As filed with the Securities and Exchange Commission on March 10, 1998

Registration No. 333-43225

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

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

CDW HOLDING CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	5063	25-1723345
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

COMMERCE COURT, SUITE 700
FOUR STATION SQUARE
PITTSBURGH, PENNSYLVANIA 15219
(412) 454-2200
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JEFFREY B. KRAMP, ESQ.
COMMERCE COURT, SUITE 700
FOUR STATION SQUARE
PITTSBURGH, PENNSYLVANIA 15219
(412) 454-2200
(NAME, ADDRESS, INCLUDING ZIP CODE AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

GEORGE E.B. MAGUIRE, ESQ.	VALERIE FORD JACOB, ESQ.
DEBEVOISE & PLIMPTON	FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
875 THIRD AVENUE	ONE NEW YORK PLAZA
NEW YORK, NEW YORK 10022	NEW YORK, NEW YORK 10004
(212) 909-6000	(212) 859-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

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, check the following box. [_]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective 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 statement number of the earlier 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 statement number of the earlier effective registration statement for the same offering. [_]

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

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE
Class A Common Stock, par value $0.01 per share.....	$300,000,000	$88,500(3)

(1) Estimated pursuant to Rule 457(o) under the Securities Act of 1933 solely for the purpose of calculating the registration fee.
(2) Includes shares subject to the Underwriters' over-allotment options.

(3) Previously paid on December 24, 1997.

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 THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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EXPLANATORY NOTE

This Registration Statement contains two forms of prospectuses: one to be used in connection with an offering in the United States and Canada (the "U.S. Prospectus") and one to be used in a concurrent international offering outside the United States and Canada (the "International Prospectus"). The U.S. Prospectus and the International Prospectus are identical in all respects except that they contain different front, inside front and back cover pages and different descriptions of the plan of distribution (contained under the caption "Underwriting" in both the U.S. Prospectus and the International Prospectus). Pages of the International Prospectus are separately designated.

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
++

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED MARCH 10, 1998

PROSPECTUS

SHARES
CDW HOLDING CORPORATION
CLASS A COMMON STOCK

All of the shares of Class A Common Stock of CDW Holding Corporation offered hereby are being sold by certain stockholders (the "Selling Stockholders") of CDW Holding Corporation. Of the shares of Class A Common Stock offered hereby, shares are being offered for sale initially in the United States and Canada by the U.S. Underwriters and shares are being offered for sale initially in a concurrent offering outside the United States and Canada by the International Managers. The initial public offering price and the underwriting discount per share will be identical for both Offerings. See "Underwriting."

Prior to the Offerings, there has been no public market for the Class A Common Stock. It is currently estimated that the initial public offering price will be between $ and $ per share. For a discussion relating to factors to be considered in determining the initial public offering price, see "Underwriting."

Application will be made to list the Class A Common Stock on the New York Stock Exchange under the symbol " ."

SEE "RISK FACTORS" BEGINNING ON PAGE 11 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE CLASS A COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT (1)	PROCEEDS TO SELLING STOCKHOLDERS (2)
Per Share.....	$	$	$
Total (3).....	$	$	$

(1) The Company and the Selling Stockholders have agreed to indemnify the several Underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(2) The Company has agreed to pay the expenses of the Offerings (other than the Underwriting Discount) estimated at $.
(3) The Selling Stockholders have granted to the U.S. Underwriters and the International Managers options to purchase up to an additional and shares of Class A Common Stock, respectively, solely to cover over-allotments, if any. If such options are exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Selling Stockholders will be $, $ and $, respectively. See "Underwriting."

The shares of Class A Common Stock are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the shares of Class A Common Stock will be made in New York, New York on or about , 1998.

MERRILL LYNCH & CO. GOLDMAN, SACHS & CO.
BEAR, STEARNS & CO. INC.
SALOMON SMITH BARNEY

The date of this Prospectus is , 1998.

[COLOR PICTURES]

Certain persons participating in the Offerings may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A Common Stock. Such transactions may include stabilizing, the purchase of Class A Common Stock to cover syndicate short positions and the imposition of penalty bids. For a description of these activities, see "Underwriting."

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and related notes appearing elsewhere in this Prospectus. CDW Holding Corporation ("CDW") is a Delaware corporation that has as its only significant asset all the outstanding common stock of WESCO Distribution, Inc., a Delaware corporation (together with its subsidiaries, "WESCO"). Hereinafter, "the Company" will refer to CDW and its subsidiaries. References herein to a "fiscal" year refer, in the case of the Company, to the year ended December 31 in the year indicated. Unless otherwise indicated, all information set forth in this Prospectus (i) gives effect to a to 1 split of CDW's Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), and of the CDW's Class B Common Stock, par value $0.01 per share ("Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), to be effected immediately prior to the effective date of the Registration Statement of which this Prospectus forms a part, (ii) assumes an initial public offering price of $ per share and (iii) assumes no exercise of the over-allotment options to be granted to the Underwriters by the Selling Stockholders.

