness represented by the Units is being incurred for proper purposes and in good faith. On the Closing Date (after giving effect to the application of the proceeds from the issuance of the Units), (a) the fair value and present fair saleable value of the Issuers' assets exceeds and would exceed its stated liabilities and identified contingent liabilities, (b) the Issuers should be able to pay its debts as they become absolute and matured and (c) the capital the Issuers is not and would not be unreasonably small for the business in which it is engaged.

(r) Neither of the Issuers nor any of their subsidiaries is in violation of its respective organizational documents or in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument to which the Issuers or any of their subsidiaries is a party or by which the Issuers or any of their subsidiaries or their respective property is bound, except for such defaults which, singly or in the aggregate, would not have a Material Adverse Effect.

(s) The execution, delivery and performance of this Agreement and the other Operative Documents by the Issuers and each of the Guarantors (as applicable), compliance by the Issuers and each of the Guarantors (as applicable) with all provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby will not (i) require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency (except such as may be required under federal securities or Blue Sky laws of the various states or have been or will be obtained prior to the Closing Date), (ii) conflict with or constitute a breach of any of the terms or provisions of, or a default under, (A) the charter or by-laws of the Issuers or any of their subsidiaries or (B) any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Issuers and their subsidiaries, taken as a whole, to which the Issuers or any of their subsidiaries is a party or by which the Issuers or any of their subsidiaries or their respective property is bound, (iii) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Issuers, any of their subsidiaries or their respective property, (iv) result in the imposition or creation of (or the obligation to create or impose) a Lien under, any agreement or instrument to which the Issuers or any of their subsidiaries is a party or by which the Issuers or any of their subsidiaries or their respective property is bound (other than the Liens to be created under the Credit Agreement as set forth in the Offering Memorandum), or (v) result in the termination, suspension or revocation of any Authorization (as defined below) of the Issuers or any of their subsidiaries or result in any other impairment of the rights of the holder of any such Authorization, except (1) insofar as there is required any consent, approval, authorization, filing, notification or other action that both (x) is described in Section 3.4 of the Recapitalization Agreement or listed in Schedule 3.4 of the Disclosure Schedule (as defined in the Recapitalization Agreement) and (y) either has been or prior to the Closing Date will be obtained or made or (2) in the case of clauses (i), (ii)(B), (iv) and (v), as would not, singly or in the aggregate, have a Material Adverse Effect.

(t) No action has been taken and no law, statute, rule or regulation or order has been enacted, adopted or issued by any governmental agency or body which prevents the execution, delivery and performance of any of this Agreement, the Indenture, the Units, the Subsidiary Guarantees or any of the

other Operative Documents or the issuance of the Units, or suspends the sale of the Units in any jurisdiction referred to in Section 5(e) and no injunction, restraining order or other order or relief of any nature by a federal or state court or other tribunal of competent jurisdiction has been issued with respect to the Issuers which would prevent or suspend the issuance or sale of the Units in any jurisdiction referred to in Section 5(e).

(u) Except as disclosed in the Offering Memorandum, there are no legal or governmental proceedings pending or threatened to which the Issuers or any of their subsidiaries is or could be a party or to which any of their respective property is or could be subject, which would reasonably be expected to result, singly or in the aggregate, in a Material Adverse Effect.

(v) Except as disclosed in the Offering Memorandum, neither of the Issuers nor any of their subsidiaries has violated any foreign, federal, state or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except for such violations which, singly or in the aggregate, would not have a Material Adverse Effect.

(w) Except as otherwise set forth in the Offering Memorandum, there are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any Authorization, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a Material Adverse Effect.

(x) Each of the Issuers and their subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an "Authorization") of, and has made all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals, including without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, singly or in the aggregate, have a Material Adverse Effect. Except as disclosed in the Offering Memorandum, each such Authorization is valid and in full force and effect and each of the Issuers and their subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Authorization; and such Authorizations contain no restrictions that are burdensome to the Issuers or any of their subsidiaries; except, in each case, where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, singly or in the aggregate, have a Material Adverse Effect.

(y) The accountants, PricewaterhouseCoopers LLP, that have certified the financial statements included in the Preliminary Offering Memorandum and the Offering Memorandum are independent public accountants with respect to the Issuers as required by the Securities Act and the Exchange Act.

(z) The historical financial statements, together with related notes forming part of the Offering Memorandum (and any amendment or supplement thereto), present fairly the consolidated financial

position, results of operations and changes in financial position of the Issuers and their subsidiaries on the basis stated in the Offering Memorandum at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth in the Offering Memorandum (and any amendment or supplement thereto) are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of the Issuers.

(aa) Each of the Issuers has complied with all provisions of Section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida).

(bb) The pro forma financial statements included in the Preliminary Offering Memorandum and the Offering Memorandum have been prepared on a basis consistent with the historical financial statements of the Issuers and their subsidiaries and give effect to assumptions used in the preparation thereof on a reasonable basis and in good faith and present fairly the historical and proposed transactions contemplated by the Preliminary Offering Memorandum and the Offering Memorandum; and such pro forma financial statements comply as to form in all material respects with the requirements applicable to pro forma financial statements included in registration statements on Form S-1 under the Securities Act. The other pro forma financial and statistical information and data included in the Offering Memorandum are, in all material respects, accurately presented and prepared on a basis consistent with the pro forma financial statements.

(cc) The Issuers are not, and after giving effect to the offering and sale of the Units and the application of the net proceeds thereof as described in the Offering Memorandum, will not be, an "investment company," as such term is defined in the Investment Company Act of 1940, as amended.

(dd) Except as otherwise disclosed in the Offering Memorandum, there are no contracts, agreements or understandings that will remain in effect after the issuance of the Securities between the Issuers and any person granting such person the right to require the Issuers to file a registration statement under the Securities Act with respect to any securities of the Issuers or to require the Issuers to include such securities with the Securities registered pursuant to any Registration Statement or the Warrant Registration Statement.

(ee) Neither of the Issuers nor any of their subsidiaries nor any agent thereof acting on the behalf of them has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Units to violate Regulation T (12 C.F.R. Part 220), Regulation U (12 C.F.R. Part 221) or Regulation X (12 C.F.R. Part 224) of the Board of Governors of the Federal Reserve System.

(ff) No "nationally recognized statistical rating organization" (as such term is defined for purposes of Rule 436(g)(2) under the Securities Act) (i) has imposed (or has informed the Issuers that it is considering imposing) any condition (financial or otherwise) on any Issuer's retaining any rating assigned to the Issuers or any securities of any Issuer or (ii) has indicated to any Issuer that it is considering (A) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (B) any change in the outlook for any rating of any Issuer or any securities of any Issuer.

(gg) Since the respective dates as of which information is given in the Offering Memorandum other than as set forth in the Offering Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there has not occurred any material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or the

earnings, business, management or operations of the Issuers and their subsidiaries, taken as a whole, (ii) there has not been any material adverse change or any development involving a prospective material adverse change in the capital stock or in the long-term debt of the Issuers or any of their subsidiaries and (iii) neither of the Issuers nor any of their subsidiaries has incurred any material liability or obligation, direct or contingent.

(hh) Except as set forth in the Offering Memorandum under "SEC Review," and except with respect to any financial statements of the Guarantors and Holdings, each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its date, contains all the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

(ii) When the Securities and the Subsidiary Guarantees are issued and delivered pursuant to this Agreement, neither the Securities nor the Subsidiary Guarantees will be of the same class (within the meaning of Rule 144A under the Securities Act) as any security of any Issuer or the Guarantors that is listed on a national securities exchange registered under Section 6 of the Exchange Act or that is quoted in a United States automated inter-dealer quotation system.

(jj) No form of general solicitation or general advertising (as defined in Regulation D under the Securities Act) was used by any Issuer or Guarantor or any of their respective representatives (other than the Initial Purchaser, as to whom the Issuers and the Guarantors make no representation) in connection with the offer and sale of the Units contemplated hereby, including, but not limited to, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. No securities of the same class as the Units have been issued and sold by any Issuer within the six-month period immediately prior to the date hereof.

(kk) Prior to the effectiveness of any Registration Statement, the Indenture is not required to be qualified under the TIA.

(ll) Neither of the Issuers, the Guarantors, nor any of their respective affiliates or any person acting on their behalf (other than the Initial Purchaser, as to whom the Issuers and the Guarantors make no representation) has engaged or will engage in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S") with respect to the Units.

(mm) The Units offered and sold in reliance on Regulation S have been and will be offered and sold only in offshore transactions assuming the accuracy of the Initial Purchaser's representations and warranties and agreements set forth in Section 7 hereof.

(nn) The sale of the Units pursuant to Regulation S is not part of a plan or scheme to evade the registration provisions of the Securities Act.

(oo) No registration under the Securities Act of the Units or the Subsidiary Guarantees is required for the sale of the Units and the Subsidiary Guarantees to the Initial Purchaser as contemplated hereby or for the Exempt Resales assuming the accuracy of the Initial Purchaser's representations and warranties and agreements set forth in Section 7 hereof.

(pp) There is no (i) material unfair labor practice complaint, grievance or arbitration proceeding pending or threatened against the Issuers before the National Labor Relations Board or any state or local labor relations board or (ii) strike, labor dispute, slowdown or stoppage pending or threatened against the

Issuers, except for such actions specified in clause (i) or (ii) above, which, singly or in the aggregate, would not have a Material Adverse Effect. To the best of the Issuers' knowledge, no collective bargaining organizing activities are taking place with respect to the Issuers, which, singly or in the aggregate, would have a Material Adverse Effect.

(qq) The Issuers maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(rr) Except as otherwise set forth in the Offering Memorandum, the Issuers and their subsidiaries own or possess, or can acquire on reasonable terms, all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names ("intellectual property") currently employed by them in connection with the business now operated by them, except where the failure to own or possess or otherwise be able to acquire such intellectual property would not, singly or in the aggregate, have a Material Adverse Effect; and, to the best of the Issuers' knowledge, neither of the Issuers nor any of their subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of such intellectual property which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(ss) Each certificate signed by any officer of any Issuer and delivered to the Initial Purchaser or counsel for the Initial Purchaser shall be deemed to be a representation and warranty by such Issuer to the Initial Purchaser as to the matters covered thereby.

(tt) The agreements listed on Exhibit C hereto are all the agreements that are material to the conduct of the business of the Issuers and their subsidiaries, taken as a whole.

The Issuers acknowledge that the Initial Purchaser and, for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Section 9 hereof, counsel to the Issuers and counsel to the Initial Purchaser will rely upon the accuracy and truth of the foregoing representations and hereby consent to such reliance.

7. Initial Purchaser's Representations and Warranties. The Initial Purchaser represents and warrants to the Issuers, that:

(a) The Initial Purchaser is either a QIB or an institutional "accredited investor" (as such term is defined in rule 501(a)(1), (2), (3) or (7) under the Securities Act, an "Accredited Institution") in either case, with such knowledge and experience in financial and business matters as is necessary in order to evaluate the merits and risks of an investment in the Units.

(b) The Initial Purchaser (A) is not acquiring the Units with a view to any distribution thereof or with any present intention of offering or selling any of the Units in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction and (B) will be reoffering and reselling the Units only (x) to QIBs in reliance on the exemption from the

registration requirements of the Securities Act provided by Rule 144A and (y) in offshore transactions in reliance upon Regulation S under the Securities Act.

(c) The Initial Purchaser agrees that no form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) has been or will be used by the Initial Purchaser or any of its representatives in connection with the offer and sale of the Securities pursuant hereto, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(d) The Initial Purchaser agrees that, in connection with Exempt Resales, the Initial Purchaser will solicit offers to buy the Units only from, and will offer to sell the Units only to, Eligible Purchasers. The Initial Purchaser further agrees that it will offer to sell the Units only to, and will solicit offers to buy the Units only from (A) Eligible Purchasers that the Initial Purchaser reasonably believes are QIBs and (B) Regulation S Purchasers, in each case, that agree that (x) the Securities purchased by them may be resold, pledged or otherwise transferred within the time period referred to under Rule 144(k) (taking into account the provisions of Rule 144(d) under the Securities Act, if applicable) under the Securities Act, as in effect on the date of the transfer of such Units, only (I) to the Issuers or any of their subsidiaries, (II) to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A under the Securities Act, (III) in an offshore transaction (as defined in Rule 902 under the Securities Act) meeting the requirements of Rule 904 of the Securities Act, (IV) in a transaction meeting the requirements of Rule 144 under the Securities Act, (V) to an Accredited Institution that, prior to such transfer, furnishes the Trustee a signed letter containing certain representations and agreements relating to the registration of transfer of such Unit (the form of which may be obtained from the Trustee) and, if such transfer is in respect of an aggregate principal amount of Units less than $250,000, an opinion of counsel acceptable to the Issuers that such transfer is in compliance with the Securities Act, (VI) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel acceptable to the Issuers) or (VII) pursuant to an effective registration statement and, in each case, in accordance with the applicable securities laws of any State of the United States or any other applicable jurisdiction and (y) they will deliver to each person to whom such Units or an interest therein is transferred a notice substantially to the effect of the foregoing.

(e) The Initial Purchaser and its affiliates or any person acting on its or their behalf have not engaged or will not engage in any directed selling efforts within the meaning of Regulation S with respect to the Units.

(f) The Units offered and sold by the Initial Purchaser pursuant hereto in reliance on Regulation S have been and will be offered and sold only in offshore transactions.

(g) The sale of the Units offered and sold by the Initial Purchaser pursuant hereto in reliance on Regulation S is not part of a plan or scheme to evade the registration provisions of the Securities Act.

(h) With respect to Units to be sold pursuant to Regulation S of the Securities Act, the Initial Purchaser agrees that it has not offered or sold and will not offer or sell such Units in the United States or to, or for the benefit or account of, a U.S. Person (other than a distributor), in each case, as defined in Rule 902 under the Securities Act (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Units pursuant hereto and the Closing Date, other than in accordance with Regulation S of the Securities Act or another exemption from the registration requirements of the Securities Act.

The Initial Purchaser agrees that, during such 40-day restricted period, it will not cause any advertisement with respect to the Units (including any "tombstone" advertisement) to be published in any newspaper or periodical or posted in any public sale and will not issue any circular relating to the Units, except such advertisements that are permitted by and which include the statements required by Regulation S.

The Initial Purchaser acknowledges that the Issuers and, for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Section 9 hereof, counsel to the Issuers and counsel to the Initial Purchaser will rely upon the accuracy and truth of the foregoing representations, and the Initial Purchaser hereby consents to such reliance.

8. Indemnification. (a) As of the date hereof, the Issuers, and as of the Consummation, the Guarantors, agree, jointly and severally, to indemnify and hold harmless the Initial Purchaser, its directors, its officers and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and judgments (including, without limitation, any legal or other expenses incurred in connection with investigating or defending any matter, including any action, that could give rise to any such losses, claims, damages, liabilities or judgments) caused by any untrue statement or alleged untrue statement of a material fact contained in the Offering Memorandum (or any amendment or supplement thereto), the Preliminary Offering Memorandum or any Rule 144A Information provided by the Issuers or any Guarantor to any holder or prospective purchaser of Units pursuant to Section 5(h) or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or judgments are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Initial Purchaser furnished in writing to the Issuers by the Initial Purchaser; provided, however, that the foregoing indemnity agreement with respect to any Preliminary Offering Memorandum shall not inure to the benefit of the Initial Purchaser if the Initial Purchaser fails to deliver an Offering Memorandum (as then amended or supplemented, provided by the Issuers to the Initial Purchaser in the requisite quantity and on a timely basis to permit proper delivery on or prior to the Closing Date) to the person asserting any losses, claims, damages and liabilities and judgments caused by any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, if such material misstatement or omission or alleged material misstatement or omission was cured in the Offering Memorandum.

(b) The Initial Purchaser agrees to indemnify and hold harmless the Issuers and the Guarantors and their respective directors and officers and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Issuers or any Guarantor to the same extent as the foregoing indemnity from the Issuers and the Guarantors to the Initial Purchaser but only with reference to information relating to the Initial Purchaser furnished in writing to the Issuers by the Initial Purchaser expressly for use in the Preliminary Offering Memorandum or the Offering Memorandum.

(c) In case any action shall be commenced involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b) (the "Indemnified Party"), the Indemnified Party shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense of such action, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses of such counsel, as incurred (except that, in the case of any action in respect of which indemnity may be sought pursuant to both Sections 8(a) and 8(b), the Initial Purchaser shall not be required to assume the defense of such action pursuant to this Section 8(c), but may employ separate counsel and participate in the defense

thereof, but the fees and expenses of such counsel, except as provided below, shall be at the expense of the Initial Purchaser). Any Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless (i) the employment of such counsel shall have been specifically authorized in writing by the Indemnifying Party, (ii) the Indemnifying Party shall have failed to assume the defense of such action or employ counsel reasonably satisfactory to the Indemnified Party or (iii) the named parties to any such action (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume the defense of such action on behalf of the Indemnified Party). In any such case, the Indemnifying Party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all Indemnified Parties and all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by Donaldson, Lufkin & Jenrette Securities Corporation, in the case of the parties indemnified pursuant to Section 8(a), and by the Issuers, in the case of parties indemnified pursuant to Section 8(b). The Indemnifying Party shall indemnify and hold harmless the Indemnified Party from and against any and all losses, claims, damages, liabilities and judgments by reason of any settlement of any action (i) effected with its written consent or (ii) effected without its written consent if the settlement is entered into more than twenty business days after the Indemnifying Party shall have received a request from the Indemnified Party for reimbursement for the fees and expenses of counsel (in any case where such fees and expenses are at the expense of the Indemnifying Party) and, prior to the date of such settlement, the Indemnifying Party shall have failed to comply with such reimbursement request. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement or compromise of, or consent to the entry of judgment with respect to, any pending or threatened action in respect of which the Indemnified Party is or could have been a party and indemnity or contribution may be or could have been sought hereunder by the Indemnified Party, unless such settlement, compromise or judgment (i) includes an unconditional release of the Indemnified Party from all liability on claims that are or could have been the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the Indemnified Party.

(d) To the extent the indemnification provided for in this Section 8 is unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each 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 and judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Guarantors, on the one hand, and the Initial Purchaser, on the other hand, from the offering of the Units or (ii) if the allocation provided by clause 8(d)(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 8(d)(i) above but also the relative fault of the Issuers and the Guarantors, on the one hand, and the Initial Purchaser, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantors, on the one hand, and the Initial Purchaser, on the other hand, shall be deemed to be in the same proportion as the total net proceeds from the offering of the Units (after underwriting discounts and commissions, but before deducting expenses) received by the Issuers, and the total discounts and commissions received by the Initial Purchaser bear to the total price to investors of the Units, in each case, as set forth in the table on the cover page of the Offering Memorandum. The relative fault of the Issuers and the Guarantors, on the one hand, and the Initial Purchaser, on the other hand, shall be

determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuers and the Guarantors, on the one hand, or the Initial Purchaser, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Issuers and the Guarantors, and the Initial Purchaser agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Party in connection with investigating or defending any matter, including any action, that could have given rise to such losses, claims, damages, liabilities or judgments. Notwithstanding the provisions of this Section 8, the Initial Purchaser shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by the Initial Purchaser exceeds the amount of any damages which the Initial Purchaser 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.

(e) The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity.

9. Conditions of Initial Purchaser's Obligations. The obligations of the Initial Purchaser to purchase the Units under this Agreement are subject to the satisfaction of each of the following conditions:

(a) All the representations and warranties of the Issuers and the Guarantors contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date.

(b) On or after the date hereof, (i) there shall not have occurred any downgrading, suspension or withdrawal of, nor shall any notice have been given of any potential or intended downgrading, suspension or withdrawal of, or of any review (or of any potential or intended review) for a possible change that does not indicate the direction of the possible change in, any rating of any Issuer or any Guarantor or any securities of any Issuer or any Guarantor (including, without limitation, the placing of any of the foregoing ratings on credit watch with negative or developing implications or under review with an uncertain direction) by any "nationally recognized statistical rating organization" (as such term is defined for purposes of Rule 436(g)(2) under the Securities Act), (ii) there shall not have occurred any change, nor shall any notice have been given of any potential or intended change, in the outlook for any rating of any Issuer or any Guarantor or any securities of any Issuer or any Guarantor by any such rating organization and (iii) no such rating organization shall have given notice that it has assigned (or is considering assigning) a lower rating to the Units than that on which the Units were marketed.

(c) Since the respective dates as of which information is given in the Offering Memorandum other than as set forth in the Offering Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there shall not have occurred any change or any development in the condition, financial or otherwise, or the earnings, business, management or operations of the Issuers and their subsidiaries, taken as a whole, (ii) there shall not have been any change or any development involving a prospective change in the capital stock or in the long-term debt of the Issuers or any of their

subsidiaries and (iii) neither of the Issuers nor any of their subsidiaries shall have incurred any liability or obligation, direct or contingent, the effect of which, in any such case described in clause 9(c)(i), 9(c)(ii) or 9(c)(iii), in the judgment of the Initial Purchaser, is material and adverse and, in the judgment of the Initial Purchaser, makes it impracticable to market the Units on the terms and in the manner contemplated in the Offering Memorandum.

(d) The Initial Purchaser shall have received on the Closing Date a certificate dated the Closing Date and after the Consummation, signed by the Chief Executive Officer, Chairman of the Board, President or a Vice President and the chief financial officer, principal accounting officer or equivalent financial officer responsible for the financial statements, of the Issuers and the Guarantors, confirming the matters set forth in Sections 9(a), 9(b) and 9(c) and stating that the Issuers and each Guarantor has complied with all the agreements and satisfied all of the conditions herein contained and required to be complied with or satisfied on or prior to the Closing Date.

(e) The Initial Purchaser shall have received on the Closing Date a certificate dated the Closing Date and after the Consummation, signed by the Chief Executive Officer, Chairman of the Board, President or a Vice President and the chief financial officer, principal accounting officer or equivalent financial officer responsible for the financial statements, of the Issuers and the Guarantors, substantially in the form set forth in Exhibit B hereto.

(f) The Initial Purchaser shall have received on the Closing Date an opinion (satisfactory to the Initial Purchaser and counsel for the Initial Purchaser), dated the Closing Date, of Davis Polk & Wardwell, counsel for the Issuers, to the effect that:

(i) the execution and delivery of this Agreement, the Registration Rights Agreement, the Indenture and the Notes and compliance by the Issuers to the extent a party thereto, with the provisions thereof will not conflict with, constitute a default under or violate (i) any of the terms, conditions or provisions of the certificate of incorporation or bylaws of the Issuers, (ii) any of the terms, conditions or provisions of any Operative Document, and (iii) any New York, Delaware corporate, or federal law or regulation (other than federal and state securities or blue sky laws, as to which we express no opinion);

(ii) no consent, approval, waiver, license or authorization or other action by or filing with any New York, Delaware corporate, or federal governmental authority is required in connection with the execution and delivery by the Issuers of this Agreement, the Registration Rights Agreement, the Warrant Agreement, the Warrant Registration Rights Agreement, the Indenture and the Securities or the consummation by the Issuers of their obligations thereunder, except for (i) the applicable requirements of federal and state securities or blue sky laws, as to which we express no opinion and (ii) those already obtained and which are in full force and effect;

(iii) the Series A Notes have been duly authorized by the Company and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchaser in accordance with the terms of this Agreement, will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (x) the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, (y) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (z) to the extent that a waiver of rights under any usury or stay law may be unenforceable; we express no opinion, however, as to the applicability

(and, if applicable, the effect) of Section 548 of the United States Bankruptcy Code or any comparable provision of state law to the questions addressed above or on the conclusions expressed with respect thereto;

(iv) the Warrants have been duly authorized by Holdings and, on the Closing Date, when countersigned by the Warrant Agent and issued and delivered in accordance with the terms of this Agreement and the Warrant Agreement, the Warrants will be the valid and binding obligations of Holdings, enforceable against Holdings in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability;

(v) the Warrant Shares have been duly and validly authorized for issuance by Holdings, and when issued and delivered upon payment of the exercise price pursuant to the terms of the Warrants and the Warrant Agreement will be fully paid and nonassessable and will not be subject to any preemptive or similar statutory rights;

(vi) the Indenture has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as (x) the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, (y) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (z) to the extent that a waiver of rights under any usury or stay law may be unenforceable; we express no opinion, however, as to the applicability (and, if applicable, the effect) of Section 548 of the United States Bankruptcy Code or any comparable provision of state law to the questions addressed above or on the conclusions expressed with respect thereto;

(vii) this Agreement has been duly authorized, executed and delivered by the Issuers;

(viii) the Registration Rights Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as (x) the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally, (y) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (z) as rights to indemnity and contribution thereunder may be limited by applicable law;

(ix) the Series B Notes have been duly authorized by the Company;

(x) the Warrant Agreement has been duly and validly authorized, executed and delivered by Holdings and is a valid and binding agreement of Holdings, enforceable against Holdings in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability;

(xi) the Warrant Registration Rights Agreement has been duly and validly authorized, executed and delivered by Holdings and is a valid and binding agreement of Holdings, enforceable against Holdings in accordance with its terms, except as (i) the enforceability thereof may be limited

by bankruptcy, insolvency or similar laws affecting creditors' rights generally, (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability and (iii) as rights to indemnity and contribution thereunder may be limited by applicable law;

(xii) the statements under the captions "Certain Relationships and Related Party Transactions--the Recapitalization--Investors Agreement," "Description of New Credit Facility," "Description of Units," "Description of Notes," "Description of Warrants," and "Plan of Distribution" in the Offering Memorandum, insofar as such statements constitute a summary of legal matters or documents referred to therein, fairly summarize in all material respects the legal matters or documents referred to therein;

(xiii) the Indenture complies as to form in all material respects with the requirements of the TIA, and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder; and

(xiv) it is not necessary in connection with the offer, sale and delivery of the Units to the Initial Purchaser in the manner contemplated by this Agreement or in connection with the initial placement of the Units by the Initial Purchaser in the manner contemplated by the Offering Memorandum pursuant to Exempt Resales to qualify the Indenture under the TIA, and no registration under the Securities Act of the Units is required for the sale of the Units to the Initial Purchaser as contemplated by this Agreement or for the initial placement of the Units by the Initial Purchaser in the manner contemplated by the Offering Memorandum pursuant to Exempt Resales assuming that (i) the Initial Purchaser is a QIB or a Regulation S Purchaser, (ii) the accuracy of, and compliance with, the Initial Purchaser's representations and agreements contained in Section 7 of this Agreement, and (iii) the accuracy of the agreements and representations of the Issuers set forth in Sections 5(h) and (m) and 6(hh), (ii), (jj), (kk), (ll), (mm) and (oo) of this Agreement. Such counsel may state that it expresses no opinion as to any other offer or resale.