THE COMPANY

WESCO is a leading full-line provider of products and related services in the electrical wholesale distribution industry with sales of $2.6 billion in 1997, an increase of more than $1 billion since 1993. With its blend of national capabilities and extensive local geographic coverage, WESCO specializes in developing combined product and service solutions tailored to meet the specific needs of each of its customers. WESCO is the second largest electrical wholesale distributor in North America and a leading consolidator in this highly fragmented, $67 billion industry. Through a network of approximately 330 branches located in 48 states and nine Canadian provinces, supported by five regional distribution centers, WESCO is able to serve virtually the entire U.S. and Canadian market. WESCO is particularly well positioned to meet the complex procurement needs of multi-site customers seeking total supply chain cost reduction through preferred alliances with fewer suppliers.

WESCO offers a broad range of electrical, industrial and data communications products and services to a large and diversified customer base including (1) industrial companies from numerous manufacturing and process industries and original equipment manufacturers ("OEMs"), including manufacturers of factory-built homes and other modular structures, (2) contractors for industrial, commercial and residential projects, (3) investor-owned utilities, municipal power authorities and rural electric cooperatives and (4) commercial, institutional and governmental customers. WESCO maintains over 130,000 active customer accounts, and stocks and distributes over 210,000 products, sourced from over 6,000 suppliers, ranging from basic wire to advanced automation and control products. WESCO complements its product offerings with a range of services and procurement solutions, including integrated supply, where it manages all aspects of the customer's supply processes, and electronic commerce, where it employs technology to streamline business transactions.

Since CDW acquired WESCO in 1994, management has realigned operations to achieve substantial growth in sales and profitability. Under its new leadership, WESCO (1) reconfigured its branch network to focus on key customer markets, (2) significantly expanded its National Accounts marketing program, (3) launched the industry's most active acquisition program and (4) implemented a new incentive system for branch managers and sales personnel. As a result of these actions, sales have increased to $2.6 billion in 1997 from $1.6 billion in 1993, a compound annual growth rate of 13.4%, and operating income has increased to $80.1 million in 1997 from a loss of $11.0 million in 1993. Since August 1995, WESCO has completed 13 acquisitions adding more than $650 million in annualized sales.

The electrical wholesale distribution industry in the United States is large, growing and highly fragmented. Industry sources estimate total electrical wholesale distributor sales at $67.3 billion for 1997, which represents a 10.2% compound annual growth rate over 1993 sales of $45.6 billion. The four largest wholesale distributors, including WESCO, control only 14% of total industry sales. No single distributor accounts for more than 5% of industry sales, and 57% of such sales are generated by distributors with less than $21 million in annual sales. In the United States, electrical distribution is still in the early stages of consolidation, unlike many other wholesale distribution industries which have undergone substantial consolidation in the past two decades.

Customers now expect distributors to provide a broader package of products and services as they seek to outsource non-core functions and achieve measurable cost savings in purchasing, inventory and supply chain management. By virtue of its national and local capabilities, financial resources and focused acquisition strategy, WESCO believes that it has the opportunity to lead industry consolidation and capitalize on the growing customer demand for value-added services and procurement outsourcing.

BUSINESS STRATEGY

WESCO's mission is to become the preeminent wholesale distributor of electrical and other products in each of its chosen markets by tailoring its product and service offerings to meet the differing requirements of its targeted customers. WESCO's fundamental business goal is to achieve growth in sales and profitability that is consistently above the industry average, through marketing and acquisition initiatives, leveraging its fixed cost structure and purchasing power, and improving working capital management. To achieve that goal, WESCO's business strategy emphasizes six elements:

- LEVERAGE NATIONAL COORDINATION AND SCALE. WESCO, with its national branch network in both the U.S. and Canada and the scale such network affords, has several competitive advantages, including (1) the ability to offer multi-site agreements with the scope required by National Accounts--major customers who seek to coordinate their maintenance, repair and operating ("MRO") supplies purchasing activity across multiple locations, (2) the ability to enter into favorable preferred supplier agreements which provide for improved payment terms, volume rebates, marketing programs and geographic franchises, (3) specialized and technical sales forces to meet specific customer needs in National Accounts, data communications, automation and control, energy management, integrated supply and major construction projects and (4) five regional distribution centers which allow same-day shipments of a broad range of products to branches and direct to customers.

- ENCOURAGE LOCAL ENTREPRENEURSHIP AND FLEXIBILITY. A distributor's reputation is often determined at the local level, where timely supply and customer service are critical. Accordingly, WESCO grants its branch managers substantial autonomy in directing the branch sales force, configuring inventories, selecting markets served and developing local service options. WESCO's incentive system strongly encourages growth and profitability at the branch level, with a significant portion of the branch manager's compensation incentive based. While WESCO grants its branches a high degree of independence, they directly support and participate in national initiatives such as National Account sales, expansion of data communications product sales and marketing promotions with select manufacturers.

- DELIVER VALUE-ADDED SERVICES. WESCO offers a comprehensive portfolio of supply management services designed to create measurable value for its customers, including (1) the assignment of on-site support personnel, (2) outsourcing of the entire MRO purchasing process, (3) inventory optimization programs, (4) participation in joint cost savings teams, (5) energy-efficient product upgrades, (6) safety and product training for customer employees and (7) process improvements using automation solutions.

- FOCUS ON MARKETS WHERE WESCO HAS DEVELOPED DISTINCTIVE COMPETENCIES. WESCO has developed distinctive competencies in several markets by aligning its branch network by principal market served--industrial/construction, utilities and manufactured structures. Business strategies,

specialized personnel and locally tailored inventories are designed to match each market's requirements. WESCO targets customers with large, complex service and supply requirements in all markets where specialized sourcing, project management and logistical support are needed. To serve such customers effectively, WESCO leverages its national capabilities, extensive local penetration and breadth of products and services offered.

- DRIVE CONTINUOUS IMPROVEMENT IN PRODUCTIVITY AND PROFITABILITY. WESCO believes a successful business strategy must include a commitment to continuous improvement in productivity and profitability. WESCO is emphasizing the widespread use of innovative and disciplined approaches to managing its business processes, employee productivity and capital efficiency. These continuous improvement initiatives include (1) regular "zero based" re-evaluations of all facets of its business, (2) activity-based costing to more accurately measure and enhance profitability by customer, supplier and other categories, (3) enhanced coordination of inventory management among suppliers, branches and regional distribution centers, (4) benchmarking, using competitive analysis and world-class best practices to set appropriate standards for expense management, working capital and employee and overall productivity, (5) increased investment in targeted areas such as sales force management and company-wide training and development and (6) application of technology to enhance information and decision support systems.

- LEAD INDUSTRY CONSOLIDATION. WESCO actively pursues acquisitions that complement its existing business. WESCO's acquisition strategy has been to (1) accelerate expansion into key growth markets, (2) add important new customers, (3) enhance sales of acquired branches by immediately broadening the product and service mix, (4) expand local presence to better serve existing customers, (5) increase scale and breadth of relationships with manufacturers and (6) leverage existing infrastructure. WESCO considers strategic acquisitions on a continuous basis. Since August 1995, WESCO has completed 13 acquisitions with 89 branch locations and annualized sales of more than $650 million. Furthermore, as a result of these acquisitions, WESCO has added major supplier relationships with Allen-Bradley, General Electric and Square D.

STRATEGY FOR CONTINUED GROWTH

WESCO has increased sales by more than $1 billion since year-end 1993, a compound annual growth rate in excess of 13%. WESCO's plans for continued growth are as follows:

- EXPAND PRODUCT AND SERVICE OFFERINGS. WESCO intends to build on its demonstrated ability to introduce new products and services to meet customer demands and market opportunities. For example, WESCO plans to expand its presence in the fast-growing data communications market. In the past two years, WESCO has significantly increased its focus on this market, generating sales of $83 million in 1997. Led by its dedicated data communications sales team of approximately 70 people, and leveraging its general sales force, WESCO intends to expand sales to new and existing customers, as well as broaden its offering into other data communications product lines, such as outdoor wiring systems, active components and processors. In addition, WESCO plans to expand the number of integrated supply programs with new and existing accounts. Given the success of its integrated supply initiatives to date and the rapid growth in the demand for such services anticipated by industry sources, WESCO sees a major opportunity to develop additional customer relationships by leveraging its comprehensive service and supply expertise.

- GROW NATIONAL PROGRAMS. WESCO has well-established National Account relationships with approximately 300 companies. National Accounts provide ongoing revenue through strategic multi-year agreements. WESCO believes that it can expand revenue generated by its National Accounts

program by (1) increasing its penetration of existing National Accounts, (2) shortening ramp-up time to full implementation, (3) adding new products to existing MRO agreements, (4) expanding agreements to include capital projects and (5) extending the program to new customers. In addition, through its Major Projects Group, WESCO plans to intensify its focus on large construction projects, such as new stadiums, industrial sites, wastewater treatment plants, airport expansions, healthcare facilities and prisons. WESCO intends to secure new contracts through (1) aggressive national marketing of its demonstrated project management capabilities, (2) further development of relationships with leading construction and engineering firms and (3) close coordination with National Account customers on their renovations and new construction projects.

. GAIN SHARE IN KEY LOCAL MARKETS. WESCO has identified key geographic markets with a substantial base of potential customers and will use a combination of acquisitions, new branch openings and heightened sales and marketing efforts to gain market share. WESCO's executive marketing team, together with local branch managers, will work to expand WESCO's program of detailed market analysis and opportunity identification on a branch-by-branch and product line basis. In addition, WESCO intends to leverage relationships with preferred suppliers to increase sales of their products in local markets through various initiatives, including (1) sales promotions, (2) cooperative marketing efforts, (3) direct participation in National Accounts implementation, (4) dedicated sales forces and (5) product exclusivity.

. EXECUTE ACQUISITION STRATEGY. WESCO intends to lead consolidation in the fragmented electrical wholesale distribution industry. Since adopting its acquisition strategy in August 1995, WESCO has been successful in adding more than $650 million in annualized sales, and will continue to evaluate acquisition opportunities to achieve the strategic objectives outlined under "Business Strategy." After the Offerings, the ability, where appropriate, to use its shares to finance acquisitions should give WESCO access to an expanded range of possible acquisitions. WESCO seeks acquisitions that will be accretive to earnings and will significantly complement the organic growth of the business. The 13 acquisitions completed by WESCO to date have collectively been accretive to its earnings.

. ACCESS INTERNATIONAL OPPORTUNITIES. WESCO believes in a pragmatic and profitable expansion of sales outside the United States and Canada. WESCO intends to limit risk and maximize profit opportunities principally by following its National Account customers and key suppliers into their non-U.S. markets. For example, WESCO has opened a branch in Mexico City, where many current customers have plant operations and where WESCO has been granted the highly regarded Allen-Bradley franchise. Other opportunities to grow international sales include expanding the network of independent export sales representatives outside of North America, increasing the number of North American-based export sales offices and building closer relationships with global engineering, procurement and construction firms.