In addition, such counsel shall state that it has participated in the preparation of the Offering Memorandum and any amendments or supplements thereto, if applicable, and that although such counsel has not independently verified the accuracy, completeness or fairness of the statements contained therein, no facts have come to such counsel's attention to cause it to believe that, as of the date of the Offering Memorandum or as of the Closing Date, the Offering Memorandum, as amended or supplemented, if applicable (except for the financial statements and other financial or statistical data included therein or omitted therefrom, as to which such counsel need not express any belief) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The opinion of Davis Polk & Wardwell described in this Section 9(f) shall be rendered to the Initial Purchaser at the request of the Issuers and shall so state therein.

(g) The Initial Purchaser shall have received on the Closing Date an opinion (satisfactory to the Initial Purchaser and counsel for the Initial Purchaser), dated the Closing Date, of Dennis R. Shaughnessy, Esq., general counsel for the Issuer, to the effect that:

(i) each of the Issuers is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as described in the Offering

Memorandum. Each of the Issuers is duly qualified to transact business and is in good standing as a foreign corporation in each jurisdiction where the character of its activities requires such qualification, except where the failure of the Issuers to be so qualified would not have a Material Adverse Effect;

(ii) the execution and delivery of this Agreement, the Registration Rights Agreement, the Warrant Agreement, the Warrant Registration Rights Agreement, the Indenture and the Securities and compliance by the Issuers to the extent a party thereto, with the provisions thereof will not conflict with, constitute a default under or violate (i) any of the terms, conditions or provisions of the certificate of incorporation or bylaws of the Issuers, (ii) any of the terms, conditions or provisions of any document, agreement or other instrument set forth on Exhibit C attached hereto, (iii) any Delaware corporate, or federal law or regulation (other than federal and state securities or blue sky laws, as to which such counsel expresses no opinion), and (iii) any judgment, writ, injunction, decree, order or ruling of any court or governmental authority binding on the Issuers or any of their subsidiaries, except as disclosed in the Offering Memorandum;

(iii) to such counsel's knowledge, there is no material document, agreement or other instrument that will remain in effect after the issuance of the Securities to which any Issuer is a party (other than the Registration Rights Agreement and the Warrant Registration Rights Agreement) granting any person the right to require the Issuers to file a registration statement under the Securities Act with respect to any securities of the Issuers or to require the Issuers to include such securities with the Units registered pursuant to any Registration Statement;

(iv) the Issuers are not and, after giving effect to the offering and sale of the Units in accordance with the terms of this Agreement and the application of the net proceeds thereof as described in the Offering Memorandum under the captions "Use of Proceeds," will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(v) to such counsel's knowledge, (a) neither of the Issuers nor any of their domestic subsidiaries is in violation of its respective organizational documents, (b) neither of the Issuers nor any of their subsidiaries is in default in the performance of any obligation, agreement, covenant or condition contained in any material document, agreement or other instrument to which the Issuers or any of their subsidiaries is a party or by which any of them or their respective property is bound, in each case except where such violation or default would not have a Material Adverse Effect; and

(vi) the statements under the captions "Certain Relationships and Related Party Transactions" in the Offering Memorandum, insofar as such statements constitute a summary of the legal matters or documents referred to therein, fairly present in all material respects such legal matters, or documents.

The opinion of Dennis R. Shaughnessy, Esq. described in this Section 9(g) shall be rendered to the Initial Purchaser at the request of the Issuers and shall so state therein.

(h) The Initial Purchaser shall have received, at the Closing Date, an opinion, dated the Closing Date, of Latham & Watkins, counsel for the Initial Purchaser, in form and substance satisfactory to the Initial Purchaser.

(i) The Initial Purchaser shall have received, at the time this Agreement is executed and at the Closing Date, letters dated the date hereof or the Closing Date, as the case may be, in form and substance

satisfactory to the Initial Purchaser from PricewaterhouseCoopers LLP, independent public accountants, containing the information and statements of the type ordinarily included in accountants' "comfort letters" with respect to the financial statements and certain financial information contained in the Offering Memorandum.

(j) The Securities shall have been approved by the NASD for trading and duly listed in PORTAL.

(k) The Initial Purchaser shall have received a counterpart, conformed as executed, of the Indenture which shall have been entered into by the Company, the Guarantors and the Trustee.

(l) The Company shall have executed the Registration Rights Agreement and the Initial Purchaser shall have received an original copy thereof, duly executed by the Company and the Guarantors.

(m) The Issuers and the Guarantors shall have executed this Agreement and the Initial Purchaser shall have received an original copy thereof, duly executed by the Issuers and the Guarantors.

(n) Holdings shall have executed the Warrant Agreement and the Warrant Registration Rights Agreement and the Initial Purchaser shall have received counterparts, conformed as executed thereof.

(o) Neither of the Issuers nor the Guarantors shall have failed at or prior to the Closing Date to perform or comply with any of the agreements herein contained and required to be performed or complied with by the Issuers or the Guarantors at or prior to the Closing Date.

10. Effectiveness of Agreement and Termination. This Agreement shall become effective upon the execution and delivery of this Agreement by the parties hereto other than the Sierra Entities.

This Agreement may be terminated at any time on or prior to the Closing Date by the Initial Purchaser by written notice to the Issuers if any of the following has occurred: (i) any outbreak or escalation of hostilities or other national or international calamity or crisis or change in economic conditions or in the financial markets of the United States or elsewhere that, in the Initial Purchaser's judgment, is material and adverse and, in the Initial Purchaser's judgment, makes it impracticable to market the Units on the terms and in the manner contemplated in the Offering Memorandum, (ii) the suspension or material limitation of trading in securities or other instruments on the New York Stock Exchange, the American Stock Exchange, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade or the Nasdaq National Market or limitation on prices for securities or other instruments on any such exchange or the Nasdaq National Market, (iii) the suspension of trading of any securities of the Issuers or any Guarantor on any exchange or in the over-the-counter market, (iv) the enactment, publication, decree or other promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which, in the Initial Purchaser's opinion, materially and adversely affects, or will materially and adversely affect, the business, prospects, financial condition or results of operations of the Issuers and their subsidiaries, taken as a whole, (v) the declaration of a banking moratorium by either federal or New York State authorities or (vi) the taking of any action by any federal, state or local government or agency in respect of its monetary or fiscal affairs which, in the Initial Purchaser's opinion, has a material adverse effect on the financial markets in the United States.

11. Initial Purchaser's Information.

The Issuers and the Initial Purchaser acknowledge and agree for all purposes under this Agreement that the statements with respect to the offering of the Notes set forth in the stabilization language in the first

paragraph of page (i); and the first sentence of the third paragraph, the fourth sentence of the sixth paragraph and the eighth paragraph under the caption "Plan of Distribution" in such Offering Memorandum constitute the only information furnished to the Issuers in writing by the Initial Purchaser expressly for use in the Offering Memorandum.

12. Miscellaneous. Notices given pursuant to any provision of this Agreement shall be addressed as follows: (i) if to the Issuers or any Guarantor, at 251 Ballardvale Street, Wilmington, Massachusetts 01887, Telecopier No.: 978-694-9504, and (ii) if to the Initial Purchaser, to Donaldson, Lufkin & Jenrette Securities Corporation, 277 Park Avenue, New York, New York 10172, Attention: Syndicate Department, or in any case to such other address as the person to be notified may have requested in writing.

The respective indemnities, contribution agreements, representations, warranties and other statements of the Issuers, the Guarantors and the Initial Purchaser set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive delivery of and payment for the Units, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchaser, the officers or directors of the Initial Purchaser, any person controlling the Initial Purchaser, the Issuers, any Guarantor, the officers or directors of the Issuers or any Guarantor, or any person controlling the Issuers or any Guarantor, (ii) acceptance of the Units and payment for them hereunder and (iii) termination of this Agreement.

If for any reason the Units are not delivered by or on behalf of the Issuers as provided herein (other than as a result of any termination of this Agreement pursuant to Section 10), the Issuers and the Guarantors, jointly and severally, agree to reimburse the Initial Purchaser for all out-of-pocket expenses (including the fees and disbursements of counsel) incurred by them (provided that the Sierra Entities shall not be responsible for any of the fees and expenses described in this paragraph unless and until the Consummation). Notwithstanding any termination of this Agreement, the Issuers shall be liable for all expenses which they have agreed to pay pursuant to Section 5(i) hereof. The Issuers and each Guarantor also agree, jointly and severally, to reimburse the Initial Purchaser and its officers, directors and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act for any and all fees and expenses (including without limitation the fees and expenses of counsel) incurred by them in connection with enforcing their rights under this Agreement (including without limitation their rights under Section 8).

Except as otherwise provided, this Agreement has been and is made solely for the benefit of and shall be binding upon the Issuers, the Guarantors, the Initial Purchaser, the Initial Purchaser's directors and officers, any controlling persons of the Initial Purchaser referred to herein, the directors and officers of the Issuers and the Guarantors, any controlling persons of the Issuers or the Guarantors referred to herein and their respective successors and assigns, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of any of the Units from the Initial Purchaser merely because of such purchase.

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

This Agreement may be signed in various counterparts which together shall constitute one and the same instrument.

Please confirm that the foregoing correctly sets forth the agreement among the Issuers, the Guarantors and the Initial Purchaser.

Very truly yours,

CHARLES RIVER LABORATORIES, INC.

By:_____
Name:
Title:

CHARLES RIVER LABORATORIES HOLDINGS, INC.

By:_____
Name:
Title:

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

By:_____
Name:
Title:

Accepted as of the consummation of the Sierra Acquisition by SBI Holdings, Inc., Sierra Biomedical, Inc. and Sierra Biomedical San Diego, Inc., each a Guarantor, it being understood that the provisions applicable hereto and binding on the Guarantors are only effective immediately upon the consummation of the Sierra Acquisition:

SBI HOLDINGS, INC.

By:_____
Name:
Title:

SIERRA BIOMEDICAL, INC.

By:_____
Name:
Title:

SIERRA BIOMEDICAL SAN DIEGO, INC.

By:_____
Name:
Title:

SCHEDULE A

Subsidiaries

Name	State/Country of Incorporation
SBI Holdings, Inc. (simultaneously upon consummation of the Sierra Acquisition)	Nevada
Sierra Biomedical, Inc. (simultaneously upon consummation of the Sierra Acquisition)	Nevada
Sierra Biomedical San Diego, Inc. (simultaneously upon consummation of the Sierra Acquisition)	California
I.F.F.A. Credo	France
S.A. Iffa Credo Belgium	Belgium
Endosafe Amilabo S.A.	France
CRIFFA	Spain
Charles River France, S.A.	France
Charles River WIGA (Deutschland) GmbH	Germany
Elavages de Scientific Des Dombes S.A.	France
Charles River Italia, S.p.A.	Italy
Charles River Japan, Inc.	Japan
Charles River U.K. Limited	England
Shamrock (Great Britain) Limited	England
Charles River Endosafe Limited	England
Charles River Europe GmbH	Germany
Charles River Anlab spol.s.r.o.	Czech Republic
Charles River Consulting GmbH	Germany
Charles River Sweden AB	Sweden
Charles River Hungary	Hungary

ALPES SA	Mexico
Spafas Jinan Poultry Company, Ltd.	China
Zhanjiang A&C Biological Ltd.	China
SPAFAS Australia Pty. Ltd.	Australia
Charles River Canada Corporation	Canada

EXHIBIT A

Form of Registration Rights Agreement

EXHIBIT B

Company's Certificate

Charles River Laboratories, Inc., a Delaware corporation (the "Company") and Charles River Laboratories Holdings, Inc., a Delaware corporation ("Holdings"), hereby certify through their Chief Executive Officer, Chairman of the Board, President or a Vice President and the chief financial officer, principal accounting officer or equivalent financial officer responsible for the financial statements, pursuant to Section 9(e) of the Purchase Agreement dated September 23, 1999, between the Company, Holdings, the Guarantors that are a party thereto and Donaldson, Lufkin & Jenrette Securities Corporation, as follows:

1. Attached hereto is a schedule listing the assumptions used by the Company and Holdings in preparing the Company's and Holdings' calculation of Adjusted EBITDA, which equals EBITDA plus restructuring charges, dividends received or receivable from equity investments, Charles River non-cash compensation, Sierra non-cash compensation, non-recurring transaction expenses and expected cost savings, as set forth in the Offering Memorandum. Management of the Company and Holdings believes that such assumptions are reasonable.

Capitalized terms used herein but not otherwise defined shall have their respective meanings set forth in the Purchase Agreement.

In witness whereof, the Company and Holdings, through the undersigned, have executed this certificate this 29th day of September, 1999.

CHARLES RIVER LABORATORIES, INC.

By:_____
Name:
Title:

By:_____
Name:
Title:

CHARLES RIVER LABORATORIES HOLDINGS, INC.

By:_____
Name:
Title:

By:_____
Name:
Title:

EXHIBIT C

The following is a list of "Material Contracts," as required under Item 601(10) of Regulation S-K of the Exchange Act:

1. Credit Agreement, dated September 29, 1999 among Charles River Laboratories, Inc. and DLJ Capital Funding, Inc.

2. Recapitalization Agreement, dated July 25, 1999, by and among Bausch & Lomb Incorporated ("Bausch & Lomb"), certain subsidiaries of Bausch & Lomb, CRL Acquisition LLC, and DLJ Merchant Banking Partners II, L.P.

3. Joint Venture Agreement between Ajinomoto Co., Inc. and Charles River Breeding Laboratories, Inc. dated June 24, 1981, and ancillary agreements, amendments and addendums. June 15, 1987 Amendment Agreement, Amending the Joint Venture Agreement. January 17, 1994 Letter Amendment of Joint Venture Agreement. August 30, 1996 Addendum to the Joint Venture Agreement.

4. Merck Primate Supply Agreement between Merck & Co., Inc. and Charles River Laboratories, Inc. dated September 30, 1994.

5. License and Technical Assistance Agreement CRL Breeding Labs and Ajinomoto Co., Inc. Amendment Agreement, dated March 24, 1978.

6. Joint Venture Contract relating to setting up of Zhanjiang A&L Biological Ltd. between Zhanjiang Scientific and Technical Service Centre and Charles River Laboratories, Inc. dated March 8, 1997.

7. Technology License Contract between Charles River Laboratories ("Licensor") and Zhanjiang A&C Biological Ltd. ("Licensee") dated September 1, 1997.

8. Joint venture and stock purchase agreement (unsigned) between SPAFAS, Incorporated and Miguel Romero Sanchez, Margarita Berta, Martinez del Sobral of Campa, Socorro Romero Sanchez, Luisa Romero Martinez del Sobrae and Alejandro Romero Martinez del Sobral and Aves Libres de Patogenos Especificies, S.A. dated August 15, 1996.

9. Award/Contract between National Institute on Drug Abuse and Charles River Laboratories dated July 1, 1997.

10. FCRDC Contract between National Cancer Institute Research Contracts Branch Frederick Cancer Research and Development Center (NCI-FCRDC) and Charles River Laboratories, Inc. dated September 26, 1994.

11. Strategic Partnership Agreement between Multicase, Inc. and Charles River Laboratories, Inc. dated January 1, 1999.

12. Ground Lease between HIC Associates (Lessor) and Charles River Laboratories, Inc. (Lessee) dated June 5, 1992; Real Estate Lease between Charles River Laboratories, Inc. (Landlord) and Charles River Partners L.P. (Tenant) dated December 22, 1993; and Assignment and Assumption Agreement between Charles River Partners, L.P. (Assignor) and Wilmington Partners L.P. (Assignees) dated December 22, 1993.

13. Lease between Kenneth J. and Vivianne Pickren and East Acres Farm, Inc. (collectively, Landlord) and Charles River Laboratories, Inc. (Tenant) dated November 30, 1994; Notice of Lease between Kenneth J. and Vivianne Pickren and East Acres Farm, Inc. (collectively, Landlord) and Charles River Laboratories, Inc. (Tenant) filed in the office of the Worchester Registry of Deeds on December 16, 1994 in Book 16772, page 34.

14. Agreement of Lease between Rouse & Associates-Philadelphia (Landlord) and Tektagen, Inc. (Tenant) dated May 19, 1987; First Amendment to Lease between Rouse & Associates-Philadelphia Limited Partnership (Landlord) and Tektagen, Inc. (Tenant) dated November 21, 1989 (changes renewal notice requirement); Third Amendment to Lease between PBP Realty Partnership (Landlord) and Bionetics Corporation, successor in interest to Ketron, Inc. (Tenant) dated April 14, 1994 (increases space); Fourth Amendment to Lease between PBP Realty Partnership (Landlord) and Tektagen, Inc. (Tenant) dated April 1994 (increases space, extends term and includes additional renewal options); Fifth Amendment to Lease between PBP Realty Partnership (Landlord) and Tektagen, Inc. (Tenant) dated August 1, 1997.
(extends term to 7/31/02 and gives one 5 year renewal option).

15. Lease Agreement between Wappoo Partners (Landlord) and Endosafe (Tenant) dated February 28, 1993; and Assignment and Assumption of Lease Agreement between Charles River Laboratories, Inc. (Acquiror) and Endosafe, Inc. (Exchangor) dated January 27, 1994.

16. Amended and Restated Distribution Agreement between Charles River BRF, Inc. Charles River Laboratories, Inc., Bioculture Mauritius Ltd. and Mary Ann and Owen Griffiths, dated December 23, 1997.

17. Supply Agreement for non-human primates among Sierra Biomedical, Inc. and Scientific Resources International, Ltd., dated March 18, 1997.

CHARLES RIVER LABORATORTIES, INC.
Merck Primate Supply Agreement

This PRIMATE SUPPLY AGREEMENT, by and between Merck & Co., Inc., a New Jersey corporation with its principal offices at One Merck Drive, Whitehouse Station, New Jersey 08889-0100 ("Customer"), and Charles River Laboratories, Inc., 251 Ballardvale Street, Wilmington, Massachusetts 01887 ("Charles River"), is made this 30th day of September, 1994.

WHEREAS, Customer desires to obtain colony-reared rhesus primates for its operations and to acquire an option to purchase such primates under the terms and conditions of this Agreement; and

WHEREAS, Charles River is willing to supply such primates to Customer and to grant a purchase option to Customer, subject to the terms and conditions specified below.

Now, therefore, intending to be legally bound, Customer and Charles River hereby agree as follows;

1. Supply Commitment; Breeding and Resales.

(a) Charles River will make available for purchase annually by Customer the number of specific pathogen free, colony raised Macaca mulatta or rhesus primates set forth on Schedule I-A hereto (the "Bred Primates"). Any and all production in excess of the numbers set forth in Schedule I-A shall be the sole property of Charles River and shall be freely saleable by Charles River to third parties. Such Bred Primates will be sourced from Charles River's breeding colonies located in the State of Florida (collectively, the "Colonies"), including those at Key Lois, Raccoon Key and the Mannheimer Foundation. The Bred Primates will be made available for delivery to Customer in accordance with a shipment schedule to be established quarterly by mutual agreement of the parties.

(b) Customer may not resell or otherwise transfer to third parties (other than its affiliates, being corporations in which Customer owns at least a 51% equity interest) any Bred Primates it purchases from Charles River under this Agreement, except that it may transfer those Bred Primates which Customer purchases and takes actual possession of but does not require for its then existing research and testing needs pursuant to the "take or pay" commitment set forth in paragraph 2 and the inventory purchase option set forth in paragraph 6.

2. Purchase Commitment

(a) Customer hereby guarantees to purchase annually 100% of the Bred Primates made available for sale by Charles River, as set forth on Schedule I-A (in each case, the "Guaranteed Amount"). To the extent the number of Bred Primates made available to Customer is less than the Guaranteed Amount, then Customer shall be required to purchase only the actual available amount. In no event will Customer have the right to cancel all or any part of a given year's guaranteed purchase commitment.

(b) In the event that Customer does not accept delivery of Bred Primates in accordance with any mutually agreed upon delivery schedule, Customer shall nonetheless be deemed to take risk of loss of all Bred primates included in such delivery on the scheduled delivery date. Notwithstanding the foregoing, all liability associated with said Bred Primates shall remain with Charles River until delivery of the Bred Primates to Customer, F.O.B. Customer's designated facility. Bred primates for which Customer takes risk of loss but not actual possession shall be physically segregated by Charles River, such that each Bred Primate owned by Customer may be specifically identified as such. Risk of loss shall not vest in Customer as set forth in this paragraph in the event that Customer is unable to accept any delivery due to any force majeure.

(c) To the extent that Customer fails to take delivery of the Guaranteed Amount during the applicable calendar year, after consultation with Customer, Charles River shall use commercially reasonable efforts to sell to third-party customers the number of Bred Primates constituting the shortfall, at prices to be determined by Charles River (following discussion with Customer), and to credit 100% of the proceeds of such sales (net of reasonable direct selling expenses) to Customer's account. Charles River's commitment to sell Customers Bred Primates shall arise only after Charles River has sold all of its excess production not committed to Customer. Except as specifically set forth above, in no event shall Customer be released from its annual commitment to pay Charles River for the Guaranteed Amount,

(d) Any Bred Primates not shipped to Customer in accordance with the quarterly shipment schedule shall be subject to monthly per diem maintenance payments until such time as said Bred Primates are shipped to Customer. The per them rates shall be as set forth in Schedule 1-B.

3. Specifications. Schedule I hereto sets forth the number of Bred Primates, which shall be 50% male and 50% female, to be supplied by Charles River to Customer and comprising the Guaranteed Amount for each of the calendar years indicated. Unless otherwise requested by Customer and agreed to

by Charles River, all the Bred Primates supplied hereunder will be of body weight 2.0 to 2.9 kilograms for both males and females, and will meet the health specifications set forth in Schedule II. Charles River

shall exercise reasonable diligence in maintaining and expanding the Colony to meet the quantities specified on Schedule I and the health status specified on Schedule II.

4. Prices. Charles River will issue a quarterly written statement to Customer for each Bred Primate at the time of shipment at the annual per-unit prices specified on Schedule III within the desired weight range. An invoice for shipping costs (including costs for crates, delivery and any excess per diems) will be separately provided to Customer with each shipment. In no event will per-unit prices charged to Customer for Bred Primates exceed the then-current (i.e., in the same calendar year) price paid by other customers purchasing primates sourced from the Colonies at the same male-to-female ratio and within the desired (2.0 kg. - 2.9 kg.) weight range.

5. Funding of Extraordinary Colony Relocation Costs.

(a) Charles River has advised Customer that it intends to transfer Bred Primates to a land-based colony established at the Mannheimer Foundation ("MF") during the course of this Agreement, and Customer has agreed to Charles River's designation of MF as the primary site for Charles River's land-based colony of Bred Primates. For this purpose, the parties agree that MF is a third party beneficiary of this Agreement. To the extent that Customer reasonably requests Charles River to relocate Bred Primates to the MF colony at a faster rate than currently proposed (i.e., at a rate which accelerates Charles River's current 5-year plan to establish a self-sustaining colony of 900 Bred Primates suitable for breeding at MF's facilities by 1999 in accordance with the schedule set forth on the attached Schedule IV), then Customer hereby agrees to fully fund the actual additional costs associated with any Customer requested accelerated relocation program, on payment terms to be mutually agreed to by the parties, and supported by appropriate documentation. To the extent that Bred Primates are transferred to the land-based MF colony, they will still constitute "Inventory" for purposes of Section 6 below.

(b) Customer will also support Charles River's program for a land-based colony at MF by funding construction of "mini-crib" family units not to exceed $100,000. Funds will be payable to Charles River upon completion of construction of the family units.

6. Inventory Purchase Option.

(a) Charles River hereby grants Customer an irrevocable option (the "Option") to purchase all or that portion of the Bred Primates constituting the Colonies as set forth in Section 6 (b) hereof (in either case, the "Inventory") at the time of expiration of the Initial Term (as defined in Section 13 below) at a cash purchase price equal to the inventory value of the Bred Primates carried on Charles River's books and records at the

time such Option is exercised. In the event this agreement is assigned and the Inventory value is "stepped-up" by the assignee, for purposes of this provision the Inventory value shall be deemed to exclude any such step-up. Inventory will be valued consistent with Charles River's historical practices, except that costs of transfers under Paragraph 5 borne by Customer will not be included in the inventory value for purposes of calculating the Option exercise price, Customer shall be obligated to deliver payment for such Inventory no later than thirty (30) days following the expiration of the Initial Term, at which time title to the Inventory purchased pursuant to the Option shall transfer to Customer. Customer shall not be required to make any advance payments in order to secure the Option granted pursuant to this Section 6(a) at the time of execution of this Agreement. Continuation of payments made under this Agreement, however, shall be deemed to constitute current consideration for the continuing offer of such Option. Customer may not exercise the Option during the specified exercise period if it is then currently in default under the terms of this Agreement.

(b) At its election, Customer may exercise the Option either (i) for the existing Inventory or (ii) for that part of the Inventory equal to the number of Bred Primates necessay to produce offspring to fulfill Customer's requirement of 650 equal sex Bred Primates annually. In the event that Customer exercises the option for (ii), the number to fulfill such requirement will be reduced by the aggregate number of offspring that were purchased by Customer in the preceeding year pursuant to Paragraph 2 of this agreement (the "take or pay" provision), but were not used for Customer's research and testing. In any event, the Customer may not exercise the Option for less than 50 percent of the Inventory as of the date of exercise.

(c) In the event the Option is not exercised by Customer in accordance with this Section 6, this Agreement shall automatically renew for a two-year period, with annual 10% per-unit price increases to automatically take effect during each of the two years included in such renewal period. Such price increases shall be applicable to Guaranteed Amounts which shall, for each year included in the automatic renewal period, be no less than the Guaranteed Amount required to be purchased by Customer during the last full year of the Initial Term. In the event of such a renewal, all other terms of this Agreement shall remain unchanged (giving effect to expiration of the Option).

(d) In the event the Option is exercised by Customer in accordance with this Section 6, Customer hereby agrees that in connection with such exercise, it will simultaneously enter into a two-year primate colony management agreement (the "Management Agreement") with Charles River on terms mutually agreeable to the parties, pursuant to which CRL will manage (on a full cost reimbursement basis plus 10%) the inventory acquired by Customer through the exercise of the Option. In the event this Agreement is assigned to a non-profit organization, the Management Agreement will be for cost only. Said Management Agreement will include (i) indemnification by Charles

River of Customer for any environmental liabilities associated with the Bred Primates owned by Customer and located on Key Lois or Raccoon Key, and (ii) provision for inspection of books and records by Customer to verify costs and expenses as the basis for the management fees. The indemnification provided under (i), will continue to be provided by Charles River in the event of any sale or assignment of this agreement to a third party. Charles River shall comply in all material respects with applicable USDA regulations governing the care of primates. Charles River will cooperate with Customer in the transfer, assignment and recording of all necessary documentation and to take such other actions for the transfer of ownership of the Colony at Customer's sole expense.

(e) In the event Customer elects to exercise the Option for less than the entire Colony, then the following conditions shall apply: (i) the Bred Primates will be selected by Charles River on a representative cross sectional basis, reflecting an equitable distribution of both sex, age, health profiles and location and (ii) Charles River shall not be required to sell any additional Bred Primates to Customer beginning with date on which the transfer of ownership occurs.

(f) Customer shall provide Charles River with a non-binding written notice of its intent to exercise, in whole or in part, the Option no later than two years prior to the exercise date, and a binding written notice of exercise, in whole or in part, no later than one year prior to the exercise date. Said written notices shall specify the quantity of Inventory intended to be purchased by Customer, and other relevant information reasonably requested by Charles River.

7. Tests and Records. All of the Bred Primates supplied to Customer will be tested by Charles River, in accordance with generally accepted testing methods and techniques, to confirm that they meet the health specifications set forth in Schedule II. The cost of testing will be charged and invoiced to Customer separately only if said testing is not required to initially demonstrate that the Bred Primates meet the specifications set forth in Schedule II. Charles River shall provide Customer with a medical history/record and a valid health certificate of each of the Bred Primates at the time of shipment.

8. Payment Terms. Within fifteen (15) days of execution of this Agreement and, thereafter, at the beginning of each quarter throughout each of the remaining calendar years included in the term of this Agreement, Customer shall pay to Charles River an amount equal to the product of (i) the Guaranteed Amount required to be purchased in that quarter and (ii) that quarter's per-unit price for Bred Primates. Charles River will ship the Bred Primates FOB destination, which will be designated by Customer in advance of shipment and will insure the Bred Primates to the destination point. Customer will pay all shipping costs (excluding insurance). Shipments will be made in accordance with all material applicable state and federal laws. The resulting amount shall

constitute advance payment against Customer purchases to be made in that quarter, and shall not be refundable to Merck so long as Charles River is able to provide Merck with Bred Primates substantially in accordance with the delivery schedule mutually agreed to by the parties.

9. Warranty; Disclaimer. Charles River represents and warrants that each Bred Primate supplied by Charles River under this Agreement (or, if applicable, to be transferred following exercise of the Option) shall meet all of the specifications set forth in Schedule II hereto. THIS SHALL BE THE EXCLUSIVE WRITTEN WARRANTY OF CHARLES RIVER AND THERE ARE NO FURTHER WARRANTIES OR REPRESENTATIONS, EXPRESSED OR IMPLIED, INCLUDING AN IMPLIED WARRANTY OF MERCHANTABILITY. IN NO EVENT SHALL CHARLES RIVER BE LIABLE FOR CONSEQUENTIAL ECONOMIC DAMAGES OR CONSEQUENTIAL DAMAGE TO PROPERTY. If Customer determines that any Bred Primate fails to meet such specifications upon receipt, or if significant adverse health conditions develop within twenty (20) days of receipt, it shall have the right to reject such Bred Primate by notifying Charles River not later than twenty (20) days after delivery of such Bred Primate to Customer; provided that for tuberculosis the notice period shall be seventy (70) days after delivery (so long as the TB-infected Bred Primate was not contaminated at Customer's facility). Failure to reject any Bred Primate by such time shall constitute acceptance thereof. If Customer rejects any Bred Primate hereunder, it shall have the right to receive, at its option, either: (i) no charge replacement of such Bred Primate from Charles River in accordance with the provisions hereof; or (ii) a credit against future purchases equal to the purchase price of the rejected Bred Primate and any shipping charges separately invoiced to Customer in connection therewith.

10. Indemnification. As a condition precedent to the delivery by Charles River of Bred Primates hereunder, Customer shall execute and deliver to Charles River the Primate Customer Indemnity Statement attached as Exhibit A.

11. Consultation Rights. Charles River shall actively and continuously consult with appropriate representatives of Customer on all strategic decisions affecting the Colony. Charles River shall also periodically provide Customer with written information on the status of the Colony, all material SOPs for its maintenance, and such other issues as the parties may agree from time to time. In addition, Customer shall have the right to direct Charles River's plan for Customer's capital contribution to MF as provided in paragraph 5(b). Any input provided by Customer's representatives shall not be binding upon Charles River, and Customer shall not be liable therefore.

12. Term and Termination. Subject to Section 6 above, this Agreement shall take effect as of the date set forth above and will terminate on December 31, 2000 (such six and one-half year period is referred to herein as the "Initial Term"). Either party may terminate this Agreement for an unremedied material breach of this Agreement which is not cured within ninety (90) days of notice. This Agreement way be renewed by mutual written agreement of the parties upon 12 months' prior written notice.

13. Miscellaneous Legal Provisions.

(a) It is not the intent of Charles River and Customer to form any partnership or joint venture, and nothing contained herein shall be construed to empower either party to act as agent for the other, The parties agree that each of them shall, in relation to its obligations hereunder, be acting as an independent contractor.

(b) No party may assign this Agreement in whole or in part without the prior written consent of the other parties; except that Charles River may assign this Agreement without Customer's consent to (i) a non-profit organization for any reason and at any time, and (ii) after December 31, 1995 to a for-profit organization for any reason; provided, however, that in the case of any assignment without Customer's prior consent Charles River shall guarantee to Customer that the Colony will be managed by the assignee substantially in accordance with all mandatory AAALAC standards applicable to such a primate operation. In the event of any assignment to a for-profit by Charles River resulting in the sale of the Colony, Customer shall have the right to match the terms of said sale upon thirty (30) days written notice, Once assigned, all of the provisions of this Agreement and all the rights and obligations of the parties hereunder shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the respective parties.

(c) Each party shall hold in confidence information concerning this Agreement and the terms hereof and shall not make any public statements or announcements about it, nor issue news releases relating to the existence or implementation hereof. If either party receives requests for information about this Agreement from outside organizations, each party will notify the other party and in cooperation both parties will formulate a strategy and response.

(d) Neither Charles River nor Customer shall be liable to the other in damages for, nor shall this Agreement be terminable or cancellable by reason of, any delay or default in such party's performance hereunder if such default or delay is caused by events beyond such party's reasonable control including, but not limited to, acts of God, regulation or law or other action of any government or agency thereof, war, insurrection, civil commotion, destruction of facilities or materials by earthquake, fire, flood or storm, labor disturbances, loss of breeding colony due to disease or failure of

suppliers, public utilities or common carriers or any actual or de facto import embargoes or state import restrictions or limitations,

(e) This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (regardless of its, or any other jurisdiction's choice of law principles).

(f) All correspondence and invoices pertaining to this Agreement should be directed to Director, Laboratory Animal Resources, WP44-201, Sunneytown Pike, West Point PA 19486 in the case of Customer, and Mr. Robert C. Lorette in the case of Charles River.

MERCK & CO., INC.)	CHARLES RIVER LABORATORIES, INC,
By: /s/ Edward M. Scolnick, M.D.	By: /s/ James C. Foster
Edward M. Scolnick, M.D.	James C. Foster
Title: Exec. V.P., Science and Technology, Merck & Co., Inc. and President, Merck Research Labs	President and CEO

Exhibit A

CHARLES RIVER LABORATORIES
Primate Customer Indemnity Agreement

A. Charles River Laboratories, Inc. ("Charles River") is engaged in the sale of nonhuman primates, such as cynomolgus and rhesus monkeys, and their tissue.

B. These primates may harbor naturally occurring zoonotic infectious agents, including viruses and bacteria that are dangerous and potentially deadly to humans. Charles River employs the best practices commonly used by the industry to detect these agents during a quarantine and conditioning period and will carry out special supplemental examinations upon request, Nevertheless, Charles River cannot guarantee that the primates it sells will be free of these agents.

C. Primates and primate tissue can be safely handled to avoid risk to the handler from these harmful agents, but the safe handling of these primates or their tissue is out of the control of Charles River after shipment. The responsibility for protecting individuals who may come in contact with these primates after shipment must therefore, rest with the purchaser.

D. Charles River is unwilling to sell primates or primate tissue to the undersigned (Customer) in light of the potential risk of litigation and liability to Charles River without indemnification from Customer.

E. Customer wishes to purchase primates or their tissue from Charles River, and In order to induce Charles River to make such sales, Customer is providing Charles River with the following indemnity.

In consideration of the foregoing, and intending to be legally bound, Customer and Charles River agree as follows:

1. Indemnity. Customer hereby agrees, to indemnify and hold harmless Charles River, its parent subsidiaries and affiliates and their respective officers, employees and directors against any and all liability, loss, damage, cost or expense (including attorneys' fees and expenses and costs of investigation) which any of them may hereafter incur, suffer or be required to pay as the result of any damage suffered or alleged to be suffered, including, without limitation, death or personal injury and any direct, consequential, special and punitive damages, as the result of a Charles River primate or primate tissue after such primate or tissue has been delivered to Customer; provided, however, that such loss, liability or damage is not attributable to the fraud, gross negligence, malfeanance or willful misconduct of Charles River.

2. Terms and Conditions of Sale. Notwithstanding anything else set forth in any other document furnished by Customer to Charles River including any purchase order, any sales of primates and primate tissue made by Charles River to Customer shall be on Charles River's standard terms and conditions of sale as set forth in the Primate Supply Agreement with Customer (the "'Agreement"). Except as specifically set forth in the Agreement, Charles River makes no warranties of any kind with respect to primates or primate tissue it sells; ALL OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED. CHARLES RIVER'S LIABILITY IS SPECIFICALLY LIMITED TO REPLACEMENT OF PRODUCT SOLD OR REFUND Of PURCHASE PRICE AS PROVIDED IN THE AGREEMENT, AND IN THE ABSENCE OF FRAUD, GROSS NEGLIGENCE, MALFEASANCE OR WILLFUL MISCONDUCT BY CHARLES RIVER AND IN NO EVENT SHALL CHARLES RIVER BE LIABLE FOR ANY OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, DIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.

3. Miscellaneous. This agreement shall be binding on and inure to the benefit of and be enforceable by Charles River and Customer and their respective successors and assigns. This Agreement shall be governed by the laws of Massachusetts. This Agreement is intended to take effect as a sealed instrument.

IN WITNESS WHEREOF, Charles River and Customer have each caused this Agreement to be executed on their respective behalves under seal by their duly authorized officers as of the date below.

CHARLES RIVER LABORATORIES, INC.

By: /s/ James C. Foster

James C. Foster
President and CEO

MERCK & CO., INC.

By: /s/ Edward M. Sculnick, M.D.

Edward M. Sculnick, M.D.
Title: Exec. V.P., Science and Technology. Merck & Co., Inc. and President, Merck Research Labs
Date: September 30, 1994

Schedule I-A

ANNUAL GUARANTEED PURCHASES

Calendar Year	Guaranteed Amount of Annual Purchases In Units (Equal Sex)
1994	400
1995	500
1996	550
1997	550
1998	600
1999	600
2000	650

* 164 to be shipped between October 1 and December 31, 1994, of which 80 have been prepaid.

Schedule I-B

PER DIEM PAYMENTS

Key Lois Facility:	$2.00 per day for animals not taken in quarterly distribution.
	S4.00 per day for animals ready for shipment but delayed by customer.
MF	$2.00 per day for animals not taken in quarterly distribution.
	$5.00 per day for animals ready for shipment by delayed by customer.

These costs increase 5% per calendar year.

SCHEDULE II

SPECIFICATIONS FOR COLONY-REARED PRIMATES

All Bred Primates provided to Customer must meet the following specifications:

I The animals provided must be tested free of the following infectious disease-causing agents:

- Common pathogenic external and internal hehminth and arthropod parasites
- Tuberculosis
- Salmonella/Shigella
- Herpes B virus
- SAIDS virus complex (SRV1, SRV2, SIV)
- Rabies
- Tetanus
- Filovirus

2. Prior to shipping, vendor must notify Customer of any other known significant infectious diseases causing agents in the breeding colony of origin, such as hemo- and enteric-protozoal parasites; entetic bacterial pathogens, and viral agents such as Hepatitis A, Measles, and Monkey Pox.

3. The following veterinary and husbandry procedures must be performed prior to shipment:

(a) Three negative TB tests given at intervals of approximately two weeks within six weeks of shipment.

(b) Rectal cultures just prior to shipment negative for enteric bacterial pathogens such as Salmonell and Shigella.

4. Each animal delivered is to have an individual animal record sent with the animal, or under separate cover, which will include such information as: month of birth; socialization information, such as cage/pen mates; and health information, such as all treatments, test results, etc.

5. Charles River will develop and implement a genetic monitoring plan for the Colony.

6. All Bred Primates will be permanently identified with a legible tattoo or other means such as implantable micro-cbip as agreed to by Customer (chips will be supplied by Customer).

7. A valid health certificate will be provided for each shipment of animals.

8. Charles River must notify customer of any known deviation from these specifications prior to departure of any shipment of animals to a Merck designated site.

Schedule III

PRICES

Calendar Year	Prices
1994 (partial)	$ 3,650
1995	$ 4,015
1996	$ 4,420
1997	$ 4,865
1998	$ 5,350
1999	$ 5,885
2000	$ 6,475

Schedule IV

MANNHEIMER COLONY BUILD-UP PLAN

Calendar Year	Number of Bred Primates Comprising Colony
1995	500
1996	650
1997	750
1998	850
1999	900
2000	900

EXHIBIT 10.8

Execution Copy

AMENDED AND RESTATED
STOCK PURCHASE AGREEMENT

AMONG

CHARLES RIVER LABORATORIES, INC.

AND

SBI HOLDINGS, INC.
AND ITS STOCKHOLDERS

SEPTEMBER 4, 1999

TABLE OF CONTENTS

Exhibits

AMENDED AND RESTATED
STOCK PURCHASE AGREEMENT

This Amended and Restated Stock Purchase Agreement (the "Agreement"), dated as of September 4, 1999, is by and among Charles River Laboratories, Inc., a Delaware corporation (the "Buyer"), SBI Holdings, Inc., a Nevada corporation ("SBI" or the "Company"), and each of the persons listed on the signature pages hereto as sellers (collectively, the "Sellers"). The Buyer, the Company and the Sellers collectively are referred to herein as the "Parties."

Certain of the Parties are party to a stock Purchase Agreement dated as of September 3, 1999 (the "Original Agreement").

This Agreement contemplates a transaction in which the Buyer will purchase at the Closing all of the then outstanding shares of Common Stock of the Company (the "Shares") in consideration of the Aggregate Purchase Price. Prior to the Closing, all of the options and warrants to purchase Common Stock shall have been exercised or terminated.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows: 1. Definitions. 1.1. Defined Terms. As used herein, the following terms shall have the meaning herein specified:

"AAA" has the meaning set forth in Section 11.10(a).

"Actual Working Capital" means the Working Capital as reflected in the Closing Date Balance Sheet.

"Affiliate" of any specified Person means (i) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise), (ii) any Person who is or has been within two years prior to the time in question an officer, director or direct or indirect beneficial holder of at least 5% of any class of the outstanding capital stock or other evidence of beneficial interest of such specified Person and the Members of the Immediate Family of each such officer, director or holder (and, if such specified Person is a natural person, of such specified Person) and (iii) each Person of which such specified Person or an Affiliate (as defined in clauses (i) or (ii) above) thereof shall, directly or

indirectly, beneficially own at least 5% of any class of outstanding capital stock or other evidence of beneficial interest at such time.

"Affiliated Group" means any affiliated group within the meaning of Section 1504(a) of the Code or any similar group defined under a similar provision of state, local, or foreign law.

"Aggregate Closing Payment" has the meaning set forth in Section 2.2.

"Aggregate Purchase Price" means $24,000,000 (Twenty-Four Million Dollars), as such amount may be adjusted pursuant to Sections 2.3 and 2.4.

"Agreement" has the meaning set forth in the preamble above.

"Basis" means any past or present fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that forms or could reasonably form the basis for any specified consequence.

"Buyer" has the meaning set forth in the preamble above.

"Chemical Substance" means any chemical substance, including but not limited to any: (i) pollutant, contaminant, irritant, chemical, raw material, intermediate, product, by-product, slag, construction debris; (ii) industrial, solid, liquid or gaseous toxic or hazardous substance, material or waste; (iii) petroleum or any fraction thereof; (iv) asbestos or asbestos-containing material; (v) polychlorinated biphenyl; (vi) chlorofluorocarbons; and, (vii) any other substance, material or waste, which is identified or regulated under any Environmental Law or Safety Law, as now and hereinafter in effect, or other comparable laws.

"Closing" has the meaning set forth in Section 2.5.

"Closing Agreements" means the Employment Agreements, the Noncompetition Agreements, the Performance Bonus Plan and the Performance Bonus Agreements.

"Closing Balance Sheet" has the meaning set forth in Section 2.3(a).

"Closing Date" has the meaning set forth in Section 2.5.

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

"Common Stock" has the meaning set forth in Section 3.2.

"Company" has the meaning set forth in the preamble above and, where applicable, in Section 3.

"Company Permits" has the meaning set forth in Section 3.11.

"Confidential Information" means any and all information concerning the businesses and affairs of the Company other than that information which is already generally or readily obtainable by the public or is publicly known or becomes publicly known through no fault of the Sellers.

"Controlled Group of Corporations" has the meaning set forth in Section 1563 of the Code.

"Deferred Intercompany Transaction" has the meaning set forth in Treas. Reg. Section 1.1502-13.

"Disclosure Schedule" has the meaning set forth in Section 3.

"Dispute Notice" has the meaning set forth in Section 2.3(b).

"Employee Benefit Plan" means any (i) nonqualified deferred compensation or retirement plan or arrangement which is an Employee Pension Benefit Plan, (ii) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (iii) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan), (iv) Employee Welfare Benefit Plan or material fringe benefit plan or program or (v) profit sharing, stock option, stock purchase, equity, stock appreciation, bonus, incentive deferred compensation, severance plan or other benefit plan.

"Employee Pension Benefit Plan" has the meaning set forth in Section 3(2) of ERISA.

"Employee Welfare Benefit Plan" has the meaning set forth in Section 3(l) of ERISA.

"Environment" means soil, land surface or subsurface strata, real property, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, water body sediments, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

"Environmental Laws" mean the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act and the Clean Air Act, the Clean Water Act, each, as amended or hereinafter in effect, and any other law or legal requirement, as now or hereinafter in effect, relating to: (i) the Release, containment, removal, remediation, response, cleanup or abatement of any sort of any Chemical Substance; (ii) the manufacture, generation, formulation, processing, labeling, distribution, introduction into commerce, use, treatment, handling, storage, recycling, disposal or transportation of any

Chemical Substance; (iii) exposure of persons, including employees, to any Chemical Substance; (iv) the physical structure, use or condition of a building, facility, fixture or other structure, including, without limitation, those relating to the management, use, storage, disposal, cleanup or removal of asbestos, asbestos-containing materials, polychlorinated biphenyls or any other Chemical Substance; (v) the pollution, protection or clean up of the Environment; (vi) noise; or (vii) other environmental or natural resource matters.

"Environmental Liabilities and Costs" means all Losses arising from, imposed or incurred in connection with: (i) compliance with any Environmental Law; (ii) a Release of any Chemical Substance; or (iii) any environmental conditions present at, created by or arising out of the past or present operations of the Company or its Subsidiaries (or any of their respective predecessor entities) through the Closing Date or of any prior owner or operator of a facility or site at which the Company or its Subsidiaries (or any of their respective predecessor entities) now operates or has previously operated.

"Environmental Permits" means any Permit or authorization from any governmental authority required under, issued pursuant to, or authorized by any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" has the meaning set forth in Section 2.2.

"Escrow Amount" has the meaning set forth in Section 2.2(a).

"Fiduciary" has the meaning set forth in Section 3(21) of ERISA.

"Financial Statements" has the meaning set forth in Section 3.8.

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

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

"Imperial Warrant" means the Warrant to Purchase Stock issued by the Company to Imperial Bancorp on January 21, 1999, as amended, restated or otherwise modified.

"Indebtedness" means, with respect to any Person, the aggregate amount received from customers in advance of work to be performed for such customers by such Person and all obligations of such Person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments (including, without limitation, any notes issued by the Company in connection with the purchase of any of its Common Stock or other equity interests), (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred

in the Ordinary Course of Business which are not more than 90 days past due), (iv) under capital leases or (v) in the nature of guarantees of the obligations described in clauses (i) through (iv) above of any other Person.

"Indemnified Party" has the meaning set forth in Section 9.4(a).

"Indemnifying Party" has the meaning set forth in Section 9.4(a).

"Independent Accountant" has the meaning set forth in Section 2.3(b).

"Intellectual Property" means the entire right, title and interest in and to all proprietary rights of every kind and nature, including Patents, copyrights, Trademarks, mask works, trade secrets and proprietary information, all applications for any of the foregoing, and any licenses or agreements granting rights related to the foregoing (i) subsisting in, covering, reading on, directly applicable to or existing in the Products and Services or the Technology, including, without limitation, all Intellectual Property identified in Schedule 2.1(d), (ii) that are owned, licensed or controlled in whole or in part by the Company and relate to the business of the Company or (iii) that are used in or necessary to the development, manufacture, sales, marketing or testing of the Products and Services.

"Laws" means all laws, rules, regulations, codes, injunctions, judgments, decrees, rulings, interpretations, constitution, ordinance, common law, treaty, regulations, or orders, of any federal, state, local, municipal and foreign, international, or multinational governments or administration and all related agencies, including, without limitation all laws, rules and regulations of the United States Department of Agriculture.

"Liability" means any liability or obligation (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether incurred or consequential and whether due or to become due), including, without limitation, any liability for Taxes.

"Lien" means any mortgage, pledge, lien, security interest, charge, claim, equitable interest, encumbrance, restriction on transfer, conditional sale or other title retention device or arrangement (including, without limitation, a capital lease), transfer for the purpose of subjection to the payment of any Indebtedness, or restriction on the creation of any of the foregoing, whether relating to any property or right or the income or profits therefrom; provided, however, that the term "Lien" shall not include (i) statutory liens for Taxes to the extent that the payment thereof is not in arrears or otherwise due, (ii) encumbrances in the nature of zoning restrictions, easements, rights or restrictions of record on the uses of real property if the same do not detract from the value of the property encumbered thereby or impair the use of such property in the business of the Company as currently conducted, (iii) statutory or common law liens to secure landlords, lessors or renters under leases or rental agreements confined to the premises rented to the extent that no payment or performance

under any such lease or rental agreement is in arrears or is otherwise due, (iv) deposits or pledges made in connection with, or to secure payment of, worker's compensation, unemployment insurance, old age pension programs mandated under applicable laws or other social security regulations and (v) statutory or common law liens in favor of carriers, warehousemen, mechanics and materialmen, statutory or common law liens to secure claims for labor, materials or supplies and other like liens, which secure obligations to the extent that payment thereof is not in arrears or otherwise due in the case of (i)-(v), which have been incurred in the Ordinary Course of Business.

"Losses" has the meaning set forth in Section 9.2.

"Material Adverse Effect" means a material adverse effect on (i) the business, financial condition, operations, results of operations or prospects of the Company or any of its Subsidiaries or (ii) the ability of the Sellers to consummate the transactions contemplated by this Agreement and the Closing Agreements and to perform their respective obligations hereunder and thereunder.

"Member of the Immediate Family" of any specified Person, means each spouse, parent, aunt, uncle, brother, sister or child of such Person, each spouse and each child of any of the aforementioned Persons, each trust created in whole or in part for the benefit of one or more of the aforementioned Persons and each custodian or guardian of any property of one or more of the aforementioned Persons.

"Most Recent Balance Sheet" means the balance sheet contained within the Most Recent Financial Statements.

"Most Recent Financial Statements" means, collectively, (i) the audited Financial Statements of SBI and (ii) the unaudited Financial Statements of HTI Bio-Services, Inc. for the Most Recent Fiscal Year End.

"Most Recent Fiscal Year End" has the meaning set forth in Section 3.8.

"Multiemployer Plan" has the meaning set forth in Section 3(37) of ERISA.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity, timing and frequency).

"Original Agreement" has the meaning set forth in the Preamble.

"Parties" has the meaning set forth in the preamble above.

"Payment Date" has the meaning set forth in Section 10.3.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Performance Bonus Plan" has the meaning set forth in Section 6.2(e).

"Permit" has the meaning set forth in Section 3.11.

"Person" means any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization, governmental entity (or any department, agency, or political subdivision thereof) or other legal entity of any kind.

"Pro Rata Share" means, with respect to any Seller, (a) the number of shares of Common Stock of SBI sold by such Seller to the Buyer hereunder divided by (b) the aggregate number of shares of Common Stock sold by all Sellers to the Buyer hereunder.

"Product and Service" means all current products and services of the Company and its Subsidiaries, any subsequent versions of such products and services currently being developed, any products or services currently being developed by the Company or its Subsidiaries which are designed to supersede, replace or function as a component of such products or services, and any upgrades, enhancements, improvements and modifications to the foregoing.