BACKGROUND

CDW was formed by Clayton, Dubilier & Rice, Inc., a private investment firm ("CD&R"), in connection with the acquisition (the "Acquisition") from Westinghouse Electric Corporation, now known as CBS Corporation ("Westinghouse"), of its Westinghouse Electric Supply Company division, WESCO's predecessor (the "Predecessor"). The Acquisition was completed in February 1994. Upon completion of the Offerings, the Clayton & Dubilier Private Equity Fund IV Limited Partnership ("Fund IV"), a private investment fund managed by CD&R, will own approximately % of the then-outstanding Common Stock (% assuming exercise of the Underwriters' overallotment options).

The Predecessor was founded as a division of Westinghouse in 1922 for the purpose of selling and distributing Westinghouse electrical products and supplies. Since the Acquisition, WESCO has made a successful transition from being a division within a large corporation to an independent company. The Company's principal executive offices are located at Commerce Court, Suite 700, Four Station Square, Pittsburgh, Pennsylvania 15219, and its telephone number is (412) 454-2200.

THE OFFERINGS

The offering of shares of Class A Common Stock initially being offered in the United States and Canada (the "U.S. Offering") and the offering of shares of Class A Common Stock initially being offered outside the United States and Canada (the "International Offering") are referred to herein collectively as the "Offerings." The closing of the International Offering and of the U.S. Offering are each conditioned on the other.

Class A Common Stock offered	
By Selling Stockholders:	
U.S. Offering	shares
International Offering	shares
Total	shares
Class A Common Stock to be outstanding after the Offerings (1)	shares
Proposed NYSE Symbol	
Use of proceeds	CDW will not receive any proceeds from the sale of shares by the Selling Stockholders. See "Use of Proceeds" and "Selling Stockholders."

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(1) Based upon shares outstanding at , 1998, after giving effect to the stock split described herein and the issuance of shares of Class A Common Stock issuable upon the conversion of certain convertible notes issued in connection with prior acquisitions, which by their terms will mandatorily convert into shares of Class A Common Stock at the initial public offering price upon consummation of the Offerings. See "Description of Certain Indebtedness--Acquisition Notes." Does not include shares of Class A Common Stock issuable upon the exercise of outstanding stock options, of which options for shares are currently exercisable and options for shares become exercisable over the next five years. See "Management--Stock Option Plan" and "Management--Long-Term Incentive Plan." CDW also has authorized Class B Common Stock, which is identical to the Class A Common Stock except that it has no voting rights (other than as required by law). None of the Class B Common Stock is currently issued. Certain existing holders of Class A Common Stock have the right to convert certain of their shares to Class B Common Stock. See "Description of Capital Stock."

RISK FACTORS

Prospective purchasers of the Class A Common Stock should consider carefully the specific investment considerations set forth under "Risk Factors" and the other information set forth in this Prospectus, prior to making an investment decision.

SUMMARY HISTORICAL FINANCIAL DATA
(IN MILLIONS, EXCEPT SHARE DATA)

	THE PREDECESSOR (1)		THE COMPANY (2)		THE COMPANY (2)		
	YEAR ENDED DECEMBER 31,	TWO MONTHS ENDED FEBRUARY 28,	TEN MONTHS ENDED DECEMBER 31,	ADJUSTED COMBINED YEAR ENDED DECEMBER 31,	YEAR ENDED DECEMBER 31,		
	1993	1994	1994	1994 (3)	1995	1996	1997
INCOME STATEMENT DATA:							
Sales, net	$1,570.8	$ 237.3	$1,398.5	$1,635.8	$ 1,857.0	$ 2,274.6	$ 2,594.8
Gross profit	238.1	32.5	230.0	262.5	321.0	405.0	463.9
Selling, general and administrative expenses	241.2	34.9	197.7	232.6	258.0	326.0	372.5
Depreciation and amortization	7.9	1.2	7.5	8.7	7.3	10.8	11.3
Income (loss) from operations	(11.0)	(3.6)	24.8	21.2	55.7	68.2	80.1
Other income and expense, net	1.7	--	--	--	--	--	--
Interest expense, net (4)	14.2	2.4	17.6	20.0	15.8	17.4	20.1
Income (loss) before income taxes	(23.5)	(6.0)	7.2	1.2	39.9	50.8	60.0
Income (loss) before cumulative effect and extraordinary charge, net of taxes	(13.8)	(4.1)	3.6	(0.5)	25.1	32.5	36.2
Cumulative effect of change in accounting, net of taxes (5)	1.6	--	--	--	--	--	--
Extraordinary charge, net of taxes (6)	--	--	--	--	8.1	--	--
Net income (loss) (7)	$ (15.4)	$ (4.1)	$ 3.6	$ (0.5)	$ 17.0	$ 32.5	$36.2
EARNINGS PER SHARE DATA: (8)							
Basic earnings per common share before extraordinary charge, net of taxes	--	--	$ 3.71	--	$ 25.11	$ 31.97	$ 35.48
Basic earnings per common share	--	--	3.71	--	17.05	31.97	35.48
Shares used in basic per share calculation	--	--	970,637	--	1,000,735	1,015,238	1,021,271
Diluted earnings per common share before extraordinary charge, net of taxes	--	--	$ 3.68	--	$ 23.86	$ 29.47	$31.53
Diluted earnings per common share	--	--	3.68	--	16.20	29.47	31.53
Shares used in diluted per share calculation	--	--	979,165	--	1,053,344	1,101,573	1,149,199