"Prohibited Transaction" has the meaning set forth in Section 406 of ERISA and Section 4975 of the Code.

"Recap Agreement" has the meaning set forth in Section 2.1.

"Release" means any actual, threatened or alleged spilling, leaking, pumping, pouring, emitting, dispersing, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of any Chemical Substance into the Environment that may cause an Environmental Liability and Cost (including the disposal or abandonment of barrels, containers, tanks or other receptacles containing or previously containing any Chemical Substance).

"Reportable Event" has the meaning set forth in Section 4043 of ERISA.

"Safety Laws" means the Occupational Safety and Health Act and any other federal, state, local and foreign law, regulation or legal requirement relating to health or safety, each as now or hereinafter in effect, including any such law, regulation or legal requirement relating to the (a) exposure of employees to any Chemical Substance, air quality or working conditions or noise or (b) the physical structure, use or condition of a building, facility, fixture or other structure, including, without limitation, those relating to equipment or manufacturing processes, or the management, use, storage, disposal, cleanup or removal of any Chemical Substances, air quality or working conditions.

"Safety Liabilities and Costs" means all Losses arising from, imposed or incurred in connection with compliance with any Safety Law or as a result of any health or safety conditions present at, created by or arising out of the past or present operations of the Company through the Closing Date.

"SBI" has the meaning set forth in the preamble above.

"SBI EBITDA" has the meaning set forth in the Performance Bonus Plan.

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

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

"Seller Employees" means William Hobson, Jean Bees, Doug Kornbrust, Nancy Gillett, Dave McCaslin, Karol Bice-Godwin, John Kapeghian, Donna Eisenhauer, Belinda Fuller, Martin Brett, Glen Elliott and Mark Young.

"Seller Representative" has the meaning set forth in Section 11.3.

"Sellers" has the meaning set forth in the preamble above.

"Series A Preferred Stock" has the meaning set forth in Section 3.2.

"Shares" has the meaning set forth in the preamble above.

"Subsidiary" means, with respect to any Person, (i) any corporation at least a majority of whose outstanding voting stock is owned, directly or indirectly, by such Person or by one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries, (ii) any general partnership, joint venture or similar entity, at least a majority of whose outstanding partnership or similar interests shall at the time be owned by such Person, or by one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries and (iii) any limited partnership of which such Person or any of its Subsidiaries is a general partner. For the purposes of this definition, "voting stock" means shares, interests, participations or other equivalents in the equity interest (however designated) in such Person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such Person, other than shares, interests, participations or other equivalents having such power only by reason of contingency.

"Target Working Capital" means the amount set forth in Exhibit 2.3 as the Target Working Capital.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall

profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar, including FICA), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Technology" means all inventions, copyrightable works, discoveries, innovations, know-how, information (including ideas, research and development, know-how, formulas, compositions, processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, business and marketing plans and proposals, documentation and manuals), computer software, computer hardware, integrated circuits and integrated circuit masks, electronic, electrical and mechanical equipment and all other forms of technology, including improvements, modifications, derivatives or changes, whether tangible or intangible, embodied in any form, whether or not protected or able to be protected by patent, copyright, mask work right, trade secret law or otherwise.

"Third Party Claim" has the meaning set forth in Section 9.4(a).

"Trademarks" means any trademarks, service marks, trade dress and logos, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith.

"Working Capital" means the excess of (i) (a) cash and cash equivalents, (b) net accounts receivable, (c) inventory and (c) prepaid expenses over (b) (i) accounts payable (except for any accounts payable greater than 90 days), (ii) accrued employee compensation and benefits and (iii) accrued liabilities (except for obligations for deferred taxes and Indebtedness (x) to the Lee Trust, (y) under capital leases and (z) to the Imperial Bank solely in respect of the term loan); it being understood and agreed that the aggregate amount received from customers in advance of work to be performed for such customers shall not be included in the calculation of Working Capital.

1.2. Additional Provisions. In addition to the definitions set forth above:

(a) The words "hereof," "herein," "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular Section or provision of this Agreement, reference to a particular Article of this Agreement shall include all Sections thereof and reference to a particular Section of this Agreement shall include all subsections thereof.

(b) Definitions shall be equally applicable to both the singular and plural forms of the terms defined, and references to the masculine, feminine or neuter gender shall include each other gender.

2. Acquisition of Stock by Buyer.

2.1. Purchase and Sale of Stock. Immediately following the closing under the Recapitalization Agreement dated as of July 25, 1999 among Bausch & Lomb, Incorporated, CRL Holdings, Inc., the Buyer and certain other parties named therein (as amended, the "Recap Agreement") and subject to and upon the terms and conditions contained herein, each Seller agrees to sell and transfer to the Buyer that number of Shares set forth opposite such Seller's name on Exhibit 2.1, and the Buyer agrees to purchase all and not less than all of the Shares from each of the Sellers at the Closing in consideration of the payment of the Aggregate Purchase Price; it being understood and agreed that each holder of an option to purchase shares of Common Stock shall be deemed to have exercised such option on the Closing Date immediately before the Closing.

2.2. Purchase Price. The Buyer agrees to pay to the Sellers at the Closing an aggregate amount (the "Aggregate Closing Payment") equal to (a) the Aggregate Purchase Price less (b) the amount of the Company's Indebtedness plus accrued but unpaid interest thereon and all other amounts due in respect thereof upon discharge in full on the Closing Date, including prepayment, breakage or other related fees, expenses or penalties less (c) the amount required to redeem on the Closing Date the outstanding Series A Preferred Stock less (d) the amount payable to Gary Chellman in connection with the consummation of the transaction contemplated hereby less (e) the amount, if any, actually paid by the Company pursuant to or in connection with the Imperial Warrant plus (f) the amount actually spent by the Company on capital expenditures from the date of this Agreement through the Closing Date not in excess of $250,000 plus (g) the amount, if any, actually paid by the Company pursuant to Section 6.13 of the Share Purchase Agreement dated as of January 4, 1999 by and among Sierra Biomedical, Inc., the stockholders of HTI Bio-Services, Inc. and HTI Bio-Services, Inc. The Aggregate Closing Payment shall be payable as follows:

(i) $3,750,000 in cash (the "Escrow Amount") payable by wire transfer to a Person designated by the Buyer subject to the reasonable consent of the Seller Representative, as escrow agent (the "Escrow Agent"), to be held in escrow pursuant to the Escrow Agreement among the Parties and the Escrow Agent substantially in the form of Exhibit 2.2; and

(ii) cash payable by wire transfer to the Sellers, as more fully set forth on Schedule 2.2, in accordance with written instructions of each such Seller given to the Buyer at least two business days prior to the Closing in an amount equal, in the aggregate, to the Aggregate Closing Payment less the Escrow Amount

2.3. Working Capital Adjustment.

(a) As soon as practicable, but in no event later than 60 days after the Closing Date, the Buyer shall prepare and deliver to the Sellers an unaudited consolidated balance sheet of the Company as of the close of business on the Closing Date (the "Closing Balance Sheet") prepared in accordance with GAAP on a basis consistent with past practice. The Buyer shall prepare and deliver, or cause to be prepared and delivered, to the Sellers, simultaneously with the delivery of the Closing Date Balance Sheet, a statement setting forth in reasonable detail the Buyer's calculation of the Actual Working Capital.

(b) The Closing Balance Sheet and the Buyer's calculation of Actual Working Capital shall be conclusive and binding on the Sellers unless the Seller Representative shall notify the Buyer in writing within 10 days after receipt thereof that, in the opinion of the Seller Representative, (i) the Closing Balance Sheet has not been prepared on a basis consistent with the accounting principles set forth in Exhibit 2.3 or (ii) the Actual Working Capital has not been calculated correctly. Such notice (the "Dispute Notice") - -------------- shall set forth in reasonable detail, each item and amount with which the Seller disagrees and the basis for each such disagreement. The Buyer and the Seller Representative shall attempt to resolve each such disagreement and shall set forth any resolution in writing. If they cannot so agree within 30 days after the delivery by the Seller Representative to the Buyer of the Dispute Notice, then either the Seller Representative or the Buyer may submit the dispute regarding the items and/or amounts identified by the Seller Representative to a nationally recognized firm of certified public accountants acceptable to both the Buyer and the Seller Representative (the "Independent Accountant"). The fees and expenses of the Independent Accountant shall be shared equally by the Sellers, on the one hand, and the Buyer, on the other hand, and the decision of the Independent Accountant shall be final and binding on the Parties.

(i) If the Target Working Capital exceeds the Actual Working Capital, an amount equal to such excess shall be released from the Escrow Account to the Buyer which amount shall be considered a purchase price adjustment for all purposes. If the Actual Working Capital exceeds the Target Working Capital, no payment shall be made by any Party or from the Escrow Funds.

2.4. Purchase Price Adjustment. If the SBI EBITDA for the calendar year ending December 31, 2000 equals or exceeds $5.75 million, then the Buyer shall pay to each Seller such Seller's Pro Rata Share of $2,000,000 not later than five business days following release of the Buyer's audited financial statements for such calendar year, in accordance with the written instructions of each such Seller given to the Buyer at least two business days prior to such payment.

2.5. The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Ropes & Gray in New York, New York, or in such other manner and at such other place as the Buyer and the Seller Representative shall agree, commencing at 10:00 a.m. eastern time on September 24, 1999 or on such later date as the conditions precedent set forth in Section 6 shall have been satisfied or waived (the "Closing Date").

2.6. Deliveries at the Closing. At the Closing, (a) the Sellers will deliver to the Buyer (i) certificates evidencing the Shares duly endorsed (or accompanied by duly executed blank stock powers), and otherwise in proper form for transfer to the Buyer and (ii) the various certificates, instruments and documents referred to in Section 6.1 below, and (b) the Buyer will deliver the consideration specified as set forth in Section 2.2 above.

3. Representations and Warranties Regarding the Company. Each of the Seller Employees jointly and severally represents and warrants to the Buyer that the statements contained in this Section 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then) as though the Closing Date were substituted for the date of this Agreement throughout this Section 3 (unless a date is specified in a particular representation and warranty), except as specifically qualified in the disclosure schedule accompanying this Agreement (the "Disclosure Schedule"). For purposes of this Section 3, the term "Company" shall be deemed to be a reference to the Company and its Subsidiaries, from time to time. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Section 3.

3.1. Organization of the Company. SBI is a Nevada corporation, duly organized, validly existing and in good standing under the laws of Nevada. Copies of the articles of incorporation and by-laws of SBI as amended to date have been heretofore delivered to Buyer and are accurate and complete. SBI is qualified to do business and is in good standing as a foreign corporation in each jurisdiction listed in Section 3.1 of the Disclosure Schedule, which such jurisdictions are the only jurisdictions where the nature of the activities conducted by it or the character of the property owned, leased or operated by it make such qualification necessary or appropriate, except for those jurisdictions where the failure to be so qualified will not have a Material Adverse Effect.

3.2. Capitalization and Ownership of the Company. The authorized capital stock of SBI consists of 90,000,000 shares of common stock, $0.001 par value per share (the "Common Stock"), and 10,000,000 shares of preferred stock of which 350,000 shares, $0.001 par value, are designated as Series A Preferred (the "Series A Preferred Stock"). As of the date hereof, the only shares of capital stock that are issued are (a) 4,990,281 shares of Common Stock, of which 2,227,581 shares are outstanding and 2,762,700 shares are held as treasury stock and (b) 337,403 shares of Series A Preferred Stock, all of which are outstanding. All of the outstanding shares of capital stock of SBI have been validly issued, are fully paid and nonassessable. Except as set forth in Section 3.2 to the Disclosure Schedule,

there are no (i) written or oral agreements or understandings restricting the transfer of, or affecting the rights of any holder of, the Shares or any other shares of SBI's capital stock, (ii) written or oral obligations in the nature of preemptive rights on the part of any holder of any class of securities of SBI or (iii) outstanding options, warrants, rights, or other written or oral agreements, understandings or commitments of any kind obligating SBI, contingently or otherwise, to issue or sell any shares of its capital stock or any securities or obligations convertible into, or exchangeable for, any shares of its capital stock, and no authorization therefor has been given. Section 3.2 of the Disclosure Schedule sets forth the names of the record holders of all outstanding options, warrants or other rights to purchase, sell or otherwise dispose of, or rights to exchange or convert into, any shares of SBI's capital stock (whether written or oral) and the number of shares, exercise prices and expiration dates of such options, warrants or other rights. As of the Closing, all of SBI's outstanding options, warrants and other rights shall have been exercised or otherwise exchanged for shares of Common Stock (which shares, when issued, will be validly issued, fully paid and nonassessable) or terminated. There are no stock appreciation, phantom stock, profit participation, or similar rights with respect to SBI. None of the outstanding shares of capital stock of the Company were issued in violation of the Securities Act or the securities or blue sky laws of any state or jurisdiction.

3.3. Authorization of Transaction. SBI has the legal capacity, power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. The board of directors of SBI has duly authorized the execution, delivery and performance of this Agreement. All corporate and other actions or proceedings to be taken by or on the part of SBI to authorize and permit the execution and delivery by it of this Agreement and the instruments required to be executed and delivered by it pursuant hereto, its performance of its obligations hereunder and thereunder, and the consummation by it of the transactions contemplated herein, have been duly and properly taken. This Agreement has been duly executed and delivered by SBI and constitutes the legal, valid and binding obligation of SBI, enforceable in accordance with its terms and conditions.

3.4. Noncontravention. None of the execution, delivery or performance of this Agreement (or any of the Closing Agreements to which it is a party), or the consummation of the sale of the Shares and the other transactions contemplated hereby and thereby, will (a) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Company or any of its properties or assets are subject or any provision of the charter or by-laws (or similar constitutional documents) of the Company, (b) result in any conflict with, breach of, or default (or give rise to any Lien or a right to termination, cancellation or acceleration or loss of any right or benefit) under, or require any consent or approval which has not been, or prior to Closing will not be, obtained or waived with respect to, any contract, agreement, lease, Permit, instrument or other arrangement to which the Company is a party or by which it or its properties or assets is subject or bound, or constitute an event which, with notice, lapse of time or both, would result in any such breach, default,

termination, cancellation, acceleration or loss of right or benefit. The Company need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement except for the required filings under the Hart-Scott-Rodino Act, which filings have been made.

3.5. Brokers' Fees. Neither the Company nor any Seller has any Liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer or the Company is or could become liable or obligated.

3.6. Title to Assets. The Company has good and marketable title to, or a valid and subsisting leasehold interest in, the properties and assets used by it, located on its premises, or reflected on the Most Recent Balance Sheet or acquired after the date thereof, free and clear of all Liens (other than those Liens set forth on Section 3.6 of the Disclosure Schedule), except for properties and assets disposed of in the Ordinary Course of Business since the Most Recent Fiscal Year End.

3.7. Subsidiaries. Section 3.7(a) of the Disclosure Schedule sets forth with respect to each of SBI's Subsidiaries: (a) its name and jurisdiction of incorporation, (b) the number of shares of authorized capital stock of each class of its capital stock, (c) the number of issued and outstanding shares of each class of its capital stock, the names of the record holders thereof and the number of shares held by each such holder, (d) the number of shares of its capital stock held in treasury and (e) its directors and officers. Each such Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. Each such Subsidiary is duly authorized to conduct business and is in good standing as a foreign corporation in each jurisdiction listed opposite its name in Section 3.7(a) of the Disclosure Schedule, which jurisdictions are the only jurisdictions where the nature of the activities conducted by it or the character of the property owned, leased or operated by it make such qualification necessary or appropriate, except for those jurisdictions where the failure to be so qualified will not have a Material Adverse Effect. Each such Subsidiary has full corporate power and authority and all Permits and authorizations necessary to carry on the businesses in which it is engaged and in which it presently proposes to engage and to own and use the properties owned and used by it. SBI has delivered to the Buyer correct and complete copies of the charter and by-laws of each Subsidiary (each as amended to date). All of the issued and outstanding shares of capital stock of each such Subsidiary have been duly authorized and are validly issued, fully paid and nonassessable. SBI owns beneficially all of the outstanding shares of each of its Subsidiary that it holds of record, free and clear of any Taxes, Liens (other than those Liens set forth on Section 3.7(b) of the Disclosure Schedule), options, warrants, purchase rights, contracts and commitments. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require any of SBI or any of its Subsidiaries to sell, transfer, or otherwise dispose of any capital stock of

any of its Subsidiaries or that could require any such Subsidiary to issue, sell, or otherwise cause to become outstanding any of its own capital stock. There are no outstanding stock appreciation, phantom stock, profit participation, or similar rights with respect to any such Subsidiary. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of any capital stock of any such Subsidiary. None of such Subsidiaries is in default under or in violation of any provision of its charter or by-laws. None of SBI or any of its Subsidiaries controls directly or indirectly or has any direct or indirect equity participation or ownership interest in any corporation, partnership, trust, or entity which is not a Subsidiary of SBI.

3.8. Financial Statements. Attached hereto as Exhibit 3.8 are the following financial statements (collectively, the "Financial Statements"): (i) the audited balance sheet and statement of income, change in stockholders' equity and cash flow as of and for the fiscal year ended December 31, 1998 (the "Most Recent Fiscal Year End") for SBI, (ii) unaudited balance sheets and statements of income, changes in stockholders' equity and cash flow as of and for the fiscal years ended December 31, 1996 and December 31, 1997 for SBI, (iii) unaudited balance sheets and statements of income, changes in stockholders' equity and cash flow as of and for the fiscal years ended December 31, 1996, December 31, 1997 and December 31, 1998 for HTI Bio-Services, Inc. and (iv) unaudited consolidated balance sheets and statements of income, changes in stockholders' equity and cash flows for the seven months ended July 31, 1999 for SBI. The Financial Statements (including, with respect to the audited financial statements only, the notes thereto) have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, are correct and complete and present fairly the consolidated financial condition of the Company as of such dates and the consolidated results of operations of the Company for such periods and are consistent with the books and records of the Company, subject, in the case of the financial statements delivered pursuant to clause (iv) above, to normal and recurring year end adjustments and the absence of notes.

3.9. Absence of Certain Changes and Events. Since the Most Recent Fiscal Year End and except as disclosed in Section 3.9 of the Disclosure Schedule, the Company has conducted its businesses only in the Ordinary Course of Business and, without limiting the generality of the foregoing, there has not been, with respect to the Company:

(a) any sale, lease, transfer, or assignment of any of the Company's assets, tangible or intangible, other than sales of inventory for a fair

consideration in the Ordinary Course of Business;

(b) any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) entered into other than (i) in the Ordinary Course of Business and (ii) in an amount not in excess of $50,000;

(c) any acceleration, termination, modification, or cancellation of any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) to which the Company is a party or by which it is bound;

(d) any Lien created or imposed upon the Company's assets, tangible or intangible;

(e) any capital expenditure made (or series of related capital expenditures) involving more than $10,000 singly or $50,000 in the aggregate;

(f) any capital investment made in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans and acquisitions);

(g) any issuance of any note, bond, or other debt security or the creation, incurrence, assumption or guarantee of any indebtedness for borrowed money or capitalized lease obligation;

(h) any delay or postponement of the payment of accounts payable and other Liabilities outside the Ordinary Course of Business;

(i) any cancellation, compromise, waiver, or release any right or claim or Indebtedness (or series of related rights and claims);

(j) any grant of a license or sublicense of any rights or modification of any rights under or with respect to, or any settlement entered into regarding any infringement of its rights to, any Intellectual Property;

(k) any issuance, sale, or other disposition of any of its capital stock, or grant of any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any capital stock, other than upon the exercise of options outstanding on the date hereof;

(l) any dividend or distribution (whether in cash or in kind) or repurchase, redemption or retirement of any of its capital stock other than a dividend or distribution of up to 150,000 shares of common stock of Hybridon, Inc. held by the Company on the date hereof (or the proceeds thereof);

(m) any material damage, destruction, or loss (whether or not covered by insurance) to its property;

(n) any loan to, or any other transaction with, any Affiliate of the Company;

(o) any employment contract or collective bargaining agreement, written or oral, entered into or any modification or change of the terms of any existing such contract or agreement;

(p) any increase, modification or change in the compensation of any of the officers or employees of the Company;

(q) any adoption, amendment, modification or termination of any Employee Benefit Plan for the benefit of any director, officer, or employee of the Company (or taken any such action with respect to any other Employee Benefit Plan);

(r) any payment pursuant to any Employee Benefit Plan or other plan, contract or commitment for the benefit of any of the directors, officers and employees of the Company;

(s) any pledge to make or making of any charitable or other capital contribution;

(t) any payment of any amount to any third party with respect to any Liability (excluding any costs and expenses incurred or which may be incurred in connection with this Agreement and the transactions contemplated hereby) other than in the Ordinary Course of Business;

(u) any modification in its methods of accounting or accounting practices (including, without limitation, practices regarding recognition of revenue) or the application of GAAP from the manner in which it was applied in the Most Recent Financial Statements;

(v) any other occurrence, event, incident, action, failure to act, or transaction outside the Ordinary Course of Business involving the Company or any of its Subsidiaries; or

(w) any commitment by the Company or the Sellers to any of the foregoing.

3.10. Absence of Undisclosed Liabilities. The Company has no Liabilities, except for (a) Liabilities set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto), (b) Liabilities which have arisen after the Most Recent Fiscal Year End in the Ordinary Course of Business and (c) Liabilities incurred in the Ordinary Course of Business and are not required under GAAP to be reflected in the Most Recent Financial Statements.

3.11. Legal and Other Compliance.

(a) Each of the Company and its predecessors conduct, and have conducted, their businesses in compliance with all applicable Laws, except to the extent non-compliance therewith would not have a Material Adverse Effect, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure so to comply. There is no judgment, injunction, order or decree or material agreement binding upon the Company which has or reasonably could be expected to have the effect of prohibiting or materially impairing any current or future business practice of the Company, any acquisition of property by the Company or the conduct of business by the Company, as currently conducted or as proposed to be conducted. Except as set forth on Section 3.11(a) of the Disclosure Schedule, the Company holds all permits, licenses, easements, variances, exemptions, consents, certificates, orders and approvals from governmental authorities (collectively, the "Permits") which are necessary for the lawful operation of its business (including, without limitation, all Permits from the Centers for Disease Control, the United States Department of Agriculture and the Association for Assessment and Accreditation of Laboratory Animal Care relating to the importation of primates into the United States) (collectively, the "Company Permits") and such Company Permits are in full force and effect. The Company is in compliance with the terms of the Company Permits, except where the failure so to comply would not have a Material Adverse Effect, and the Company has not received any notice of violation of any Company Permits.

(b) Without limiting the generality of the foregoing clause (a), (i) the Company is in compliance with Good Laboratory Practices in respect of the operations of the Company to which such Practices, by their terms, apply and (ii) the Company has established an Internal Animal Care Use Committee which committee is performing its responsibilities as set forth under applicable laws and regulations.

3.12. No Material Adverse Change. Since the Most Recent Fiscal Year End, there has not been any change which has resulted in a Material Adverse Effect and no event has occurred or circumstance exists that may result in a Material Adverse Effect.

3.13. Taxes.

(a) The Company has filed on a timely basis all Tax Returns required to be filed by it as of the date hereof. All such Tax Returns were correct and complete in all respects. The Company has no Liability for Taxes (whether or not shown on any Tax Return) in respect of any period or portion thereof ending on or prior to the Closing Date. The Company has not nor is currently the beneficiary of any extension of time within which to file any Tax Return. No claim has been made against the Company by an authority in a jurisdiction where the Company does not file Tax Returns that the

Company may be subject to taxation by that jurisdiction. There are no liens or other encumbrances on any of the assets of the Company that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) The Company has withheld and paid all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(c) There is no Basis for any authority to assess any additional Taxes for any period for which a Tax Return has been filed. There is no dispute, audit, investigation, proceeding or claim concerning any Liability with respect to Taxes of the Company either (i) claimed or raised by any authority in writing or (ii) as to which the Company or any Seller has knowledge based upon contact with any such authority. Except as set forth in Section 3.13(c) of the Disclosure Schedule, all federal, state, local and foreign income Tax Returns filed with respect to the Company have been audited or are not currently open because the applicable statute of limitations has expired. The Sellers have delivered to the Buyer correct and complete copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Company for the last three taxable years. No power of attorney for Taxes of the Company is currently in force.

(d) The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(e) The Company (i) is not nor has it been a party to any Tax allocation or sharing agreement, or (ii) does not have any Liability for the Taxes of any Person other than the Company and its Subsidiaries under Treas. Reg. Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract, or otherwise. The Company has not been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company). The Company has not agreed by contract nor is it obligated as a transferee or successor as to how any item was or will be reported on a Tax Return.

(f) The Company has not filed a consent under Section 341(f) of the Code concerning collapsible corporations. The Company has not made any payments, is not obligated to make any payments, nor is a party to any Agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Sections 162, 280G or 404 of the Code. The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. The Company has disclosed on its federal income Tax Returns all positions taken therein that could give

rise to a substantial understatement of federal income Tax within the meaning of the Section 6662 of the Code.

(g) Section 3.13(g) of the Disclosure Schedule sets forth the following information with respect to SBI and its Subsidiaries as of the most recent practicable date, (i) the basis of SBI or such Subsidiary in its assets; (ii) the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax, or excess charitable contribution of SBI or such Subsidiary; and (iii) the amount of any deferred gain or loss allocable to SBI or such Subsidiary arising out of any Deferred Intercompany Transaction.

(h) The unpaid Taxes of the Company did not, as of the Most Recent Fiscal Year End, exceed the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto), and as of the date hereof do not exceed such reserve as adjusted for the operations of the Company in the Ordinary Course of Business since the date of the Most Recent Balance Sheet.