	DECEMBER 31,	FEBRUARY 28,	DECEMBER 31,	DECEMBER 31,		
	1993	1994	1994	1995	1996	1997
BALANCE SHEET DATA:						
Adjusted working capital (9)	$ 224.8	$ 228.7	$ 196.5	$ 222.5	$ 291.6	$ 338.8
Total assets	521.0	504.5	533.7	581.3	773.5	870.9
Total long-term debt	--	--	180.6	172.0	260.6	294.3
Redeemable common stock (10)	--	--	5.5	7.7	8.9	9.0
Stockholders' equity	--	--	99.5	116.4	148.7	184.5

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(1) Presents consolidated financial data of the Predecessor for the periods prior to the Company's acquisition of substantially all of the assets and certain liabilities of the Predecessor, effective February 28, 1994. See "Certain Transactions and Relationships--Westinghouse." Consolidated financial data of the Predecessor have been derived from the Predecessor's consolidated financial statements, which have been audited by the Predecessor's accountants. The Securities and Exchange Commission (the "Commission"), in Staff Accounting Bulletin Number 55 (SAB 55), requires that historical financial statements of a subsidiary, division or lesser business component of another entity include certain expenses incurred by the parent on its behalf. These expenses include officer and employee salaries; rent; depreciation; advertising; accounting and legal services;

other selling, general and administrative expenses; and other such expenses. The financial statements of the Predecessor include such adjustments, estimates or allocations as the management of the Predecessor's parent company believed necessary to reflect these expenses. Because of

(footnotes continued on following page)

such items, certain aspects of the consolidated results of operations for periods prior to the period beginning February 28, 1994 are not comparable with those for subsequent periods.

(2) Consolidated financial data as of and for the years ended December 31, 1995, 1996 and 1997 have been derived from the Company's consolidated financial statements, which have been audited by Coopers & Lybrand L.L.P.

(3) Presents adjusted combined results of operations of the Predecessor for the two months ended February 28, 1994 and of the Company for the ten months ended December 31, 1994. The adjusted combined operations data does not purport to represent what the Company's consolidated results of operations would have been if the Acquisition had actually occurred on January 1, 1994.

(4) The Predecessor received a charge from its parent company in the form of interest expense for the portion of the parent company investment that, for internal reporting purposes, represented debt. For the year ended 1993 and the two months ended February 28, 1994, approximately 40% of the average parent company investment was considered to be debt for internal reporting purposes. The effective annual interest rate for all periods was approximately 10%. This method of reporting interest expense for internal reporting purposes is not necessarily indicative of the interest expense that would have been incurred had the Predecessor operated as a separate stand-alone entity.

(5) Represents a charge, net of deferred taxes, for the cumulative effect of a change in accounting for postemployment benefits at January 1, 1993.

(6) Represents a charge, net of taxes, relating to the write-off of unamortized debt issuance and other costs associated with the early termination of debt.

(7) The Predecessor's results of domestic operations were included in the consolidated U.S. federal income tax return of its parent. The Predecessor's results of operations in Puerto Rico and certain operations in Canada were also included with other operations of the Predecessor's parent in the tax returns in those jurisdictions. For operations that did not pay their own income tax, the Predecessor's parent internally allocated income tax expense at the statutory rate after adjustment for state income taxes and several other items. The income tax expense and other tax-related information in the Predecessor's consolidated financial statements were calculated as if the Predecessor had not been eligible to be included in the consolidated tax returns of its parent (i.e., on a "stand-alone" basis). The calculation of tax provisions and deferred taxes necessarily required certain assumptions, allocations and estimates that the Predecessor's management believed were reasonable to accurately reflect the tax reporting for the Predecessor as if a stand-alone taxpayer.

(8) For a description of the calculations of basic and diluted earnings per common share, see Note 2 to the consolidated financial statements included elsewhere in this Prospectus.

(9) Defined as trade accounts receivable plus inventories less accounts payable.

(10) Represents Redeemable Class A Common Stock as described in Note 9 to the consolidated financial statements. Under certain conditions, the holders thereof have the right to require the Company to repurchase all of the redeemable shares. As a result of this redemption feature, the Company has provided for a reduction in stockholders' equity to record the initial repurchase obligation. These repurchase rights terminate upon consummation of an initial public offering. The $9.0 million at December 31, 1997 will be reclassified upon consummation of the Offerings to increase paid-in capital.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements regarding the business of the Company. When used in this Prospectus, the words "anticipates," "plans," "believes," "estimates," "intends," "expects" and similar expressions are intended to identify forward-looking statements. Such statements, including, but not limited to, the Company's statements regarding its business strategy, growth strategy, growth trends in the industry and various markets, acquisitions, international expansion, productivity and profitability enhancement, new product and service introductions and liquidity and capital resources are based on management's beliefs, as well as on assumptions made by, and information currently available to, management, and involve various risks and uncertainties, certain of which are beyond the Company's control. The Company's actual results could differ materially from those expressed in any forward-looking statement made by or on behalf of the Company. In light of these risks and uncertainties there can be no assurance that the forward-looking information will in fact transpire. Factors that might cause actual results to differ from such forward-looking statements include, but are not limited to, those discussed in "Risk Factors." The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Market and market share data for the electrical wholesale industry are from Electrical Wholesaling magazine or Distributor Information Services Corporation, unless otherwise indicated. Except where specified, market share and market data do not include Canada. The Company believes such market share data are inherently imprecise, but are generally indicative of its relative market share.

RISK FACTORS

Prospective purchasers of the Class A Common Stock should consider carefully the following factors relating to the Company and the Offerings, together with the other information and financial data set forth elsewhere in this Prospectus, prior to making an investment decision.

GENERAL ECONOMIC CONDITIONS

The electrical wholesale distribution industry is affected by changes in economic conditions, including national, regional and local slowdowns in construction and industrial activity, which are outside the control of the Company. The Company's operating results may also be adversely affected by increases in interest rates that may lead to a decline in economic activity, particularly in the construction market, while simultaneously resulting in higher interest payments by WESCO under its credit facilities. In addition, during periods of economic slowdowns WESCO's credit losses could increase significantly. There can be no assurance that economic slowdowns or adverse economic conditions or cyclical trends in certain customer markets will not have a material adverse effect on the Company's operating results and financial condition.

COMPETITION

The electrical wholesale distribution industry is highly competitive. In the United States, the industry is fragmented, while the much smaller Canadian market has achieved a high degree of concentration. WESCO competes directly with national and regional broad-based distributors, niche distributors carrying only specialized products, and small, local distributors with one or a few locations. Another source of competition in the wholesale channel is buying groups formed by smaller distributors to increase purchasing power and provide some limited cooperative marketing capability. The two largest of these are Affiliated Distributors, representing an estimated $5 billion of annual electrical wholesale distribution sales, and IMARK, representing an estimated $3 billion of annual sales, based on industry sources. While increased buying power may improve the competitive position of buying groups locally, the Company does not believe these groups have been able to compete effectively for National Account customers, due to the difficulty in coordinating a diverse ownership group. Outside the wholesale channel, manufacturers employ, and may increase the use of, direct sales representatives. In addition, some manufacturers with sufficient size, geographic scope and financial and marketing resources may be in a position to offer customers national account services. Finally, the development of alternative distribution channels, such as Internet-based catalogs, do-it-yourself ("DIY") retail outlets or a shift to direct sales and service by manufacturers, could have a material adverse effect on the wholesale distribution market and, as a result, the Company's performance.

Some of WESCO's existing competitors have, and new market entrants may have, greater financial and marketing resources than WESCO. To the extent existing or future competitors seek to gain or retain market share by reducing prices, WESCO may be required to lower its prices, thereby adversely affecting financial results. Existing or future competitors also may seek to compete with WESCO for acquisitions, which could have the effect of increasing the price and reducing the number of suitable acquisitions, and may also compete with WESCO for start-up locations, thereby limiting the number of attractive locations for expansion. In addition, it is possible that competitive pressures resulting from the industry trend toward consolidation could affect growth and profit margins. See "Business--Competition."

ABILITY TO IMPLEMENT AND MANAGE GROWTH STRATEGY; CAPITAL NEEDS FOR ACQUISITIONS

A principal component of WESCO's strategy is to continue to expand through additional acquisitions and development of start-up locations that complement WESCO's operations in new or existing markets. The success of this strategy will depend upon WESCO's ability to identify, acquire and integrate a sufficient number of businesses. There can be no assurance that WESCO will be able to identify and acquire appropriate businesses on satisfactory terms or that future acquisitions will not have a material adverse effect on the Company's operating results, particularly during periods in which the operations of acquired businesses are being integrated into WESCO's operations. As part of its growth strategy, WESCO intends to build its international presence.

Significant expansion into international markets could involve risks relating to currency exchange rates, new and different legal, tax, accounting and regulatory requirements, difficulties in staffing and managing foreign operations, operating difficulties and other factors. In addition, profit margin and competitive position associated with sales transacted in foreign currency, such as sales in WESCO's Canadian operations, may be materially adversely affected by foreign exchange rates. See "Business--Growth Strategy."

In order to implement its acquisition strategy, WESCO is likely to require additional funding. Future acquisitions could be financed by incurring additional indebtedness, including increased borrowing under WESCO's existing credit facilities, or by the issuance by CDW of additional equity securities. There can be no assurance, however, that adequate funding will be available on terms satisfactory to WESCO. As of December 31, 1997 the Company had total long-term debt of $294.3 million. An increase in the level of indebtedness of the Company could have important consequences for the holders of Class A Common Stock, including (1) increasing the portion of the Company's cash flow from operations being dedicated to the payment of principal and interest on indebtedness and unavailable for other purposes, (2) impairing WESCO's ability to obtain financing for working capital needs and general corporate purposes and (3) reducing WESCO's flexibility in responding to changes in business and economic conditions and competitive pressures. The issuance by CDW of additional equity securities may result in dilution to earnings to holders of the Class A Common Stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources," "Business--Acquisitions" and "Description of Certain Indebtedness--Credit Facilities."