3.14. Property, Plant and Equipment.

(a) The Company does not own, nor has it or its predecessors ever owned, any real property. (b) Section 3.14(b) of the Disclosure Schedule lists all real property leased or subleased to the Company. The Company has delivered to the Buyer correct and complete copies of the leases and subleases listed in Section 3.14(b) of the Disclosure Schedule (as amended to date) which such leases and subleases have not been amended or modified since the date thereof. With respect to each lease and sublease listed in Section 3.14(b) of the Disclosure Schedule:

(i) the lease or sublease is legal, valid, binding, enforceable and in full force and effect;

(ii) the lease or sublease will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby;

(iii) neither any of the Sellers, the Company nor to their knowledge any other party to the lease or sublease, is in breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification, or acceleration thereunder;

(iv) neither any of the Sellers, the Company nor to their knowledge any other party to the lease or sublease, has repudiated any provision thereof;

(v) there are no disputes, oral or written agreements, or forbearance programs in effect as to the lease or sublease;

(vi) with respect to each sublease, the representations and warranties set forth in subsections (i) through (v) above are true and correct with respect to the underlying lease;

(vii) the Company has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in the leasehold or subleasehold;

(viii) All facilities leased or subleased thereunder have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation thereof and have been operated and maintained in accordance with applicable laws, rules and regulations; and

(ix) all facilities leased or subleased thereunder are supplied with utilities and other services necessary for the operation of said facilities.

(c) All of the tangible personal property of the Company other than inventory is in good working order, operating condition and state of repair, ordinary wear and tear excepted. Section 3.14(c) of the Disclosure Schedule lists each lease or other agreement or understanding (including all amendments) under which any tangible personal property other than inventory having a cost or aggregate capital lease obligations in excess of $10,000 is held or used (indicating for each lease (i) a description of the property leased thereunder, including location, (ii) the term thereof and a description of any available renewal periods, (iii) the rental and other material payment terms, (iv) the owner of the property subject to such equipment lease and (v) whether any consents are required under such lease in connection with the transactions contemplated by this Agreement). The Company has delivered to the Buyer true and complete copies of each equipment lease and any and all other material contractual obligations relating to any of the equipment leases, in each case as in effect on the date hereof and as it will be in effect at the Closing, including, without limitation, all amendments.

(d) The Company owns or leases all buildings, real property, improvements, machinery, equipment and other tangible assets necessary for the conduct of its businesses as currently conducted and as proposed to be conducted. Each such tangible asset is free from defects (patent and latent), has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal

 wear and tear) and is suitable, adequate and sufficient for the purposes for which it presently is used and presently is proposed to be used.

3.15. Intellectual Property.

(a) The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property necessary or desirable for the operation of the businesses of the Company as currently conducted and as proposed to be conducted. Each item of Intellectual Property owned or used by the Company in its businesses immediately prior to the Closing hereunder will be owned or available for use by the Company and the Buyer on identical terms and conditions subsequent to the Closing hereunder. Except as disclosed in Section 3.15(a) of the Disclosure Schedule, the Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that the Company owns or uses.

(b) Except as disclosed in Section 3.15(b) of the Disclosure Schedule, the Company has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and there has never been any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the knowledge of the Company or any Seller, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company.

(c) Section 3.15(c) of the Disclosure Schedule identifies each patent or registration which has been issued to the Company with respect to the Company's Intellectual Property, identifies each pending patent application or application for registration which has been made with respect to the Company's Intellectual Property, and identifies each license, agreement, or other permission which the Company has granted to any third party with respect to any of the Intellectual Property (together with any exceptions). The Sellers have delivered to the Buyer correct and complete copies of all such patents, registrations, applications, licenses, agreements and permissions (as amended to date) and have made available to the Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Section 3.15(c) of the Disclosure Schedule also identifies each trade name or unregistered trademark or servicemark used by the Company. With respect to each item of Intellectual Property required to be identified in Section 3.15(c) of the Disclosure Schedule:

(i) except as disclosed in Section 3.15(c) of the Disclosure Schedule, the Company possesses all right, title and interest in and to the item, free and clear of any Lien, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the knowledge of the Company or any Seller, is threatened, which challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) the Company has not agreed to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Section 3.15(d) of the Disclosure Schedule identifies each item of material Intellectual Property that any Person other than the Company owns and that the Company uses pursuant to license, sublicense, agreement, or permission. The Sellers have delivered to the Buyer correct and complete copies of all such licenses, sublicenses, agreements and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Section 3.15(d) of the Disclosure Schedule:

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable and in full force and effect;

(ii) the license, sublicense, agreement, or permission will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby;

(iii) neither the Company nor, to the knowledge of the Company or any Seller, no other party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default or permit termination, modification, or acceleration thereunder;

(iv) neither the Company, nor to the knowledge of the Company or any Seller, no other party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representation and warranties set forth in subsections (i) through (iv) above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the knowledge of the Company or any Seller, is threatened, which challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) the Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the knowledge of the Company or any Seller, the Company will not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted or proposed to be conducted.

(f) Neither the Company nor any Seller has any knowledge of any new (i) products, (ii) services, (iii) procedures, (iv) methods of manufacturing, processing or delivery or (v) inventions that any competitors or other third parties have developed which reasonably could be expected to supersede or make obsolete any Product or Service, procedure or method of manufacturing processing or delivery of the Company.

3.16. Inventories. The inventory of the Company is suitable and usable for its intended purpose in the Ordinary Course of Business, and none of such inventory is below standard quality, damaged, or defective, subject only to the reserve for inventory writedown set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for the passage of time through the Closing Date in accordance with GAAP and the past custom and practice of the Company. Since the Most Recent Balance Sheet Date, no inventory has been sold or disposed of except through sales in the Ordinary Course of Business.

3.17. Contracts. Section 3.17 of the Disclosure Schedule lists the following contracts and other agreements and understandings (whether written or oral) to which the Company is a party:

(a) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments in excess of $50,000;

(b) any agreement (or group of related agreements) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one year, result in a loss to the Company, or involve consideration, in excess of $50,000;

(c) any agreement concerning a partnership or joint venture;

(d) any agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any Indebtedness in excess of $10,000 or under which it has imposed a Lien on any of its assets, tangible or intangible;

(e) any agreement concerning confidentiality or noncompetition;

(f) any agreement relating to the Company, its assets, liabilities and business, or relating to the Shares, in each case, between or among the Company, any Seller and any or their respective Affiliates;

(g) any profit sharing, stock option, stock purchase, stock appreciation, deferred compensation, severance, or other similar plan or arrangement;

(h) any collective bargaining agreement;

(i) any agreement providing for the employment or consultancy with any individual on a full-time, part-time, consulting or other basis in excess of $50,000 or providing severance or retirement benefits;

(j) any agreement under which it has advanced or loaned any amount to any of its stockholders, Affiliates, directors, officers, or employees other than in the Ordinary Course of Business;

(k) any agreement under which the consequences of a default or termination could have an material adverse effect on the business, financial condition, operations, results of operations, or prospects of any of SBI or its Subsidiaries;

(l) the standard terms and conditions of sale or lease for the Company's Products and Services (containing applicable guaranty, warranty and indemnity provisions); and

(m) any other agreement (or group of related agreements) the performance of which involves consideration in excess of $50,000.

The Sellers have delivered to the Buyer a correct and complete copy of each agreement listed in Section 3.17 of the Disclosure Schedule. Except as disclosed in Section 3.17 of the Disclosure Schedule, with respect to each such agreement: (i) the agreement is legal, valid, binding, enforceable and in full force and effect; (ii) subject to the Buyer obtaining the necessary consents disclosed in Section 3.29 of the Disclosure Schedule, the agreement will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (iii) neither

the Company nor, to the knowledge of the Company or any Seller, any other party is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under the agreement; (iv) neither the Company nor, to the knowledge of the Company or any Seller, any other party has repudiated any provision of the agreement; and (v) none of such agreements is, when considered singly or in the aggregate with others, unduly burdensome, onerous or materially adverse to the Company's business, properties, assets, earnings or prospects.

3.18. Accounts Receivable. All accounts receivable of the Company are reflected properly on its books and records in accordance with GAAP, are valid receivables, arose from bona fide transactions in the Ordinary Course of Business subject to no setoffs or counterclaims except as recorded as accounts payable are current and to the knowledge of the Company, are collectible in accordance with their terms at their recorded amounts, except as reflected as net of allowance for bad debts on the face of the Most Recent Balance Sheet (rather than in any notes thereto or reserve therefor) as adjusted for the passage of time in accordance with GAAP and past practice and custom of the Company and are subject to no refunds or other adjustments and to no defenses, right of set off, assignments, restrictions, encumbrances or condition enforceable by third parties on or affecting any of such accounts receivable.

3.19. Insurance and Risk Management.

(a) Section 3.19(a) of the Disclosure Schedule sets forth a complete list of all material insurance policies (including policies providing property, casualty, liability and workers' compensation coverage and bond and surety arrangements) to which the business operations of the Company is a party, a named insured, or is otherwise the beneficiary of coverage. All such policies are with reputable insurance carriers, provide adequate coverage for all normal risks incident to the Company's assets, properties and business operations and are in character and amount at least equivalent to that carried by Persons engaged in a business subject to the same or similar risks, perils or hazards.

(b) Section 3.19(b) of the Disclosure Schedule sets forth the Company's plan to provide Products and Services to its customers without material interruption in the event (i) there is damage, destruction or loss to any of its assets or properties (whether or not covered by insurance) or (ii) one or more of its facilities becomes inaccessible to its officers and employees for any reason whatsoever.

(c) There have not been, and there are no pending, or, to the knowledge of the Company or any Seller, threatened, actions or activities relating to animal rights that could reasonably be expected to lead to an interruption in the provision of Products and Services to the customers the Company. The Company has established a (i) security program and (ii) an employee training program which are reasonable under the circumstances to address possible actions or activities relating to animal rights.

3.20. Litigation. Except as disclosed in Section 3.20 of the Disclosure Schedule, there are no judicial or administrative actions, claims, suits, proceedings or investigations pending or, to the knowledge of the Company or any Seller, threatened, that would be reasonably likely to result in a Material Adverse Effect, or that question the validity of this Agreement or of any action taken or to be taken pursuant to or in connection with the provisions of this Agreement or that relate to the purchase or sale of shares of capital stock of the Company nor, to the knowledge of the Company or any Seller, is there any Basis for any such action, claim, suit, proceeding or investigation. There are no judgments, orders, decrees, citations, fines or penalties heretofore assessed against the Company affecting adversely any of its assets, businesses or operations under any federal, state or local law.

3.21. Product Warranties; Defects; Liability. Each Product and Service delivered, provided, manufactured, sold or leased by the Company and its predecessors is, and has been, in conformity with all applicable federal, state, local or foreign laws and regulations, contractual commitments and all express and implied warranties, and the Company has no Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand giving rise to any Liability) for damages, replacement or repair thereof in connection therewith, subject only to the reserve for product warranty claims set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) which such reserve is adequate to address all such Liabilities. Except as disclosed in Section 3.21 of the Disclosure Schedule, no Product or Service delivered, provided, manufactured, sold or leased by the Company is subject to any guaranty, warranty, or other indemnity beyond the standard terms and conditions of sale or lease set forth in Section 3.17(l) of the Disclosure Schedule. The Company has no Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against any of them giving rise to any Liability) whether arising out of any injury to individuals or property or otherwise as a result of the ownership, possession, or use of any Product or Service delivered, provided, manufactured, sold or leased by the Company or any of its predecessors and there has been no inquiry or investigation made in respect thereof by any Person including any governmental or administrative agency.

3.22. Employees. To the knowledge of the Company or any Seller, no executive, key employee, or group of employees has any plans to terminate employment with the Company or its Subsidiaries. The Company has not experienced any labor disputes or work stoppage due to labor disagreements. The Company is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours and have not been and are not engaged in any unfair labor practice as defined in the National Labor Relations Act, as amended, the violation of which could have a Material Adverse Effect. The Company is not a party to any agreement with any employee, officer or director that provides for payments or acceleration of benefits upon a change of control of the Company. The Company is not a party to any collective bargaining agreements. Section 3.22 of the Disclosure Schedule lists each agreement, understanding or policy regarding confidentiality applicable to any director, officer, employee or agent of, or consultant to, the

Company. The Company has no Liability in respect of compensation to employees (other than any such compensation to be paid in accordance with the payroll practices of the Company in the Ordinary Course of Business not later than 30 days following the Closing Date). 3.23. Employee Benefits.

(a) Section 3.23 of the Disclosure Schedule lists each Employee Benefit Plan that the Company maintains or to which the Company contributes relating to current or former employees, officers or directors of the Company.

(i) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) materially complies in form and in operation in all respects with the applicable requirements of ERISA, the Code and other applicable laws.

(ii) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-l's and Summary Plan Descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Section 4980B of the Code have been met with respect to each such Employee Benefit Plan which is an Employee Welfare Benefit Plan subject to such Part.

(iii) All contributions (including all employer contributions and employee salary reduction contributions) which are due have been paid to each such Employee Benefit Plan which is an Employee Pension Benefit Plan and all contributions for any period ending on or before the Closing Date which are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan which is an Employee Welfare Benefit Plan.

(iv) Each such Employee Benefit Plan which is an Employee Pension Benefit Plan intended to be qualified under Section 401(a) of the Code is so qualified.

(v) The market value of assets under each such Employee Benefit Plan which is an Employee Pension Benefit Plan (other than any Multiemployer Plan) equals or exceeds the present value of all vested and nonvested Liabilities thereunder determined in accordance with PBGC methods, factors and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(vi) The Sellers have delivered to the Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent determination letter received from the Internal Revenue Service, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts and other funding agreements which implement each such Employee Benefit Plan.

(b) With respect to each Employee Benefit Plan that the Company and the Controlled Group of Corporations which includes the Company maintains or ever has maintained or to which any of them contributes, ever has contributed, or ever has been required to contribute:

(i) Except as disclosed in Section 3.23(b)(i) of the Disclosure Schedule, no such Employee Benefit Plan which is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a Reportable Event as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or threatened.

(ii) There have been no Prohibited Transactions with respect to any such Employee Benefit Plan. No Fiduciary has any Liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or threatened. None of the Sellers or the Company has any knowledge of any Basis for any such action, suit, proceeding, hearing, or investigation.

(iii) The Company has not incurred, and none of the Sellers or the Company has any reason to expect that the Company will incur, any Liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal Liability) or under the Code with respect to any such Employee Benefit Plan which is an Employee Pension Benefit Plan.

(c) None of the Company and the other members of the Controlled Group of Corporations that includes the Company contributes to, ever has contributed to, or ever has been required to contribute to any Multiemployer Plan or has any Liability (including withdrawal Liability) under any Multiemployer Plan.

(d) The Company does not maintain nor has it ever maintained or contribute, ever has contributed, or ever has been required to contribute to any

Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Section 4980B of the Code).

(e) No promise or commitment to amend or improve any Employee Benefit Plan for the benefit of current or former directors, officers, or employees of the Company which is not reflected in the documentation provided to the Buyer has been made.

(f) The transactions contemplated by this Agreement shall not alone or upon the occurrence of any additional or subsequent event, result in any payment, of severance or otherwise, or acceleration, vesting or increase in benefits under any Employee Benefit Plan for the benefit of any current or former director, officer, or employee of the Company.

3.24. Environment, Health and Safety.

(a) Except as disclosed in Section 3.24 of the Disclosure Schedule:

(i) the Company is and has been in compliance with all applicable Environmental Laws and Safety Laws;

(ii) the Company has obtained, and is and has been in material compliance with the conditions of, all Environmental Permits required for the continued conduct of the business of the Company in the manner now conducted and presently proposed to be conducted;

(iii) the Company has filed all required applications, notices and other documents necessary to effect the timely renewal or issuance of all Environmental Permits for the continued conduct of the business of the Company in the manner now conducted and presently proposed to be conducted;

(iv) there are no past or present events, conditions or circumstances, including, without limitation, to the knowledge of the Company or any Seller, pending changes in any Environmental Law or Permit or Safety Laws, that are likely to materially interfere with or otherwise materially affect the business of the Company in the manner now conducted or which would materially interfere with compliance with any Environmental Law or Permit or Safety Law;

(v) there are no circumstances or conditions present at or arising out of the present or former assets, properties, leaseholds, businesses or operations

of the Company in respect of off-site storage, transportation or disposal of, or any off-site Release of, a Chemical Substance which reasonably may be expected to give rise to any Environmental Liabilities and costs;

(vi) there are no circumstances or conditions present at or arising out of the present or former assets, properties, leaseholds, businesses or operations of the Company, including but not limited to any on-site Storage, use, disposal or Release of a Chemical Substance, which reasonably may be expected to give rise to any Environmental Liabilities and Costs or Safety Liability and Costs;

(vii) none of the Company, the Sellers or the present or past assets, properties, businesses, leaseholds or operations of the Company has received or is subject to, or within the past three years has been subject to, any outstanding order, decree, judgment, complaint, agreement, claim, citation, or notice or is subject to any ongoing judicial or administrative proceeding indicating that the Company, the Sellers or the past and present assets of the Company are or may be: (A) in violation of any Environmental Law; (B) in violation of any Safety Laws; (C) responsible for the on-site or off-site storage or Release of any Chemical Substance; or, (D) liable for any Environmental Liabilities and Costs or Safety Liabilities and Costs;

(viii) none of the Company or the Sellers have any reason to believe that the Company will become subject to a matter identified in subsection (vii); and, no investigation or review with respect to such matters is pending or, to the knowledge of the Company or any Seller, is threatened, nor has any Person indicated an intention to conduct the same;

(ix) neither the business of the Company nor any of its properties or assets is subject to, or as a result of the transactions contemplated by this Agreement will be subject to, the requirements of any Environmental Laws which require notice, disclosure, cleanup or approval prior to transfer of the Shares or the business of the Company or which will impose Liens on any such asset or property or otherwise interfere with or affect the business of the Company;

(x) Section 3.24(x) of the Disclosure Schedule lists all property presently or previously leased, owned or operated by the Company and identifies all such property (and the area within that property) that has been used by the Company and its Subsidiaries or by any other Person (including a prior owner or operator) for the storage or disposal of Chemical Substances;

(xi) Section 3.24(xi) of the Disclosure Schedule lists all off-site locations, including, without limitation, commercial waste disposal facilities or municipal landfills, to which or at which Chemical Substances originating from

the Company or its assets, properties or business have been sent (or otherwise have come to be located) in amounts that would require a waste manifest under the Resource Conservation and Recovery Act of 1976 as now in effect for treatment, storage, disposal, reuse or recycling;

(xii) Section 3.24(xii) of the Disclosure Schedule sets forth a list of all underground storage tanks owned or operated at any time by the Company and, except as disclosed in Section 3.24(xii) of the Disclosure Schedule, no such tank is leaking or has leaked at any time in the past, and there is no pollution or contamination of the Environment caused by or contributed to or threatened by a Release of a Chemical Substance from any such tank; and

(xiii) Section 3.24(xiii) of the Disclosure Schedule lists all environmental audits, inspections, assessments, investigations or similar reports in the Company's possession or of which the Company is aware relating to the Company's assets, properties or business or the compliance of the same with applicable Environmental Laws and Safety Laws.

(b) For purposes of this Section 3.24 only, all references to the "Company" are intended to include any and all other entities to which the Company may be considered a successor under applicable Environmental Laws. The representations and warranties in this Section are the only representations and warranties with respect to Environmental Laws or Environmental Liabilities and Costs, or Safety Laws or Safety Liabilities and Costs notwithstanding any other language in this Agreement of general applicability.

3.25. Affiliated Transactions. Except as set forth in Section 3.25 of the Disclosure Schedule, the Company is not a party to or bound by any contract, commitment or understanding with any of the stockholders, directors or officers of the Company or any of their respective Affiliates and none of the stockholders, directors or officers of the Company or any of their respective Affiliates owns or otherwise has any rights to or interests in any asset, tangible or intangible, which is used in the business of any of the Company.

3.26. Distributors, Customers, Suppliers.

(a) Section 3.26(a) of the Disclosure Schedule sets forth a complete and accurate list of (i) all of the distributors for the Company's Products and Services indicating the specific product and/or service, existing contractual arrangements, if any, with each such distributor and the volume of products distributed, (ii) the ten largest customers (by dollar volume) of the Company during the Most Recent Fiscal Year, indicating the existing contractual arrangements with each such customer by Product and Service and (iii) all suppliers of significant materials or services to the Company, indicating the contractual arrangements for continued supply from such Persons.

(b) Except as set forth in Section 3.26(b) of the Disclosure Schedule, since the Most Recent Fiscal Year End, (i) no significant customer (or group of customers which in the aggregate is significant) of the Company has given the Company notice or, to the knowledge of the Company or any Seller, has taken any other action which has given the Company or such Seller any reason to believe that such customer (or group of customers) will cease to purchase Products or Services or reduce significantly the amount of Products and Services purchased from the Company and (ii) no significant supplier or vendor (or group of suppliers or vendors which in the aggregate is significant) of the Company has given the Company notice or, to the knowledge of the Company or any Seller, has taken any other action which has given the Company or such Seller any reason to believe that such supplier or vendor (or group of suppliers or vendors) will cease to supply or restrict the amount supplied or adversely change its price or terms to the Company of any products or services of such supplier of vendor.

3.27. No Illegal Payments, Etc. None of the Sellers or the Company nor any of the directors, officers, employees or agents of the Company, has (a) directly or indirectly given or agreed to give any illegal gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other person who was, is or may be in a position to help or hinder the Company(or assist in connection with any actual or proposed transaction) or made or agreed to make any illegal contribution, or reimbursed any illegal political gift or contribution made by any other person, to any candidate for federal, state, local or foreign public office (i) which might subject any of the Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding or (ii) the non-continuation of which has had or might have, individually or in the aggregate, a Material Adverse Effect or (b) established or maintained any unrecorded fund or asset or made any false entries on any books or records for any purpose.

3.28. Books and Records. The minute books (containing the records of meetings of stockholders, the board of directors and any committees of the board of directors), the stock certificate books and the stock record books of the Company are all correct and complete and have been maintained in accordance with applicable sound business practices, laws and other requirements and copies thereof have been made available to the Buyer.

3.29. Consents. Section 3.29 of the Disclosure Schedule sets forth a true, correct and complete list of any Person whose consent or approval is required and the matter, agreement or contract to which such consent relates in connection with the transactions contemplated by this Agreement.

3.30. Disclosure. The representations and warranties contained in this Section 3 (including the Disclosure Schedule and any other schedules and exhibits required to be delivered by the Sellers to the Buyer pursuant to this Agreement) and any certificate furnished or to be furnished by the Company or the Sellers to the Buyer do not contain and will not

contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained in this Section 3 not misleading.

3A. Representations and Warranties Regarding Sellers . Each of the Sellers, as to itself, represents and warrants to the Buyer that the statements contained in this Section 3A are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then) as though the Closing Date were substituted for the date of this Agreement throughout this Section 3A (unless a date is specified in a particular representation and warranty):

3A.1. Title to Shares. Such Seller owns beneficially and of record all of the outstanding shares of Common Stock as set forth on Exhibit 2.1, free and clear of all Liens and each Seller has full right, power and authority to transfer such Shares to Buyer free and clear of any Liens.

3A.2. Authorization of Transaction. Such Seller has the legal capacity, power and authority to execute and deliver this Agreement and to perform it's respective obligations hereunder. All required actions or proceedings to be taken by or on the part of such Seller to authorize and permit the execution and delivery by it of this Agreement and the instruments required to be executed and delivered by it pursuant hereto, it's performance of its obligations hereunder and thereunder, and the consummation by it of the transactions contemplated herein, have been duly and properly taken. This Agreement has been duly executed and delivered by such Seller and constitutes the legal, valid and binding obligation of such Seller, enforceable in accordance with its terms and conditions.

3A.3. Noncontravention. None of the execution, delivery or performance of this Agreement (or any of the Closing Agreements to which it is a party), or the consummation of the sale of the Shares and the other transactions contemplated hereby and thereby, will (a) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which such Seller or any of its properties or assets are subject or any provision of the charter or by-laws (or similar constitutional documents) of such Seller, if applicable, (b) result in any conflict with, breach of, or default (or give rise to any Lien or a right to termination, cancellation or acceleration or loss of any right or benefit) under, or require any consent or approval which has not been, or prior to Closing will not be, obtained or waived with respect to, any contract, agreement, lease, Permit, instrument or other arrangement to which such Seller is a party or by which it or its properties or assets is subject or bound, or constitute an event which, with notice, lapse of time or both, would result in any such breach, default, termination, cancellation, acceleration or loss of right or benefit. Such Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement.

4. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Sellers that the statements contained in this Section 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then) as though the Closing Date were substituted for the date of this Agreement throughout this Section 4 (unless a date is specified in a particular representation and warranty).

4.1. Organization of the Buyer. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

4.2. Authority for Agreement. The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions.

4.3. Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer is subject or any provision of its charter or by-laws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject. The Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in Section 2 above), except for required filings under the Hart-Scott-Rodino Act, which filings have been made.

4.4. Brokers' Fees. The Buyer has no Liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Sellers could become liable or obligated.

5. Covenants. The Parties agree as follows:

5.1. General. Each of the Parties will use commercially reasonable efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 6 below).

5.2. Notices and Consents. The Company and the Sellers have given any notices to third parties, and will each use their best efforts to obtain any third party consents, that are required in connection with the transactions contemplated by this Agreement, as set forth in Section 3.29 to the Disclosure Schedule and any other consent that the Buyer may request.

Each of the Parties has filed Notification and Report Forms and related material that may be required to be filed with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Act, and will make any further filings pursuant thereto that may be necessary in connection therewith.

5.3. Operation of Business. The Company will not (and will not cause or permit any of its Subsidiaries to) engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, the Company (i) will not (and will not cause or permit any of its Subsidiaries to) (A) issue, sell or otherwise dispose of any of its capital stock or grant any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its capital stock, except upon exercise of options to purchase Common Stock outstanding on the date hereof, declare, set aside, or pay any dividend or make any distribution with respect to its capital stock or redeem, purchase, or otherwise acquire any of its capital stock, (B) will not pay any amount to any third party with respect to any Liability or obligation (including any costs and expenses the Company has incurred or may incur in connection with this Agreement and the transactions contemplated hereby) outside the Ordinary Course of Business or in excess of $100,000, (C) otherwise engage in any practice, take any action, or enter into any transaction of the sort described in Section 3.9 above or (D) repay or otherwise satisfy any Indebtedness for borrowed money other than in the Ordinary Course of Business, factor, or accelerate the collection of, accounts receivable or delay the payment of accounts payables and (ii) will (A) keep available to the Buyer the services of the Company's present officers, employees, agents and independent contractors, and (B) preserve for the benefit of the Buyer the goodwill of Sellers' customers, suppliers, landlords and others having business relations with it. Notwithstanding the foregoing, the Company may (w) pay such amounts to the holder of the Imperial Warrant as may be necessary in connection with the purchase or termination of the Imperial Warrant, (x) distribute to its stockholders (by dividend or otherwise) up to 150,000 shares of common stock of Hybridon, Inc. held by the Company on the date hereof (or the proceeds thereof), (y) make any capital expenditure in the Ordinary Course of Business in excess of $250,000 and (z) repay Indebtedness under the $1,000,000 Promissory Note dated January 21, 1999 to Imperial Bank.