DEPENDENCE ON KEY PERSONNEL

WESCO is dependent upon the skills, experience and efforts of its Chief Executive Officer and other executive officers. Loss of the services of the Chief Executive Officer or one or more of the other executive officers could have a material adverse effect on WESCO's business and development. WESCO has no written employment contracts with any of its executive officers other than an employment agreement with its Executive Vice President, Industry Affairs. WESCO intends to enter into, prior to the Offerings, a three-year employment agreement with Roy W. Haley, its Chief Executive Officer and President, and a two-year employment agreement with David F. McAnally, its Chief Operating Officer, Chief Financial Officer and Treasurer. See "Management--Employment Agreements." WESCO's continued growth also depends in part on its continuing ability to attract and retain qualified managers, sales persons and other key employees and on its executive officers' ability to manage growth successfully. No assurance can be given that WESCO will be able to attract and retain such employees. WESCO has relied primarily upon CDW's stock option plan and other elements of compensation to retain key employees. WESCO intends, prior to the Offerings, to establish a long-term incentive plan for executives and other key management employees. See "Management--Stock Option Plan" and "Management--Long-Term Incentive Plan."

KEY SUPPLIERS; MAINTENANCE OF SUPPLY; INTERRUPTION OF DISTRIBUTION CENTER OPERATIONS

Consistent with industry practice, most of WESCO's agreements with suppliers (including both distribution agreements and preferred supplier agreements) are terminable by either party on no more than 60 days notice. WESCO's ten largest suppliers in 1997 accounted for 45% of WESCO's purchases for the period. The largest supplier was Eaton Corporation, through its Cutler-Hammer division, successor to the Distribution and Control Business Unit of Westinghouse, accounting for 18% of WESCO's purchases. The loss of, or a substantial decrease in the availability of, products from any of these suppliers, or the loss of key preferred supplier agreements, could have a material adverse effect on WESCO's business. In addition, supply interruptions could arise from shortages of raw materials, labor disputes or weather conditions affecting products or shipments, or other reasons beyond WESCO's control. An interruption of operations at any of WESCO's five distribution centers could have a material adverse effect on the operations of branches served by the affected distribution center. Further, there can be no assurance that particular products, or product lines, will be available to WESCO, or available in quantities sufficient to meet customer demand. Such limited product access could put WESCO at a competitive disadvantage. See "Business--Suppliers and Purchasing" and "Business--Distribution Network."

DEPENDENCE ON INFORMATION SYSTEMS

The Company believes that WESCO's computer systems are an integral part of its business and growth strategies. WESCO depends on its information systems to process orders, manage inventory and accounts receivable collections, purchase products, ship products among its branches on a timely basis, maintain cost-effective operations and provide superior service to its customers. Although the Company believes WESCO has the appropriate disaster recovery plans in place, there can be no assurance that a serious disruption in the operation of WESCO's information systems will not occur. Any such disruption could have a material adverse effect on the Company's business and results of operations. See "Business--Management Information Systems."

CERTAIN INVENTORY RISKS

The obsolescence of a significant amount of inventory due to changes in customer preferences or technological improvements could have a material adverse effect on the Company's business and results of operations. WESCO believes that this risk is confined principally to data communications products, which are the most likely to be subject to obsolescence resulting from rapid technological change. At December 31, 1997, these products constituted less than 6% of inventory.

ENVIRONMENTAL RISKS

The Company's facilities and operations are subject to federal, state and local laws and regulations relating to environmental protection ("Environmental Laws") and health and human safety. Certain of these laws and regulations may impose strict, joint and several liability on certain persons for the cost of investigation or remediation of contaminated properties, meaning that a person could be liable for more than its pro rata share of such costs regardless of fault. These persons may include present or future owners and operators of properties, and persons that arranged for the disposal of hazardous substances. In addition, the disposal of certain products distributed by WESCO, such as ballasts, fluorescent lighting and batteries, must comply with Environmental Laws. In connection with the Acquisition, Westinghouse agreed to indemnify the Company for certain liabilities under Environmental Laws resulting from conditions at the Predecessor's branch locations and other real property at the time of the Acquisition. By the terms of this indemnity, the Company is not entitled to indemnification for claims made under the indemnity after February 27, 1996. Based on its due diligence investigation, including environmental assessments, CDW made a claim under this indemnity in the amount of approximately $1.5 million, which Westinghouse is disputing. In connection with its acquisition program, WESCO acquires new branch locations, including owned and leased real property which may carry with it certain liabilities under Environmental Laws. It is WESCO's practice to conduct due diligence investigations in connection with such acquisitions, including environmental assessments, and, where appropriate, to provide for contractual indemnities. However, no assurance can be given that the Company will not become subject to liabilities for environmental matters, including with respect to conditions at its properties, that such liabilities will not be material or that, where negotiated, contractual indemnities will be sufficient to cover such liabilities.

RESTRICTIONS IMPOSED BY LENDERS

WESCO's existing credit facilities and certain mortgage notes issued to Westinghouse in connection with the Acquisition (the "Mortgage Notes") contain covenants that limit WESCO with respect to certain business matters. Such covenants include, among other things, limitations on the acquisition of new subsidiaries, the sale of assets, the incurrence of additional debt and the payment of dividends. In addition, WESCO's senior credit facility requires WESCO to meet certain financial tests based on net worth, a funded indebtedness to consolidated EBITDA ratio and a fixed charge coverage ratio. See "Description of Certain Indebtedness."