5.4. Preservation of Business. The Company will keep (and will cause each of its Subsidiaries to keep) its business and properties substantially intact, including its present operations, physical facilities, working conditions and relationships with lessors, licensors, suppliers, customers and employees.

5.5. Full Access. The Company will permit (and will cause each of its Subsidiaries to permit) representatives of the Buyer to have full access at all reasonable times and upon reasonable notice, and in a manner so as not to interfere with the normal business operations of the Company and its Subsidiaries, to all premises, properties, personnel, books, records (including Tax records), contacts and documents of or pertaining to each of the Company and its Subsidiaries.

5.6. Notice of Redemption of Series A Preferred Stock. Promptly following the execution of this Agreement, the Company will provide a written notice to the holders of the Series A Preferred Stock notifying such holders that the Company will exercise its "call" right under Article 5.5 of the Company's articles of incorporation in connection with the transactions contemplated by this Agreement. Each holder of Series A Preferred Stock hereby agrees that he will not exercise his right to convert such Series A Preferred Stock into Common Stock on or prior the Closing Date.

5.7. Notice of Developments. Each Party will give prompt written notice to the other Party of any development causing a breach of any of its own representations and warranties in Section 3 and Section 4 above. No disclosure by any Party pursuant to this Section 5.7, however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentations, breach of warranty, or breach of covenant.

5.8. Exclusivity. Until November 30, 1999, none of the Company and the Sellers will (and the Company will not cause or permit any of its Subsidiaries, or any of their officers, directors, employees, agents or Affiliates to) (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating or enter into or consummate any transaction relating to the acquisition of any capital stock or other voting securities, or any substantial portion of the assets, of any of the Company and its Subsidiaries (other than sales of inventory for a fair value in the Ordinary Course of Business) (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. The Company and Sellers will notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

5.9. Assistance in Financing. The Sellers acknowledge that the Buyer currently intends that a payment of a certain amount of the Aggregate Purchase Price pursuant to Section 2 will be financed by a debt financing. The Company hereby consents to the use of its name and the names of its Subsidiaries in connection with the efforts to raise such debt financing. Further, the Sellers shall and shall cause the Company and its Subsidiaries and their respective officers, directors, employees, accountants, counsel, financial advisors and other agents to provide necessary assistance in connection with the Buyer's efforts to raise such financing, including, without limitation, (a) the preparation of audited and pro forma financial statements in accordance with Regulation S-X under the Securities Exchange Act of 1934, as amended, giving effect to the acquisition by the Buyer of the Company, (b) causing the Company's accountants to provide all consents and opinions necessary in connection with such financing and (c) causing the Company's officers to participate in customary "road show" presentations that may be reasonably requested by the Buyer.

5.10. Access to Records after Closing. For a period of five years after the Closing Date, the Sellers and their representatives shall have reasonable access to all of the books and

records of the Company to the extent that such access may reasonably be required by the Sellers in connection with matters relating to or affected by the operations of the Company and its Subsidiaries prior to the Closing Date. Such access shall be afforded by the Buyer upon receipt of reasonable advance notice and during normal business hours. The Sellers shall be solely responsible for any costs or expenses incurred by them pursuant to this Section 5.10. If the Buyer shall desire to dispose of any of such books and records prior to the expiration of such five-year period, the Buyer shall, prior to such disposition, give the Sellers a reasonable opportunity, at the Sellers' expense, to segregate and remove such books and records as the Sellers may select.

5.11. Future Assurances. At any time and from time to time after the Closing, at the request of the Buyer and without further consideration, the Sellers will execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation and take such action as the Buyer may reasonably determine is necessary to transfer, convey and assign to the Buyer, and to confirm the Buyer's title to or interest in the Company, to put the Buyer in actual possession and operating control thereof and to assist the Buyer in exercising all rights with respect thereto. Effective upon the Closing, each of the Sellers hereby constitutes and appoints the Buyer and its successors and assigns as its true and lawful attorney in fact in connection with the transactions contemplated by this instrument, with full power of substitution, in the name and stead of such Seller but on behalf of and for the benefit of the Buyer and its successors and assigns, to demand and receive any and all of the assets, properties, rights and business hereby conveyed, assigned and transferred or intended so to be, and to give receipt and releases for and in respect of the same and any part thereof, and from time to time to institute and prosecute, in the name of one or more of the Sellers or otherwise, for the benefit of the Buyer or its successors and assigns, proceedings at law, in equity, or otherwise, which the Buyer or its successors or assigns reasonably deem proper in order to collect or reduce to possession or any of the assets of the Company to do all acts and things in relation to the assets which the Buyer or its successors or assigns reasonably deem desirable.

5.12. Release of Guarantees. Following the Closing, Buyer shall make commercially reasonable efforts to have William C. Hobson, Douglas Kornbrust and the William C. Hobson and Mary Beth Husemoller 1998 Revocable Trust Dated October 7, 1998 released from their obligations under the Commercial Guaranties dated January 21, 1999 executed by such persons in favor of Imperial Bank. Buyer hereby agrees to indemnify, defend and hold each of the foregoing harmless from any Liabilities and Losses arising from such guarantees.

6. Conditions to Obligation to Close.

6.1. Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions on, or prior to, the Closing Date:

(a) Representations and Warranties. The representations and warranties set forth in Section 3 above shall be true and correct when made and shall be deemed to have been made again at and as of the Closing Date and shall then be true and correct;

(b) Performance by Sellers. The Sellers and the Company shall have performed and complied with all of their covenants, agreements and obligations hereunder through the Closing Date;

(c) Consents. The Sellers shall have procured all of the governmental approvals, consents or authorizations and third party consents specified in Section 3.29 and Section 5.2 above;

(d) Absence of Litigation. No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (iii) affect adversely the right of the Buyer to own the Shares or to operate the businesses of the Company and its Subsidiaries (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(e) Anti-trust Matters. All applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated;

(f) Employment and Noncompetition Agreements. The Persons listed on Schedule 6.1(f) shall have entered into an Employment Agreement and a Noncompetition Agreement substantially in the form of Exhibits 6.1(f)(i) and 6.1(f)(ii) and the same shall be in full force and effect;

(g) Certificates. The Sellers shall have delivered to the Buyer a certificate to the effect that each of the conditions specified in Section 6.1 are satisfied in all respects;

(h) [Reserved];

(i) Resignations. The Buyer shall have received the resignations, dated as of the Closing Date, of each officer and director of the Company and of each officer and director of its Subsidiaries;

(j) Opinion. The Buyer shall have received from counsel to the Sellers and the Company an opinion in form and substance reasonably satisfactory to the Buyer, addressed to the Buyer, and dated as of the Closing Date;

(k) Escrow Agreement. The Sellers shall have executed and delivered the Escrow Agreement, in form and substance the same or substantially the same as the Escrow Agreement set forth in Exhibit 2.2;

(l) No Material Adverse Change. There shall not have been any change which has resulted in a Material Adverse Effect and no event shall have occurred or circumstance shall exist that may result in a Material Adverse Effect;

(m) Financing. The closing under the Recap Agreement shall have occurred on or prior to the Closing Date and the Buyer shall have obtained financing, on terms and conditions satisfactory to it, sufficient to consummate each of (i) the recapitalization contemplated by the Recap Agreement and (ii) the transactions contemplated hereby;

(n) Acknowledgment and Consent by Equity Holders. The Buyer shall have received the written acknowledgment and consent of each holder of any equity interest in the Company on and after July 9, 1999 relating to this transaction in form and substance satisfactory to the Buyer; and

(o) All Necessary Actions. All actions to be taken by the Company and its Subsidiaries in connection with the consummation of the transactions contemplated hereby and all certificates, opinions, instruments and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Buyer.

The Buyer may waive any condition specified in this Section 6.1 if it executes a writing so stating at or prior to the Closing and such waiver shall not be considered a waiver of any other provision in this Agreement (including, without limitation, the provisions of Section 9) unless the writing specifically so states.

6.2. Conditions to Obligations of the Sellers. The obligation of the Sellers to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions on, or prior to, the Closing Date:

(a) Representations and Warranties. The representations and warranties set forth in Section 4 above shall be true and correct at and as of the Closing Date;

(b) Performance by Buyer. The Buyer shall have performed and complied with all of its covenants, agreements and obligations hereunder through the Closing;

(c) Absence of Litigation. No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (i) prevent consummation of any of the transactions contemplated by this Agreement or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(d) Certificate. The Buyer shall have delivered to the Company a certificate to the effect that each of the conditions specified in Section 6.2 are satisfied in all respects;

(e) Performance Bonus Plan. The Buyer shall have adopted the Performance Bonus Plan substantially in the form of Exhibit 6.2(e) (the "Performance Bonus Plan").

(f) Employment and Noncompetition Agreements. The Company shall have duly executed and delivered an Employment Agreement and a Noncompetition Agreement substantially in the form of Exhibits 6.1(f)(i) and 6.1(f)(ii) with each of the Persons listed on Schedule 6.1(f);

(g) Anti-trust Matters. All applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated;

(h) Opinion. The Company shall have received from counsel to the Buyer an opinion in form and substance reasonably satisfactory to the Company, addressed to the Company, and dated as of the Closing Date; and

(i) All Necessary Actions. All actions to be taken by the Buyer in connection with the consummation of the transactions contemplated hereby and all certificates, opinions, instruments and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Sellers.

The Sellers may waive any condition specified in this Section 6.2 if they execute a writing so stating at or prior to the Closing and such waiver shall not be considered a waiver of any other provision in this Agreement (including, without limitation, Section 9) unless the writing specifically so states.

7. Confidentiality.

7.1. No Party shall issue a press release or otherwise disclose the existence of this Agreement, the contents hereof or the transactions contemplated hereby except as the Buyer may determine is necessary or desirable in connection with obtaining the financing described in Section 5.9.

7.2. From and after the Closing, each of the Sellers will treat and hold as such all of the Confidential Information, refrain from disclosing or using any of the Confidential Information except in connection with such Seller's employment with, and for the benefit of, the Company. In the event that any of the Sellers is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, such Person will notify the Buyer promptly of the request or requirement so that the Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 7. If, in the absence of a protective order or the receipt of a waiver hereunder, any of the Sellers is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, that Person may disclose the Confidential Information to the tribunal; provided, however, that the disclosing Person shall use his best efforts to obtain, at the request of the Buyer, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Buyer shall designate.

8. Noncompetition. Each Seller who is employed by the Company and is or becomes party to a Non-Competition Agreement and/or an Employment Agreement in connection with the transactions contemplated hereby, agrees that, in consideration of the purchase by the Buyer hereunder, he or she shall comply with the provisions of the Non-Competition Agreement and Section 6 of the Employment Agreement to which such Seller is party.

9. Indemnification.

9.1. Survival of Representations and Warranties. All of the representations and warranties of the Sellers (except for those contained in Sections 3.1 (Organization of the Company), 3.2 (Capitalization and Ownership of the Company), 3.3 (Authorization of Transaction), 3.5 (Brokers' Fees), 3.13 (Taxes) and 3.24 (Environment, Health and Safety)) contained herein or in any document, certificate or other instrument required to be delivered hereunder shall survive the Closing and continue in full force and effect until two years following the Closing. The representations and warranties of Sellers contained in Section 3.24 shall survive the Closing and shall continue in full force and effect for a period of three years thereafter. The representations and warranties of Sellers contained in Sections 3.1, 3.2, 3.3, 3.5 and 3.13 shall survive the Closing and shall continue in full force and effect without limit as to time (subject to any applicable statutes of limitations and any extensions or waivers thereof for Taxes). All of the representations and warranties of the Buyer contained in Section 4 shall survive the Closing and shall continue in full force and effect without limit as to time, except for the representations and warranties of the Buyer contained in Section 4.3 which shall survive the Closing and continue in full force and effect until two years following

the Closing. The termination of any such representation and warranty, however, shall not affect any claim for breaches or inaccuracies of representations or warranties if written notice thereof is given to the breaching party or parties prior to such termination date. All covenants and indemnities of the Sellers and the Buyer in this Agreement or in any document or certificate delivered hereunder shall, unless otherwise specifically provided therein, remain in full force and effect without limitation as to time.

9.2. Indemnity by Sellers Relating to the Company.

(a) Subject to the limitations set forth in this Section 9.2, the Sellers (in the case of the Sellers other than those listed in Schedule 9.2, solely to the extent of such Seller's Pro Rata Share (as defined in the Escrow Agreement) of the Escrow Amount) hereby agree to jointly and severally indemnify, defend and hold harmless the Buyer and its directors, officers and Affiliates against and in respect of all Liabilities, obligations, judgments, Liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments, Taxes, losses, fines, penalties, expenses, fees, costs, amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action), arising out of any claim, damages, complaint, demand, cause of action, audit, investigation, hearing, action, suit or other proceeding asserted or initiated or otherwise existing in respect of any matter (collectively, the "Losses") arising from, or in connection with, (i) the breach or inaccuracy of any representation or warranty made by the Sellers in Section 3, as if all materiality provisions were not contained therein or (ii) nonfulfillment of any agreement or covenant of the Company, with respect to periods on or prior to the Closing Date, contained herein or in any agreement or instrument required to be entered into in connection herewith (it being understood that the Employment Agreements and the Noncompetition Agreements entered into pursuant to Section 6.1(f) shall be excluded for purposes of this clause (ii)). Any Person claiming indemnification under this Section 9.2 shall provide the Seller Representative written notice of such claim, whether or not arising out of a claim by a third party.

(b) Except as provided in clause (c), (i) the Sellers shall be obligated to indemnify Persons pursuant to clause (a)(i) only to the extent the aggregate of all such Losses exceeds $250,000 and (ii) the aggregate liability of the Sellers to indemnify any and all Persons pursuant to clause (a)(i) shall in no event exceed $10.0 million.

(c) The obligations of the Sellers to indemnify Losses under Section 9.2 shall be satisfied in cash; it being understood and agreed that (i) to the extent there are funds in the Escrow Account, the Buyer will exercise its rights to withdraw cash therefrom to satisfy such obligations and (ii) the obligation of any Seller listed on Schedule 9.2 to indemnify Losses under Section 9.2 shall in no event exceed the amount set forth on Schedule 9.2.

(d) Notwithstanding the foregoing provisions of clause (b) and (c), no minimum or maximum dollar limitation shall apply to the liability of the Sellers listed on Schedule 9.2 with respect to any claim (i) arising from, or in connection with, the representations and warranties contained in Sections 3.2 (Capitalization and Ownership of the Company), 3.3 (Authorization of Transaction), 3.5 (Brokers' Fees), 3.6 (Title to Assets), 3.13 (Taxes) and 3.24 (Environment, Health and Safety) or (ii) based on fraud.

9.3. Indemnity by Sellers .

(a) Each Seller hereby agrees to indemnify, defend and hold harmless the Buyer and its directors, officers and Affiliates against and in respect of all Liabilities, obligations, judgments, Liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments, Taxes, losses, fines, penalties, expenses, fees, costs, amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action), arising out of any claim, damages, complaint, demand, cause of action, audit, investigation, hearing, action, suit or other proceeding asserted or initiated or otherwise existing in respect of any matter (collectively, the "Losses") arising from, or in connection with, (i) the breach or inaccuracy of any representation or warranty made by such Seller in Section 3A, as if all materiality provisions were not contained therein or (ii) nonfulfillment of any agreement or covenant of such Seller contained herein or in any agreement or instrument required to be entered into in connection herewith. Any Person claiming indemnification under this Section 9.3 shall provide the applicable Seller(s) written notice of such claim, whether or not arising out of a claim by a third party.

(b) The obligations of the Sellers to indemnify Losses under Section 9.3 shall be satisfied in cash.

(c) No minimum or maximum dollar limitation shall apply to the liability of any Seller with respect to any claim under this Section 9.3; provided, however, that the obligation of the Sellers who are not Seller Employees to indemnify Losses under Section 9.3 shall in no event exceed the proceeds such Seller, as the case may be, receives from the Buyer or the Company in consideration of his capital stock of the Company in connection with the transactions contemplated by this Agreement.

9.4. Indemnity by Buyer.

(a) Subject to Section 10.2 and the limitations set forth in this Section 9.4, the Buyer hereby agrees to indemnify, defend and hold harmless the Sellers and their respective directors, officers and Affiliates against and in respect of all Losses arising from, or in connection with, (i) the breach or inaccuracy of any representation or

warranty made by the Buyer herein, as if all materiality provisions were not contained therein or (ii) nonfulfillment of any agreement or covenant of the Buyer or, with respect to periods after the Closing Date, the Company contained herein or in any agreement or instrument required to be entered into in connection herewith. Any Person claiming indemnification under this Section 9.4 shall provide the Buyer written notice of such claim, whether or not arising out of a claim by a third party.

(b) Except as provided in clause (c), (i) the Buyer shall be obligated to indemnify Persons pursuant to clause (a)(i) only to the extent the aggregate of all such Losses exceeds $250,000 and (ii) the aggregate liability of the Buyer to indemnify any and all Persons pursuant to clause (a)(i) shall in no event exceed $10.0 million.

(c) The obligations of the Buyer to indemnify Losses under Section 9.4 shall be satisfied in cash.

(d) Notwithstanding the foregoing provisions of clause (b), no minimum or maximum dollar limitation shall apply to the liability of the Buyer with respect to any claim (i) arising from or in connection with, the representations and warranties contained in Sections 4.1 (Organization of Buyer), 4.2 (Authority for Agreement) or 4.4 (Broker's Fee) or (ii) based on fraud.

9.5. Matters Involving Third Parties.

(a) If any third party shall notify any Person (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Person (the "Indemnifying Party") under this Section 9, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(b) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as (i) the Indemnifying Party notifies the Indemnified Party in writing within 15 days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim, (ii) the Indemnifying Party provides the Indemnified Party with evidence acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third Party Claim and fulfill its indemnification obligations hereunder, (iii) the Third Party Claim involves only money damages and does not seek

an injunction or other equitable relief, (iv) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice adverse to the continuing business interests of the Indemnified Party and (v) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 9.5(b) above, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (ii) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (which consent shall not unreasonably be withheld) and (iii) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless written agreement is obtained releasing the Indemnified Party from all liability thereunder.

(d) In the event any of the conditions in Section 9.5(b) above is or becomes unsatisfied, however, (i) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith), (ii) the Indemnifying Parties will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including attorneys' fees and expenses) and (iii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this Section 9.

9.6. Other Indemnification Provisions. Each of the Sellers hereby agrees that he, she or it will not make any claim for indemnification against any of the Buyer, the Company and any of their Subsidiaries solely by reason of the fact that he or it was a director, officer, employee, or agent of the Company or was serving at the request of any such entity as a partner, trustee, director, officer, employee, or agent of another entity (whether such claim is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses, or otherwise and whether such claim is pursuant to any statute, charter document, bylaw, agreement, or otherwise) with respect to any action, suit, proceeding, complaint, claim, or demand brought by the Buyer or any other Person entitled to indemnification pursuant to this Agreement against such Seller (whether such action, suit, proceeding, complaint, claim, or demand is pursuant to this Agreement, applicable law, or otherwise).

10. Termination.

10.1. Termination of Agreement. This Agreement may be terminated as provided below:

(a) the Parties may terminate this Agreement by mutual written consent at any time prior to the Closing;

(b) the Buyer may terminate this Agreement by giving written notice to the Sellers on or prior to September 24, 1999 if the Buyer shall not have satisfactorily completed its due diligence investigation of the Company;

(c) this Agreement shall terminate without any action by any Party in the event that the condition precedent set forth in Section 6.1(m) shall not have been satisfied on or before September 24, 1999; provided, however, that this Agreement shall not so terminate if, not later than the close of business on September 24, 1999, the Buyer shall have delivered to the Sellers a written binding commitment to the effect that if each of the conditions precedent under Section 6.1 hereof (other than the condition precedent set forth in Section 6.1(m)) shall be satisfied from and after September 24, 1999 through and including the Payment Date (as if the term Closing Date were replaced by the term Payment Date wherever it appears therein), the Company shall be paid an amount equal to $5,000 multiplied by the number of calendar days from and after September 25, 1999 through and including the earlier of (a) the date on which this Agreement is terminated pursuant to Section 10.1(d)(ii) and (b) November 30, 1999 (such date, the "Payment Date").

(d) the Buyer may terminate this Agreement by giving written notice to the Sellers at any time prior to the Closing (i) in the event the Sellers have breached any representation, warranty, or covenant contained in this Agreement in any material respect, the Buyer has notified the Sellers of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach, (ii) if the Closing shall not have occurred on or before November 30, 1999, by reason of the failure of any condition precedent under Section 6.1 hereof (unless the failure results primarily from the Buyer itself breaching any representation, warranty, or covenant contained in this Agreement); and

(e) the Seller Representative may terminate this Agreement by giving written notice to the Buyer at any time prior to the Closing (i) in the event the Buyer has breached any representation, warranty, or covenant contained in this Agreement in any material respect, the Sellers or the Company have notified the Buyer of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (ii) if the Closing shall not have occurred on or before November 30, 1999, by reason of the failure of any condition precedent under Section 6.2 hereof (unless the failure results primarily from the Sellers or the Company itself breaching any representation, warranty, or covenant contained in this Agreement).

10.2. Effect of Termination. If this Agreement is terminated pursuant to Section 10.1 above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other Party (except for any Liability of any Party then in breach and (b) as set forth in any agreement delivered in accordance with the proviso to Section 10.1(c)); it being understood that the Buyer shall not be, nor shall it be deemed to be, in breach of this Agreement if the condition precedent set forth in Section 6.1(m) is not satisfied or waived.

11. Miscellaneous.

11.1. Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior approval of the other Party; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly traded securities (in which case the disclosing Party will provide the other Party with the opportunity to review in advance the disclosure).

11.2. No Third Party Beneficiaries. Except and solely to the extent set forth in Sections 9.2, 9.3 and 9.4, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

11.3. Seller Representative. Each of the Sellers hereby appoints William C. Hobson, as the agent, proxy, and attorney-in-fact for the Sellers (in such capacity, the "Seller Representative") for all purposes under this Agreement (including without limitation full power and authority to act on the Sellers' behalf, and retain legal counsel) to take any action, should it elect to do so in its sole discretion, (i) to conduct or cease to conduct, should it elect to do so in its sole discretion, the defense of all claims against the Sellers under Section 9.2, and settle all such claims in its sole discretion on behalf of all the Sellers and exercise any and all rights which the Sellers are permitted or required to do or exercise in connection therewith and (ii) in connection with the purchase price adjustment described in Section 2.3; provided, however, that the Seller Representative shall have no obligation to conduct any defense or settle any claim or take any other action whatsoever on behalf of any Seller under this Section 11.3 or otherwise in its capacity as Seller Representative. Each Seller hereby waives the conflict of interest inherent in the service of the Seller Representative both in such capacity and as an officer and director of SBI. Each Seller further agrees to hold the Seller Representative free and harmless and to reimburse the Seller Representative for any and all loss, cost, claim, expense, damage or liability incurred or sustained by him as a result of any action taken by him in good

faith pursuant to his appointment as the Seller Representative under this Agreement.

11.4. Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral

(including without limitation the Original Agreement), to the extent they relate in any way to the subject matter hereof.

11.5. Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Seller may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the Buyer. The Buyer may not assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the Seller Representative; provided, however, that the Buyer may (a) assign any or all of its rights and interests hereunder to one or more of its Affiliates, (b) designate one or more of its Affiliates to perform its obligations hereunder and (c) transfer any or all of its rights and interests hereunder to the Person(s) who, directly or indirectly, provide financing in connection with the transactions contemplated by the Agreement.

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

11.7. Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

11.8. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) upon confirmation of facsimile, (ii) one business day following the date sent when sent by overnight delivery and (iii) five business days following the date mailed when mailed by registered or certified mail return receipt requested and postage prepaid at the following address:

If to the Sellers:

At the address set forth opposite their names on the signature pages hereto.

If to the Company:

SBI Holdings, Inc.
587 Dunn Circle
Sparks, Nevada 89431
Attention: President

Copy to:

Hillyer & Irwin, PC

550 West C Street, 16th Floor
San Diego, CA 92101
Attention: John C. O'Neill

If to the Buyer:

Charles River Laboratories, Inc.
251 Ballardvale St.
Wilmington, MA 01887
Attention:

Copy to:

Ropes & Gray
One International Place
Boston, MA 02110
Attention: Lauren I. Norton

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

11.9. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

11.10. Arbitration.

(a) Except solely as set forth in clauses (b) and (c), each dispute, difference, controversy or claim arising in connection with or related or incidental to, or question occurring under, this Agreement or the subject matter hereof shall be finally settled under the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") by an arbitral tribunal composed of three arbitrators, at least one of whom shall be an attorney experienced in corporate transactions, appointed by agreement of the parties in accordance with said Rules. In the event the parties fail to agree upon a panel of arbitrators from the first list of potential arbitrators proposed by the AAA, the AAA will submit a second list in accordance with said Rules. In the event the parties

shall have failed to agree upon a full panel of arbitrators from said second list, any remaining arbitrators to be selected shall be appointed by the AAA in accordance with said Rules. If, at the time of the arbitration, the parties agree in writing to submit the dispute to a single arbitrator, said single arbitrator shall be appointed by agreement of the parties in accordance with the foregoing procedure, or, failing such agreement, by the AAA in accordance with said Rules. The foregoing arbitration proceedings may be commenced by any party by notice to the other parties and shall take place at a location as shall be agreed by the parties to the arbitration. In connection with any such arbitration, the arbitrator(s) shall be empowered to consider the attorney's fees and expenses as an element of such party's damages.

(b) The Parties hereby exclude any right of appeal to any court on the merits of the dispute. The provisions of this Section 10.10 may be enforced in any court having jurisdiction over the award or any of the parties or any of their respective assets, and judgment on the award (including, without limitation, equitable remedies) granted in any arbitration hereunder may be entered in any such court. Nothing contained in this Section 10.10 shall prevent any party from seeking interim measures of protection in the form of pre-award attachment of assets or preliminary or temporary equitable relief.

(c) Each of the Parties acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Section 5 are not performed in accordance with their specific terms or otherwise are breached. Accordingly, notwithstanding the foregoing provisions of this Section 10.10, each of the Sellers, on the one hand, and the Buyer, on the other hand, shall be entitled to an injunction or injunctions, without the posting of any bond, to prevent breaches of the provisions of Section 5 and to enforce specifically the terms and provisions of Section 5 in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity.

11.11. Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

11.12. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

11.13. Expenses. Each of the Buyer, the Company and the Sellers will bear his or its own costs and expenses (including legal and accounting fees and expenses and, in the case of the Buyer, fees in connection with required filings under the Hart-Scott-Rodino Act) in connection with this Agreement and the transactions contemplated hereby. The Sellers represent and warrant to the Buyer that Hillyer & Irwin, PC has been retained by the Company to represent the Company and certain of the Sellers (at the expense of the Company) in connection with the transactions contemplated hereby and that the Company will incur no other costs or expenses (including legal and accounting fees and expenses), directly or indirectly, in connection with this Agreement and the transactions contemplated hereby.

11.14. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. Nothing in the Disclosure Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Disclosure Schedule identifies the exception with particularity and describes the relevant facts in detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Parties intend that each representation, warranty and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, or covenant.

11.15. Incorporation of Exhibits and Schedules. The Exhibits and the Disclosure Schedule identified in this Agreement and the other certificates and instruments to be delivered in connection with this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

THE BUYER: CHARLES RIVER LABORATORIES, INC.

By:_____
Name:
Title:

THE COMPANY: SBI HOLDINGS, INC.

By:_____
Name:
Title:

THE SELLERS:

Jean M. Bees
14225 Wind River Lane East
Reno, NV 89511

Donna Eisenhauer
4055 Mustang Court
Reno, NV 89502

Nancy A. Gillett
1100 Ivy Court
Reno, NV 89523

Charles River Laboratories/SBI
Amended and Restated
Stock Purchase Agreement
September 4, 1999

John Kapeghian
14240 Via Contento Court
Reno, NV 89511

Doug Kornbrust
7245 Lingfield
Reno, NV 89502

Ron Thielman
6285 Desert Star Drive
Las Cruces, NM 88005

Karol Bice-Godwin
6164 Chandler Drive
San Diego, CA 92117

Martin Brett
11222 Woodlush Court
San Diego, CA 92128

William C. Hobson

Charles River Laboratories/SBI
Amended and Restated
Stock Purchase Agreement
September 4, 1999

Azim Khamisa

Glen Elliott

Dave McCaslin

Mark Young

Gary Chellman

THE FULLER FAMILY JOINT REVOCABLE
INTER-VIVOS TRUST

By:_____
Name: Belinda Fuller
Title: Trustee
Address: 5204 Palo Alto Circle
Sparks, NV 89436

GILLIKIN LIVING TRUST

By:_____
Name: Phyllis C. Gillikin
Title: Trustee
Address: 5177 Aspen View
Reno, NV 89523

WILIIAM C. HOBSON AND/OR MARY BETH
HUSEMOLLER 1998 REVOCABLE TRUST

By:_____
Name: William C. Hobson
and/or
Mary Beth Husemoller
Title: Trustee
Address: 14185 Powder River Drive
Reno, NV 89511

EMERALD K GISS TRUST dated May 13, 1999

By:_____
Name: Nancy G. Saunders
Title: Trustee
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Gary E. Giss, as custodian for
Lisa N. Giss under the Virginia
Uniform Transfers to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Gary E. Giss, as custodian for
Julie E. Giss under the Virginia
Uniform Transfers to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Barbara J. Giss
c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Gary E. Giss
c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Kent Vincent Anderson

c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Cheryl Ann Anderson, as custodian
for Michelle Suzanne Anderson
under the Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Cheryl Ann Anderson, as custodian
for Jennifer Lynn Anderson
under the Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Cheryl Giss Anderson
c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Diane G. Probus, as custodian
for Ryan D. Probus under the
Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Diane G. Probus, as custodian
for Kathryn A. Probus under the
Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Diane G. Probus, as custodian
for Aaron D. Probus under the
Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Diane G. Probus, as custodian
for Stephen P. Probus under the
Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Diane G. Probus
c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Michael W. Saunders
c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Michael W. Saunders, as custodian
for Jacob E. Saunders under the
Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

By:_____
Name: Michael W. Saunders, as custodian
for Matthew W. Saunders under the
Virginia Uniform Transfers
to Minors Act
Address: c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Nancy G. Saunders
c/o Cheryl Ann Anderson
3608 Woodland Trail
Eagan, MN 55123

Exhibit 2.1

Seller	Number of Shares
Jean M. Bees	184,000
(options)	10,000
Donna Eisenhauer	42,300
Nancy A. Gillett	250,000
(options)	10,000
John Kapeghian	40,000
(options)	95,000
Doug Kornbrust	515,000
(options)	10,000
Ron Thielman	100,000
Karol Bice-Godwin	11,062
(options)	16,593
Martin Brett	9,219
(options)	8,296
William C. Hobson (options)	25,000
Azim Khamisa (options)	140,000
Glen Elliott (options)	30,000
Dave McCaslin (options)	110,623
Mark Young (options)	2,765
Gary Chellman (options)	75,000
The Fuller Family Joint Revocable Inter-Vivos Trust	331,000
Gillikin Living Trust	20,000
William C. Hobson and/or Mary Beth Husemoller 1998 Revocable Trust	650,000
Emerald K. Giss Trust	18,339
Gary E. Giss, as custodian for Lisa N. Giss	3,333
Gary E. Giss, as custodian for Julie E. Giss	3,333
Barbara J. Giss	3,333
Gary E. Giss	3,333
Kent Vincent Anderson	3,333
Cheryl Ann Anderson, as custodian for Michelle Suzanne Anderson	3,333
Cheryl Ann Anderson, as custodian for Jennifer Lynn Anderson	3,333
Cheryl Giss Anderson	3,333
Diane G. Probus, as custodian for Ryan D. Probus	3,333
Diane G. Probus, as custodian for Kathryn A. Probus	3,333
Diane G. Probus, as custodian for Aaron D. Probus	3,333
Diane G. Probus, as custodian for Stephen P. Probus	3,333
Diane G. Probus	3,333
Michael W. Saunders	3,333
Michael W. Saunders, as custodian for Jacob E. Saunders	3,333
Michael W. Saunders, as custodian for Matthew W. Saunders	3,333
Nancy G. Saunders	3,333

Exhibit 2.3

Target Working Capital

Cash	201,000
A/R	2,400,000
Inventory	618,000
Prepaid	145,000
Sub Total	3,364,000
Accounts Payable	805,440
Vacation	302,148
P/R Taxes	159,382
CA Tax	8,059
Misc. Accrual	95,000
LOC	849,000
Sub Total	2,219,029
Target Working Capital	1,144,971

Schedule 9.2

Indemnitors

Indemnator	Amount
William Hobson	
Jean Bees	
Doug Kornbrust	
Nancy Gillett	
Dave McCaslin	
Karol Bice-Godwin	
John Kapeghian	
Total	$7,500,000

EXHIBIT 10.10

AMENDED AND RESTATED DISTRIBUTION AGREEMENT

by and among

CHARLES RIVER BRF, INC.

a Delaware (US) corporation

and

CHARLES RIVER LABORATORIES, INC.

a Delaware (US) corporation,

and

BIOCULTURE MAURITIUS LTD.

A Mauritius corporation

December 23, 1997

AMENDED AND RESTATED DISTRIBUTION AGREEMENT

This Amended and Restated Distribution Agreement (the "Agreement"), dated as of the 23rd day of December, 1997, is made by and among Charles River Laboratories, Inc., a Delaware (US) corporation ("CRL"); Charles River BRF, Inc., a Delaware (US) corporation and a wholly-owned subsidiary of CRL; and Bioculture Mauritius Ltd., a Mauritius corporation ("BCM"), and Owen and Mary Ann Griffiths as related to Paragraph 12 only. For purposes of this Agreement, references to "BRF" shall include all affiliates of BRF, including, without limitation, CRL and Shamrock (Great Britain) Ltd.

WHEREAS, BCM, under the direction of the Griffiths, has been engaged for several years in the capture, breeding and export for sale of Macaca fascicularis, or cynomologus, primates and

WHEREAS, BRF is engaged in the breeding, import and sale of non-human primates worldwide, as a wholly-owned subsidiary of CRL from 1978 to 1994, as an independent not-for-profit corporation from 1994 to 1996, and again as a wholly-owned subsidiary of CRL from 1996 to the present; and

WHEREAS, CRL and BCM entered into a Supply Agreement dated as of November 1, 1989, pursuant to which CRL acted as BCM's worldwide distributor of Mauritius-source cynomologus primates; and

WHEREAS, CRL and BCM amended and restated the November 1989 Supply Agreement as of June 1, 1994, in order to, among other things, extend its terms and add BRF as a party; and

WHEREAS, BCM and CRL/BRF wish to amend and restate the June 1994 Distribution Agreement in order to, among other things, further extend its term.

NOW, THEREFORE, for good and valuable consideration the parties intending to be legally bound, hereby agree as follows:

1. Term

a. This Agreement will commence on the date hereof and shall continue until December 31, 2005 (as such term may be extended pursuant to Paragraph 1 (b) below, the "Term").

b. Unless BRF or BCM has been previously notified that it is in material breach of this Agreement and such breach has not been cured or waived, this Agreement as it relates to all areas of the world, shall automatically renew for one additional five-year period, with exception to the specific reference of clause 12. Should the parties determine that the price adjustment mechanism set forth in Paragraph 5 below has not yielded prices which accurately reflect the market price for Mauritian cynomologus primates at the time of renewal, then BCM and BRF shall negotiate in good faith to

establish an alternate pricing schedule for use in the renewal period, which shall take into consideration then-current market conditions. In establishing such an alternate pricing schedule, the parties shall take into account the value of medical, conditioning, quarantine, marketing and other services provided by BRF in connection with BRF's worldwide distribution of primates sourced from BCM and the value of breeding, medical, conditioning, quarantine, export and other services provided by BCM, as well as evidence of the then prevailing wholesale and retail world market price for Macaca fascicularis.

c. In connection with any renewal of this Agreement, BCM and BRF shall negotiate in good faith to establish annual minimum purchase and supply requirements applicable to the renewal period, which will be binding on the parties. The new minimums will be set on the basis of: (a) BCM's ability to produce, (b) World demand, (c) BRF's market share.

d. Notwithstanding the provisions of Paragraph 1(a) and 1(b) hereof, BCM agrees to provide sufficient quantities of Qualified Primates to BRF in a period beyond the term hereof to allow BRF to meet all of its obligations to its contract customers, and the terms and conditions of this agreement shall govern the sale of such primates until BRF's obligations to its contract customers are satisfied in full. For purposes of this agreement "Contract Customers" refers to those customers who enter into agreements with BRF or CRL for the purchase of Mauritius source cynomo1gus primates on or before December 31, 2005 and those additional customers who enter into similar agreements with BRF after December 31, 2005 with the consent of BCM. No contracts between BRF and its affiliates will be eligible to be treated as agreements with Contract Customers under this paragraph without the consent of BCM. Proof of the existence of any agreements with Contract Customers shall be provided to BCM at BCM's request. The contracts listed on Schedule 1(d) are hereby irrevocably designated as Customer Contracts by BCM as of the date of this Agreement and shall be treated as such throughout the Term,

2. Commitment to Purchase

a. Subject to Paragraph 2(b) and 2(c) below, BRF hereby commits to purchase from BCM, and BCM hereby agrees to supply to BRF, during each calendar year included in the initial Term, the number of "Qualified Primates" specified on Exhibit A hereto (in each case, the "Annual Minimum"). In the event (i) BRF elects, at its discretion, to purchase Qualified Primates during any calendar year included in the Term and to hold such Qualified Primates in inventory for sale in the subsequent calendar year and (ii) such purchases are in excess of the Annual Minimum, in the year of purchase from BCM, then the number of Qualified Primates so purchased may be applied against BRF's Annual Minimum for the subsequent year as if those purchases were made in the subsequent year, provided that BRF gives BCM notice of the number of animals so applied at the time of the order, and provided BCM is in agreement, such agreement not to be unreasonably withheld. If BCM withholds agreement, then such

animals shall not count against the following years minimums. For purposes of this Agreement, the term "Qualified Primates" refers to purpose-bred cynomologus Primates, to be made available by BCM, which meet the following health, age and weight requirements, which are detailed more specifically in the standard operating procedures referenced in Paragraph 9 below:

(i) Herpes B-virus free (by any and all available tests)

(ii) Good general health (as evidenced by a thorough physical examination performed by a qualified veterinarian no more than two weeks prior to shipment)

(iii) No tuberculosis

(iv) No Simian AIDS (SIV, STLV-1, or any SRV serotype)

(v) Screened for Shigella and salmonella.

(vi) No apparent sign of respiratory disease.

(vii) Currently vaccinated for tetanus and measles (unless a specific request is made not to vaccinate).

(viii) Minimum weight of 2.0 kilograms and maximum weight of 5.0 kg.

(ix) No clinical signs of enteritis, hepatitis, malaria, or any other disease.

(x) Screened and treated for internal and external parasites

(xi) No apparent physical deformities,

Health reports shall accompany each animal shipment documenting specific examinations and testing procedures to meet the health requirements as set forth herein. Such examinations shall include a thorough pre-shipment examination during the time that primates are housed in single cages involving, among other things, an oral examination.

b. Subject to Paragraph 2(c) below, BRF hereby agrees to purchase no less than 20 % of its Annual Minimum for a given calendar year during the first three (3) months of such year, and sufficient quantity in the second three (3) month period such that in the first six months BRF will have purchased not less than 40% of its Annual Minimum. In calculating whether or not this target has been reached in the first two periods of three months each, the Dollar value of ferals purchased may be taken into consideration. However on an annual basis ferals may not be taken into consideration in terms of BRF's commitment to purchase the Annual Minimums. If BRF fails to meet 80% of it purchase requirement during any one of these periods or does not purchase 80% of its Annual Minimum during the applicable calendar year, then BCM shall be free to sell the number of Qualified Primates not purchased in each case, (the "Released Amount"), but no more, to third-party purchasers. In this event BCM shall thereafter have the right to make available to third-party purchasers a number of Qualified Primates equal to the Released Amount during each of the successive calendar years included in the Term, so long as BCM is not then in default under this Agreement and BRF's Annual Minimum shall be correspondingly reduced by the Released Amount, provided however, that in no event will BCM fail to keep in stock a

number of Qualified Primates meeting the age, health, weight and other specifications necessary for BRF to meet its on-going obligations under all customer contracts with its Contract Customers identified pursuant to Paragraph 1(d) throughout the Term. BCM shall not have this right to do any of the foregoing in the event that BRF's failure to meet its purchase requirements is due to BCM's inability to fill orders for Qualified Primates or due to reasons beyond BRF's control (e.g. air embargoes or government action). Enforcement of this Paragraph 2(b) shall be BCM's sole remedy in the event BRF elects not to purchase its annual minimums hereunder,

c. BCM understands and agrees that it is essential for BRF to be able to supply its primate customers with Qualified Primates of various age and weight ranges in order to meet their respective research needs. Consequently, BCM agrees on a best-effort basis, that it will make Qualified Primates available to BRF at ages and body weights distributed throughout the weight range specified in Paragraph 2 (a). BCM further guarantees a male-to-female ratio of approximately 50/50 among Qualified Primates. Furthermore, BRF agrees that in each calendar year total orders of Qualified Primates will be in an equal sex ratio.

d. Given BCM's requirement by the UK home office to develop breeding with captive bred (Fl) breeding stock, additional excess male primates may become available for sale. In the event such excess animals become available, BCM shall give BRF written notice of its intention to sell such animals and BRF shall have sixty (60) days to commit to purchase all or a portion of such animals at a price to be negotiated between BRF and BCM, which price shall not be higher than the price for Qualified Primates hereunder. Any excess animals so purchased shall be credited against the Annual Minimum for the applicable year. In the event BRF does not commit to purchase all the excess animals offered by BCM, BCM shall have the right to sell the unpurchased portion of such animals to a Qualified Distributor (as hereinafter defined) at a price equal to or greater than the price offered to BRF. At BRF's request, BCM shall provide BRF with documentation sufficient to establish, to BRF's satisfaction, the purchase price paid by any Qualified Distributor for excess animals offered pursuant to this Paragraph 2(d) and the identity of such Qualified Distributor.

e. If at any time BRF desires to increase the number of Qualified Primates BCM guarantees to supply hereunder, BRF shall so notify BCM, and the parties agree to re-negotiate in good faith an increase in the Annual Minimum for each calendar year remaining in the Term.

f. If BRF fails to purchase the minimums for three consecutive years, for (i) reasons other than BCM's inability to deliver Qualified Primates ordered by BRF or (ii) without the prior approval of BCM then BCM has the right to cancel this agreement. BCM may exercise this right at any time subsequent to these three years upon three months prior written notice, and failure to exercise this right by BCM in any one year is not to be construed as a waiver of this right.

g. BRF will promote BCM as a supplier in its marketing efforts, including trade show exhibits referencing BCM. BRF will give BCM at least as much prominence as it does to any other suppliers in its marketing efforts. In order to permit BRF to undertake such marketing efforts, BCM shall, at its own cost and expense, prepare a quality brochure in sufficient quantities for use by BRF.

h. The parties agree that BRF may, under certain circumstances, find it necessary for BCM to house Qualified Primates purchased by BRF at BCM's facilities pending delivery. BCM and BRF agree to negotiate in good-faith regarding the per-unit per diem charges to be applied under such circumstances, and BCM agrees to use its best efforts to accommodate such Qualified Primates if so requested by BRF.

3. Sales of Feral Primates

a. Throughout the term of this Agreement BRF shall have the right, but not the obligation, to purchase feral cynomologus primates ("Feral Primates") from BCM at the per-unit purchase prices specified in Paragraph 5 below. All such Feral Primates shall meet each of the health and testing requirements outlined in Paragraph 2(a) above and shall be accompanied by documentation in the same manner as Qualified Primates, except that the upper weight range will be restricted to 6 kilograms. Animals in excess of 6 kilograms will be accepted only with the prior consent of BRF.

b. In addition. to whatever rights BRF may have pursuant to Paragraph 3(a) above, BCM shall, prior to the sale by it from time to time of any Feral Primates to a Qualified Distributor (as hereinafter defined), offer to BRF by written notice (the "Offer") the right, for a period of sixty (60) days, to purchase all or a portion of the Feral Primates then offered, at the purchase price specified in Paragraph 5 below.

c. The offer shall describe the characteristics of the Feral Primates being offered, and shall specify the number of Feral Primates to be made available for sale. BRF may accept BCM's offer for all or any portion of the Feral Primates offered by written notice of acceptance (the "Acceptance"), given to BCM prior to the expiration of the sixty-day notice period, in which case BCM shall sell, and BRF shall purchase that number of Feral Primates agreed to be purchased by BRF in the Acceptance.

BCM shall be free at any time after the sixty-day notice period to offer and sell to any Qualified Distributor the number of Feral Primates not agreed to be purchased by BRF in the Acceptance, but only at a price which is not less than the price available to BRF. At BRF's request, BCM shall provide BRF with documentation sufficient to establish, to BRF's satisfaction, the purchase price paid by any Qualified Distributor for Feral Primates offered pursuant to this Paragraph 3(b) and the identity of such Qualified Distributor. For the purpose of this agreement, Qualified Distributor shall be those distributors of primates which BRF and BCM mutually agree in writing have the qualifications and reputation that will serve to enhance the reputation of Mauritian cynomolgus primates around the world.

d. Throughout the term, BCM agrees, on behalf of itself and its joint-venture partners, to sell feral Primates only to Qualified Distributors and that the price charged by BCM for any Feral Primates which may be sold during the Tenn of this Agreement shall in no event be less than the price available to BRF.

e. If BCM is dissatisfied with the level of sales of Feral Primates in Belgium and France, then BCM shall provide BRF with written notice of its dissatisfaction. BRF shall have thirty days to satisfy BCM that it has taken all reasonable actions to service the French and Belgium markets with Feral Primates. If BRF fails to so satisfy BCM within this thirty-day period, BCM shall have the right to sell Feral Primates into France and Belgium without providing BRF with a right of first refusal.

4. Dedicated Primate Production: Guaranteed fSupply

a. BCM on behalf of itself and its joint-venture partners, hereby agrees to make available annually, out of those primates expected to be produced by BCM and its joint-venture partners during the Term a minimum of 5,000 primates (the "Dedicated Production Amount"). Such Dedicated Production Amount shall at all times be reserved exclusively for purchase by BRF and shall not be made available to third parties without the express written consent of BRF unless BRF has not taken minimums as per clause 2.

b. The parties agree that the Dedication Production Amount shall consist of both Qualified Primates and other purpose-bred cynomologus primates which are available for purchase from BCM, but which do not meet the criteria set forth in Paragraph 2(a) above ("Non-Qualified Primates"). BRF may, in its sole discretion, purchase Non-Qualified Primates from BCM, in which event purchase of such Non-Qualified Primates shall be counted against CRL's Annual Minimum.

5. Pricing

a. BRF shall pay to BCM the following firm and fixed US Dollar prices (in each case, the "Prices") during 1998 (i.e., January 1, 1998 through December 31, 1998): (i) all Feral Primates (regardless of weight), $546 each, and (ii) Qualified Primates, up to 2.9 kilograms in weight, $1308 for BRF/Houston (US) and $1283 for Shamrock/UK, with said Price for Qualified Primates increasing in equal increments of $55 above the aforementioned US and UK base prices for each 250 gram increase in weight above 3.0 kilograms (for example, the 1998 prices for Qualified Primates in the US and UK weighing between 3.0 and 3.25 kilograms shall be $1363 and $1338, respectively). BRF shall pay to BCM US $620 each for feral primates purchased during calendar year 1999.

b. The prices set forth above shall remain in effect through the period specified. Thereafter, revised Prices will be established for each subsequent calendar year thirty (30) days prior to the commencement of such year based on BRF's annual percentage price increase for Feral Primates and Qualified Primates of various weights and ages, as reflected in BRF's most recent price list (whether publicly circulated or used internally) (in each case, the 'Annual Percentage Price Increase'), such that the price paid to BCM hereunder, shall in each case, be increased by a percentage which equals the Annual Percentage Price increase. BRF shall make available to BCM at the beginning of each year its annual price list for primates. For the purpose of this clause, the 'BRF Price List' will be the generally released BRF price list minus any trade or quantity discounts. That is the actual price payable by BRF's customers which is to be taken to be the price of Mauritian Qualified Primates, for the purpose of this clause. BRF is to make available to BCM details of quantities sold at various prices during the year so the average selling price for the year can be established.

c. In the event BRF's or BCM's cost of doing business is substantially increased, (for example as a result of airline embargoes, government action or legislation or dramatically changed exchange rates) which increase cost is also being incurred generally by commercial primate distributors, in the case of BRF and by commercial primate suppliers, in the case of BCM, the parties agree to renegotiate in good faith the prices hereunder to adequately reflect such increased costs.

d. The prices set forth above are inclusive of all tests and conditioning carried out in Mauritius, including Salmonella and Shigella tests.

e. BRF shall pay to BCM per diems for all Feral and Qualified Primates held by BCM at BRF's direction and for BRF's (or BRF's customers') account. The per diem rate for 1998 shall be $1.10 per animal boarded, regardless of weight, age or feral/bred origin. The maximum number of animals for which BRF may request boarding at any one time BCM shall be 600. While title and risk of loss of animals boarded by BCM shall remain with BCM, BRF shall otherwise assure BCM that BRF will take ownership at some later date of all animals placed on boarding. At BRF's option, either BRF or BCM shall obtain insurance on the animals held on per them at BCM, in an amount equal to BRF's selling price therefor. In the event that BRF requests BCM to obtain insurance, said insurance shall be with a reputable and financially secure Mauritian insurance company approved by BRF, in the name of both BRF and BCM, with the proceeds from any loss claim payable to BRF. The cost of insurance of animals held on per diem for BRF's (or BRF's customers' account) shall in any case be borne entirely by BRF.

6. Forecasts and Orders

a. Within ten (10) business days of the date hereof, and on the 10th day following the close of each calendar quarter included in the Term, BRF shall provide BCM with a

rolling twelve-month forecast of its anticipated purchase requirements, with information provided on a quarterly basis. Such forecasts are intended to assist BCM in its planning process and shall not obligate BRF to purchase any primate from BCM in excess of the applicable Annual Minimum. However, BCM shall use its best efforts to make available those Qualified Primates necessary to meet BRF's forecast supply requirements. BCM shall on at least a monthly basis, inform BRF in writing of its primate stock on hand (with reference to age, sex, weight, and health status), and shall otherwise use its best efforts to assist BRF in preparing its forecasts.

b. BRF shall order primates from BCM by submitting standard purchase orders ('Orders') to BCM, Orders are to be executed by BRF and acknowledged in a signed writing by BCM, and such Orders and acknowledgments will become an integral pan of this Agreement. Shipment terms, including delivery dates, will be specified by BRF in each Order.

c. This Agreement and the terms of BRF's Orders shall exclusively govern the purchase and sale of any Primates from BCM. In no event shall BCM's standard terms and conditions of sale as set forth in its acknowledgment or other sales documentation be applicable to the Purchase and sale of primates, unless and to the extent such terms and conditions are fully consistent with or in furtherance of the terms and conditions set forth in this Agreement and BRF's Orders.

7. Terms of Sale

BRF will pay the prices for any primates purchased from BCM net thirty days. BRF will be responsible for the costs of transporting primates purchased to their ultimate destination, as well as any sales, use, excise or similar taxes imposed by the government of Mauritius (but excluding any conservation tax (currently US $50 per primate exported).

8. Delivery and Acceptance

a. Delivery shall be FOB Mauritius with all freight expenses being paid by BRF upon delivery. Title to and general risk of loss of primates purchased by BRF shall pass to BRF at the time of delivery to the initial customs airport in the country of destination. Promptly following delivery, BCM shall invoice for all of the primates tendered.

b. Each primate shipped under this Agreement shall be deemed accepted by BRF within thirty (30) days following delivery to the initial customs airport in the country of destination. Acceptance shall not be deemed to occur, however, if prior to the expiration of such period BRF informs BCM in accordance with Paragraph 9 that the BCM product warranty (as described in Paragraph 9) has not been fully satisfied for any such primate.

9. Product Warranty

a. BCM warrants that each delivered Qualified Primate will meet all of the health, age and weight requirements set forth in Paragraph 2, or in any Order from BRF if the parties agree the requirements in the Order shall apply.

b. BCM warrants that each delivered Feral or Non-Qualified Primate will meet only those health, age and weight requirements set forth in the applicable offer.

c. The foregoing warranties shall be subject to BRF's handling and maintaining any primates received from BCM in accordance with generally accepted procedures for the handling of non-human primates.

d. Upon notification of a defect by BRF within the respective acceptance periods set forth in Paragraph 8(b) resulting in a severe illness/mortality (naturally or by action of a BRF veterinarian in accordance with BRF's standard veterinary protocols) of the defective primate, BRF shall be entitled to deduct from its invoice the unit price of said defective primate, and the cost of its transport. However, BCM shall have the right to have an independent mutually acceptable veterinarian verify any such defect notification by BRF at BCM's sole expense.

e. Except for the remedy set forth in Paragraph 8(b) and 9(d), BCM shall not otherwise be liable for damages to BRF or to BRF's customers, following on from the supply of such a defective primate.

10. Management of BCM Primate Operation,

BCM's primate operations, and the operations of its joint-venture partners, shall be conducted in accordance with the standard operating procedures attached as Appendix 1 hereto (the "SOPs"), which have been amended as of this date by mutual agreement of the parties. The SOPs have been mutually developed by BRF and BCM and the parties agree am implementation of and continuing conformance to the SOPs by BCM and its joint-venture partners is an important part of this Agreement.

In particular, the obligation to physically separate feral and bred primate colonies in the manner specified in the SOPs is a critical component of the SOPs and BCM must use its best endeavors to meet this obligation during the Term. Appendix I may be further amended from time to time during the Term upon mutual written agreement of the parties,

11. Inspection and Audit

a. BRF shall have the right, during normal business hours, to inspect BCM's facilities for the purpose of observing production and maintenance activities, and auditing BCM's production records to ensure compliance with this Agreement, in each

case upon at least seventy-two (72) hours advance notice. For purposes of this Paragraph 11, "production records" shall include all operational documents (other than financial statements) relating to the day-to-day business of BCM (including, without limitation, inventory, veterinary and health records and worldwide export figures), where such records relate directly to BCM's distribution arrangement with BRF

b. In addition to the inspection rights granted in Paragraph 11(a), throughout the Term, should BRF so request, BCM shall provide BRF with a half-yearly report, prepared by BCM's qualified independent auditor, which report shall be limited to stating whether BCM, as a corporation, is a viable on-going concern, and in good or other financial situation.

Such reports shall be prepared on the basis of six-month periods and each shall be delivered to BRF as soon as possible after the auditors have examined the books of BCM. BRF hereby agrees to treat all such reports as confidential information, BRF will provide BCM with a copy each year of a Report by its qualified independent auditor, which report shall be limited to stating whether BRF, as a corporation is a viable on-going concern, and in good or other financial situation.

c. In order to permit the parties of this agreement to be continually updated on each other's on-going operations, BCM and BRF agree to meet and conduct biennial reviews of their respective primate operations throughout the Term. Such biennial business reviews will be scheduled on dates which are mutually convenient for the parties attending, with reviews being scheduled such that one review takes place in Mauritius and the other in either the United States or London. Each of the parties shall bear the costs and expenses associated with its representatives attending any business review.

12. Employment and Non-Competition

BCM agrees to continue to employ the Griffiths throughout the Term (unless they become unfit to carry out their job). During the Term and for a period of three (3) years thereafter, each of the Griffiths further agrees not to engage, directly or indirectly, as a supplier or consultant to, or an employee, officer, director, stockholder, partner or other owner or participant in, or lend his or her name to any business entity in activities anywhere in the world which utilize or involve Mauritius primates in competition with the primate business then conducted by BCM or BRF with the specific exception of BFC Ltd in Israel, provided BRF is not in material breach of the agreement at the time, or fails to renew the agreement. However this clause is not to be included in the automatic renewal period except if Mary Ann and Owen Griffiths are still associated with or employed by BCM at that time.

13. Breeding and Competition by BRF

a. BCM expressly acknowledges and agrees that BRF or any subsidiary or related company may, but only with approval of BCM, use all or any portion of the Primates purchased from BCM as breeding stock for the establishment of one or more breeding colonies in the United States or elsewhere in the world.

b. In the event BRF obtains approval from BCM during the Term to establish an independent venture dedicated to breeding and distribution of purpose-bred B-virus free cynomologus primates sourced from BCM, BRF agrees to offer BCM and/or the Mauritian shareholders of BCM the opportunity to participate as a joint-venture partner or equity holder in such venture, an reasonable business terms, provided that BCM is not in material breach of this agreement at the time such venture is proposed.

c. BRF or any subsidiary or related company agrees not to competitively engage in the trapping, breeding or exporting of primates in Mauritius during the Term. However, should BCM be unable to meet the minimums (of captive bred monkeys) for any given year, BRF may purchase from other Mauritian suppliers an amount equal to the shortfall for that year. In addition, BRF agrees not to so compete in such activities with BCM in Mauritius for three (3) years after the end of the Term, but if and only if the failure to not renew or extend this Agreement shall have been solely at BRF's election for business reasons not covered by or resulting from the unreasonable actions of BCM hereunder.

14. Restrictions on Use

BCM is required to inform BRF that the Government of Mauritius prohibits the use of feral or bred primates for certain purposes. Accordingly, BCM has advised BRF that use of Mauritian primates for any of the following purposes is prohibited by Mauritian law; (i) munitions testing for military research; (ii) radiation (other than routine diagnostic x-rays); (iii) unmanned space flights; and (iv) vivisection that sets the animal under heavy stress or torture.

15. Termination

a. Either party shall have the right to terminate this Agreement during the Term if:

(i) the other party fails to remedy or to commence reasonable corrective action to remedy any default in the performance of any material condition or obligation under this Agreement within thirty (30) days of written notice thereof; or

(ii) the other party files a petition in bankruptcy, or enters into any arrangement with its creditors, or applies for and consents to the appointment of a receiver or trustee, or makes an assignment for the benefit of creditors, or suffers or permits the entry of an order adjudicating it to be bankrupt or insolvent.

b. The failure of either party to terminate this Agreement by reason of the breach of any of its material provisions by the other party shall not be construed as a waiver of the rights or remedies available for any subsequent breach of the terms and provisions of this Agreement.

16. Termination of Current Agreement

a. Upon execution of this Agreement, the Distribution Agreement dated as of June 1, 1994, among CRL, BRF, BCM and the Griffiths shall terminate and shall have no further force or effect.

17. Supply to Israel

BCM hereby agrees not to supply more than a total of five hundred (500) female primates to Israel through delivery of animals prior to or during the terms of this agreement provided, however, BCM may contribute up to 50 additional animals per year to replace animals culled or dead. If not applied in one year this quantity may be carried forward to the subsequent year. In the event of a catastrophic loss of more than one hundred (100) animals, the number lost may be replaced in that year, such that the total of Mauritian source animals does not exceed 500 females.

18. Force Majeure

Neither party shall be responsible for any failure to comply with the terms of this Agreement, except for failure to make timely payments hereunder, where such failure is due to force majeure, which shall include, without limitation, cyclones, fire, flood, explosion, strike, labor dispute, labor shortages, picketing, lockout, transportation embargo or failures or delays in transportation, strikes or labor disputes affecting supplies, or other governments or any agency thereof, or judicial action, and all Government actions preventing the export of monkeys. The time for performance where delay is excusable hereunder shall be extended by a period of time equal to the time lost by reason of the excused delay.

19. Expenses

Each of the parties to this Agreement shall bear its own expenses (including, without limitation, all compensation and expenses of counsel, financial advisors, consultants and independent accountants) incurred in connection with the preparation and execution of this Agreement and consummation of the transactions contemplated herein.

20. public Disclosure

Each of the parties to this Agreement hereby agrees with the other parties that, except as may be required to comply with the requirements of applicable law, no press release or similar public announcement or communication will be made or caused to be made

at any time whatsoever concerning the execution or performance of this Agreement unless specifically approved in advance by BRF and BCM.

21. Notices

Any notice or other communications required under this Agreement shall be in writing (including telecopy communications), and shall be sent by registered mail, telecopier or courier as follows:

(a) if to BRF, addressed to:

Charles River BRF, Inc.
305 Almeda Genoa Road
Houston, TX 77047, USA
Attention: President
Fax: (713) 433-6971

with a copy to:

(b) Charles River Laboratories, Inc.
251 Ballardvale Street
Wilmington, MA 01887, USA
Attention: General Counsel
Fax: (508) 988-5665

(b) if to BCM, addressed to:

Bioculture Mauritius Ltd,
Senneville
Riviere des Anguilles
Mauritius
Attention: Mr. Owen Griffiths
Fax: 230-6262-844

Any party hereto shall be entitled to specify a different address by giving written notice as aforesaid to the other parties. All notices shall be deemed to have been duly given or made when delivered personally, or by facsimile or upon appropriate telex confirmation or upon fifteen (15) business days after being deposited in the mail, postage prepaid.

22. Section Headings

The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement,

23. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

24. Amendment: Waiver

This Agreement may not be amended or modified except by a written document duly executed by BRF and BCM. Waiver of any term of condition of this Agreement shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition, or a waiver of any other term or condition of this Agreement.

25. Entire Agreement

This Agreement (i) constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, among the parties, with respect to the subject matter hereof and (ii) is not intended to confer upon any other persons any rights Or remedies hereunder.

26. Saving Clause

Should any clause or part of any clause of this Agreement be declared null and void, it shall not affect the validity of this Agreement or any other clauses contained herein, and the said other clauses will remain in full force and effect between the parties.

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

CHARLES RIVER BRF, INC.

By: /s/ Dr. Rajinder Bhalla

Dr. Rajinder Bhalla, President

CHARLES RIVER LABORATORIES, INC.

By: /s/ James C. Foster

James C. Foster, President

BIOCULTURE MAURITIUS LTD.

By: /s/ Owen Lee Griffiths

Owen Lee Griffiths, Director, and individually as applies to Paragraph 12 only

BIOCULTURE MAURITIUS LTD.

By: /s/ Mary Ann Griffiths

Mary Ann Griffiths, Director, and individually as applies to Paragraph 12 only

/s/ Elizabeth Mary Rountree

Elizabeth Mary Rountree, Director

EXHIBIT 10.11

SCIENTIFIC RESOURCES INTERNATIONAL
and SIERRA BIOMEDICAL INC.
SUPPLY AGREEMENT

This Agreement made by and between SCIENTIFIC RESOURCES INTERNATIONAL, Ltd. (SRI), a Nevada Company having its principal offices at 1325 Airmotive Way, Reno, Nevada 89502 and Sierra Biomedical Incorporated (SBI), located at: 587 Dunn Circle, Sparks, NV 89431 is entered into with reference to the following facts:

A. SBI is a research firm which utilizes primates.

B. SRI supplies naive primates from the People's Republic of China and has the requisite knowledge and experience to locate and negotiate primate sources and pricing. SRI confirms that it has a signed long term primate supply agreement with the Yunnan Primate center of the People's Republic of China, or it's affiliates (see attached agreement).

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

1. Contract: SRI hereby agrees to sell primates to SBI, and SBI hereby agrees to buy primates from SRI subject to the terms and conditions herein set forth.

2. Term: This Agreement shall terminate on the tenth (10th) annual anniversary from the last date appearing on this agreement, unless sooner terminated under the provisions of this Agreement.

3. SBT's Duties: SBI agrees to buy primates from SRI according to SBI's specifications, which not greatly differ from their current specifications. SBI agrees to purchase the minimum annual number of primates stated in this agreement and in the issued SBI purchase orders. SBI agrees to provide written reports concerning primate deaths, quality or complaints.

4. SRI's Duties: SRI will provide SBI with all pertinent documents related to specific primate shipments such as; individual animal records, CITES, animal quarantine certificates, route and contact sheets, Air Waybill, packing lists etc.

5. Pricing: Primate prices will be stated and agreed to in SBI's each year's annual primate purchase order. SRI shall have the right to change selling prices of the primates during the term hereof, with 30 days written notice, due to the volatility of the stated marketplace. SRI's stated contract prices to SBI will be calculated on a cost plus basis. This cost plus basis will equal no more than a $250 markup per primate based upon SRI's purchase prices. All SRI pricing is FOB San Francisco International Airport and thus it is further agreed and understood that SBI, or its assignees, will collect all SBI shipments at this port of entry (San Francisco Airport), until further notice.

6. Invoices and Collections: SBI will issue to SRI an annual primate purchase order contract each October for the next calendar year's commitment. This purchase order will state: the gross number of Rhesus and Cynomolgus primates by sex, weight requirements, disease status requirements (untested for B virus) etc. SRI will invoice SBI per shipment against SBI's individual POs. SBI agrees to pay said SRI invoices according to the stated payment terms. SRI's payment terms are: 20% upon arrival/80% net 35 days. SRI will not charge sales or use taxes on SBI invoices since it is understood that SBI is acting as a wholesale purchaser and will include these primates in contract research billings, contract sales, or resell these primates to third parties,

7. Primate Contract Quantity: SBI commits to purchase a minimum of 800 naive primates per year. This minimum primate order will consist of both Rhesus and Cynomolgus primates. SBI will usually require an equal quantity of males and females per individual shipments and this specification will be stated on their annual purchase order. SRI realizes and appreciates the variables involved with

SBI's primate needs, thus SRI will always attempt to deliver the mix of species, sexes and the quantities in a timely manner. Furthermore, SBI has the first right of refusal an SRI's annual primate supplies over and above SBI's annual minimum commitment.

8. Primate Quality: SRI agrees to supply SBI with Naive Primates according to SBI's specifications as stated on their annual contract purchase order. If a primate(s) is outside of the specification then SRI agrees to remedy the problem to satisfy SBI and it's customer(s). For example: if a primate(s) is unacceptably under weight then SRI agrees to discount the price of said primate(s) or replace the primate(s) or if a primate dies or has diseases outside of the specifications then SRI agrees to replace or discount the price of said primate(s) with SBI's agreement. SRI confirms that if any primates are out of specification then SRI will work with SBI to remedy the situation to SBI's satisfaction.

9. Termination and Penalties, if SBI terminates this agreement without cause then SBI agrees to purchase 800 primates, as stated in this

agreement, over a period not to exceed one year from the date of termination. If SBI terminates this agreement for cause, then the following procedure will be followed: If a for cause problem occurs, it is agreed that SBI will notify SRI in writing and SRI will have 60 days to redress. If the problem(s) is not corrected, within the 60 day period, then SBI has the right to terminate this agreement immediately without further obligation. Examples of for cause may include the following: failure to deliver animals in a timely manner, unacceptable animal quality and/or pricing becoming noncompetitive with other licensed agents for equal specification animals.

10. Future Relationships: The parties intend to jointly develop a primate quarantine facility in the form of a joint venture which will import, quarantine, hold and sell primates to third parties. It is believed that if and when this joint venture occurs, that this agreement will be modified or terminated based upon the parties new relationship and agreements.

IN WITNESS WHEREOF the undersigned have executed this Agreement

Scientific Resources International, Limited (SRI)

By: /s/ Robert K. Pickup Title: Managing Director

Print name: Robert K. Pickup

Dated: 3-18

Sierra Biomedical Incorporation (SBI)

By: /s/ William Hobson Title: President

Print name: William Hobson

Dated: 3-17-97 , 19

By: /s/ D. Kornbrust Title: Vice President

Print name: D.. Kornbrust

Dated: 3-17-97 , 19

See attached SRI/Chinese Supply Agreement

* * End of Agreement * *

SCIENTIFIC RESOURCES INTERNATIONAL
and SHARED SCI-TECH

PURCHASE & SUPPLY AGREEMENT

This Agreement made by and between SCIENTIFIC RESOURCES INTERNATIONAL, Ltd. (SRI), a Nevada Company having its principal offices at 1325 Airmotive Way, Reno, Nevada 89502 and Shared Sci-Tech, Ltd. (SST) located at: 3918 Mead Street, Antioch, CA 94509 is entered into with reference to the following facts:

A. SST is an American company which represents the Yunnan Primate Center of the Peoples Republic of China. As such, SST markets Chinese Rhesus and Cynomolgus primates.

B. SRI Supplies primates to American research laboratories, and has the requisite knowledge and experience to locate and negotiate primate sources, sales and pricing. SRI also has the knowledge and experience to present other business opportunities to SST and/or present other parties to SST for consul and/or working relationships.

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

1. Contract: SST hereby agrees to sell primates to SRI, and SRI hereby agrees to buy SST's primates subject to the terms and conditions herein set forth.

2. Term: This Agreement shall terminate on the tenth (10th) annual anniversary from the last date appearing an this agreement, unless sooner terminated under the provisions of this Agreement.

3. SRI's Duties: SRI agrees to buy primates from SST according to SRI'S specifications. SRI agrees to purchase the minimum annual number of primates stated in this agreement and in issued SRI purchase orders. SRI agrees to provide written reports concerning primate deaths, quality or complaints.

4. SST's Duties: SST will provide SRI with all pertinent documents related to specific primate shipments such as; individual animal records, CITES, animal quarantine certificates, route and contact Sheets, Air Waybill, packing lists etc.

5. Compensation: SRI further agrees to provide SST, each January, with a purchase order(s) which equals SRI's calendar year primate required purchases. SRI further agrees to pay SST invoices in a timely manner according to the invoice's stated payment terms.

6. Pricing: SST shall have the right to change selling prices of the primates during the term, hereof, with 60 days written notice, due to the volatility of the stated marketplace. Since SRI's contracts are long term, and Chinese pricing can be politically volatile, again it is understood by SST that price changes may only occur with 60 days written notice and with a detailed explanation as to the price change. Please note: Historically China provides advance notice of price changes and SST will always attempt to provide as much advance notice as possible to SRI. SST's stated contract prices will always be honored for goods shipped. All SRI purchase orders accepted, but not yet shipped, will also be honored. Now pricing will only go into effect after the 60 day Written notice period. Due to SRI's most favorable customer status with SST, SST agrees to offer SRI the lowest primate pricing possible. All SST pricing is FOB San Francisco International Airport and thus it is further agreed and understood that SRI, or its assignees, will 'collect all shipments at this port of entry (San Francisco Airport), until further notice.

7. Primate Contract Quantity: SRI commits to purchase a minimum of 000 primates per year. This primate order will consist of both Rhesus and Cynomolgus primates. SRI will require an equal quantity of males and females per individual shipments so the annual total of 800 will be 400 male and 400 female. The mix of species is always unknown but we believe that we will require a minimum of 600 Rhesus and 200 Cynos per year.

8. Primate Quality: SST agrees to supply SRI with Primates according to SRI's specifications as stated an their annual contract purchase order, if a primate(s) is outside of the specification then sST agrees to remedy the problem to satisfy SRI and it's customer(s). For example: if a primate(s) is under weight then SST agrees to discount the price of said primate(s) or replace the primate(s), or if a primate dies or has diseases outside of the specifications then SST agrees to replace or discount the price of said primate(s) with SRI's agreement. SST confirms that if any primates are out of specification then SST will work with SRI remedy the situation to SRI's satisfaction.

9. Invoices and Collections: SST will invoice SRI per shipment against SRI's individual POs. SRI agrees to pay said SST invoices according to the stated payment terms. SST's current payment terms are: net 35 days post USA arrival. SST will not charge sales or use taxes on SST invoices since it is understood that SRI is acting as a wholesale purchaser and will include these products in contract sales, resell these products or retail these products to third parties.

10. Future Relationships: The parties intend to jointly develop a primate quarantine facility in the form of a joint venture which will import, quarantine, hold and sell primates to third parties. It is believed that if and when this joint venture occurs, that this agreement will be modified or terminated based upon the parties new relationship and agreements.

IN WITNESS WHEREOF the undersigned have executed this Agreement

Scientific Resources International, Limited (SRI)

By: /s/ Robert K. Pickup Title: Managing Director, Partner

Print name: Robert K. Pickup

Dated: Feb 3 , 1997

Scientific Resources International, Limited (SRI)

By: /s/ Lawrence C.K. Wong Title: Director Chinese Affairs, Partner
---
Print name: L.C.K. Wong

Dated: Feb 4 , 1997

Shared Sci-Tech, Limited (SST)

By: /s/ Guogiang Li Title: General Manager

Print name: Guogiang Li

Dated: Feb 8, , 1997

By: /s/ D. Kornbrust Title: Vice President

Print name: D. Kornbrush

Dated: 3-17-97 , 19

EXHIBIT 12.1

Charles River Laboratories Inc.
Computation of Ratio of Earnings to Fixed Charges
(In millions, except ratio data)

								Pro Forma		
	12/31/94	12/30/95	12/28/96	12/27/97	12/26/98	Nine Months Ended 9/26/98	Nine Months Ended 9/25/99	Fiscal Year Ended 12/26/98	Nine Months Ended 9/25/99	Twelve Months Ended 9/25/99
Income before taxes(*)	$ 20,822	27,773	26,134	23,839	37,501	29,739	36,855	1,831	7,193	5,770
Fixed charges:										
Interest expense	464	768	491	501	421	311	207	35,013	28,330	37,083
Amortization of deferred financing costs	-	-	-	-	-	-	-	1,523	1,142	1,523
1/3 rent from operating leases	531	781	981	1,037	1,091	876	921	1,091	921	1,136
Total fixed charges	$ 995	1,549	1,472	1,538	1,512	1,187	1,128	37,627	30,393	39,742
Earnings + fixed charges	$ 21,817	29,322	27,606	25,377	39,013	30,926	37,983	39,458	37,586	45,512
Ratio of earnings to fixed charges	21.9	18.9	18.8	16.5	25.8	26.1	33.7	1.0	1.2	1.1

- ------------------
(*) Includes earnings from equity investments less minority interests.

EXHIBIT 12.2

Charles River Laboratories, Inc.
Computation of Ratio of Total Pro Forma Debt to Adjusted EBITDA
(In millions, except ratio data)

	Pro Forma Twelve Months Ended September 25, 1999
Total Debt	$ 311,128
Adjusted EBITDA	57,031
Total Pro Forma Debt to Adjusted EBITDA	5.5x

EXHIBIT 12.3

Charles River Laboratories, Inc.
Computation of Ratio of Adjusted EBITDA to Cash Interest Expense
(In millions, except ratio data)

	Pro Forma Fiscal Year Ended 1998	Pro Forma Nine Months Ended September 25, 1999	Pro Forma Twelve Months Ended September 25, 1999
Adjusted EBITDA.....	$ 51,453	$ 45,468	$ 57,031
Cash Interest Expense....	35,013	28,330	37,134
Adjusted EBITDA to Cash Interest Expense.....	1.5x	1.6x	1.5x

Charles River Laboratories, Inc.

EXHIBIT 23.2.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated June 30, 1999, except as to Note 2, which is as of September 29, 1999 relating to the consolidated financial statements and financial statement schedule of Charles River Laboratories, Inc. which appear in such Registration Statement. We also consent to the reference to us under the heading "Independent Accountants" in such Registration Statement.

/s/: PricewaterhouseCoopers LLP
Boston, Massachusetts
December 7, 1999

EXHIBIT 23.2.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated June 30, 1999, except as to Note 2, which is as of September 29, 1999 relating to the combined financial statements and financial statement schedule of Charles River Laboratories, Inc. and Charles River Laboratories Holdings, Inc., which appear in such Registration Statement. We also consent to the reference to us under the heading "Independent Accountants" in such Registration Statement.

/s/: PricewaterhouseCoopers LLP
Boston, Massachusetts
December 7, 1999

The schedule contains summary information extracted from the consolidated statement of earnings for the nine months ended September 30, 1999 and the consolidated balance sheet at September 30, 1999 and is qualified in its entirety by reference to such financial statements.

1100682
CHARLES RIVER LABORATORIES HOLDINGS, INC.
1,000

12-MOS	12-MOS	12-MOS	9-MOS	9-MOS
DEC-28-1996	DEC-27-1997	DEC-26-1998	DEC-26-1998	DEC-25-1999
DEC-28-1996	DEC-27-1997	DEC-26-1998	SEP-26-1998	SEP-25-1999
0	17,915	24,811	0	3,457
0	0	0	0	0
0	28,280	32,466	0	33,820
0	688	898	0	854
0	28,904	30,731	0	28,577
0	83,323	97,214	0	77,303
0	76,889	82,690	0	79,349
0	8,320	9,168	0	0
0	196,211	233,410	0	210,371
0	41,577	59,792	0	56,707
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	1	1	0	1
0	17,836	17,836	0	17,836
0	196,211	233,410	0	210,371
155,604	170,713	193,301	145,519	161,096
155,604	170,713	193,301	145,519	161,096
97,777	111,460	122,547	91,041	97,230
97,777	111,460	122,547	91,041	97,230
33,685	37,177	35,429	26,238	30,528
0	0	0	0	0
491	501	421	311	207
15,245	15,340	23,378	18,459	19,952
10,889	8,449	14,123	11,280	16,903
15,245	15,340	23,378	18,459	19,952
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
15,245	15,340	23,378	18,459	19,952
0	0	0	0	
0	0	0	0	

The Company's equity is not publicly stated.