PRINCIPAL STOCKHOLDER

Upon completion of the Offerings, Fund IV will own approximately % of the then outstanding Common Stock of CDW and will retain the power to control the Company's corporate policies, the election of

persons constituting its management and Board of Directors, and the outcome of corporate actions requiring stockholder approval. Immediately after the Offerings, three of the Company's nine directors will be principals of CD&R. In addition, following the Offerings, Fund IV will continue to have a contractual right to appoint an observer to attend meetings of the Board of Directors of the Company. See "Management--Directors and Executive Officers," "--Compensation Committee Interlocks and Insider Participation," "Certain Transactions and Relationships" and "Security Ownership by Management and Principal Stockholders."

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Offerings, shares of Class A Common Stock will be issued and outstanding and shares of Class A Common Stock will be issuable upon the exercise of outstanding stock options. After the expiration of a 180-day "lock-up" period to which substantially all of CDW's current stockholders and option holders are subject, such holders will in general be entitled to dispose of their shares (including the shares underlying such options), although the shares of Class A Common Stock held by Fund IV and other affiliates of CDW will continue to be subject to the volume and other restrictions of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Sales of substantial amounts of Class A Common Stock, or the perception that such sales could occur at the expiration of such 180-day period, may materially adversely affect the market price of the Class A Common Stock prevailing from time to time. In addition, under the Registration and Participation Agreement, dated as of February 28, 1994 (the "Registration and Participation Agreement"), among CDW, Fund IV and the existing stockholders of CDW, CDW's existing stockholders and option holders have certain demand registration rights and "piggy-back" registration rights in connection with future offerings of Class A Common Stock. See "Shares Eligible for Future Sale" and "Underwriting."

NO PRIOR PUBLIC MARKET; POSSIBLE VOLATILITY OF STOCK PRICE

Prior to the Offerings, there has been no public market for the Class A Common Stock. Although CDW will make an application for listing the Class A Common Stock on the New York Stock Exchange, no assurance can be given that an active trading market will be created or sustained. The initial public offering price will be determined by negotiations among CDW, the Selling Stockholders and representatives of the Underwriters based on several factors and will not necessarily reflect the market price of the Class A Common Stock following the Offerings. Due to the absence of any prior public market for the shares of Class A Common Stock, there can be no assurance that the initial public offering price will correspond to the price at which the shares of Class A Common Stock will trade in the public market subsequent to the Offerings. See "Underwriting."

The market price for shares of the Class A Common Stock may be volatile and may fluctuate based upon a number of factors including, but not limited to, the Company's operating performance, news announcements or changes in general economic and market conditions. In addition, the stock market in recent years has experienced extreme price and volume fluctuations that often have been unrelated or disproportionate to the operating performance of companies. These fluctuations may materially adversely affect the market price of the Class A Common Stock.

DILUTION

Purchasers of Class A Common Stock in the Offerings will experience immediate and substantial dilution in the net tangible book value of their Class A Common Stock. At an initial public offering price of $ per share, purchasers of shares in the Offerings will experience dilution in net tangible book value of $ per share. See "Dilution."

USE OF PROCEEDS

The Company will not receive any proceeds from the sale of shares by the Selling Stockholders. At the time of the Acquisition, the Company agreed to assume the costs of the Offerings (other than the underwriting discount) and to pay certain fees and expenses in connection with the sale of shares by the Selling Stockholders. See "Selling Stockholders."

DIVIDEND POLICY

CDW has never declared or paid any dividends on the Class A Common Stock and has no current plans to pay dividends on the Class A Common Stock. The Company presently intends to retain earnings to support the growth of its business. The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition and capital requirements, restrictions in financing agreements, business conditions, certain corporate law requirements and other factors.

CDW is a holding company and thus its ability to pay dividends on the Class A Common Stock depends on its subsidiaries' ability to pay dividends to CDW. The Company's financing agreements generally restrict the payment of dividends by CDW's subsidiaries to CDW or by CDW to its shareholders. See "Description of Certain Indebtedness."

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as of December 31, 1997. This table should be read in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this Prospectus.

	DECEMBER 31, 1997	
	HISTORICAL	PRO FORMA (1)
	(IN MILLIONS, EXCEPT SHARE DATA)	
NOTES PAYABLE	$ 0.9	$ 0.4
LONG-TERM DEBT: (2)		
Borrowings under Credit Facilities	226.2	226.2
Mortgage Notes	65.3	65.3
Other	2.8	1.1
Total long-term debt	294.3	292.6
REDEEMABLE CLASS A COMMON STOCK, $.01 par value, 89,306 shares issued and outstanding	9.0	--
STOCKHOLDERS' EQUITY:		
Class A Common Stock, $.01 par value, 2,000,000 shares authorized, 933,280 issued and outstanding (3)	--	--
Class B Common Stock, $.01 par value, 2,000,000 shares authorized, none issued and outstanding	--	--
Additional paid-in capital	93.3	104.5
Other stockholders' equity	1.8	1.8
Retained earnings	89.4	89.4
Total stockholders' equity	184.5	195.7
Total capitalization	$ 488.7	$ 488.7

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(1)Reflects the pro forma capitalization of the Company at December 31, 1997, after giving effect to (a) the termination of the redemption feature of certain common shares upon the consummation of the Offerings and (b) the issuance of shares of Class A Common Stock upon the conversion of certain convertible notes issued in connection with prior acquisitions, which by their terms will mandatorily convert into shares of Class A Common Stock at the initial public offering price upon consummation of the Offerings. See "Description of Certain Indebtedness--Acquisition Notes."

(2)Does not include $59.5 million of debt incurred to consummate the Avon and Brown acquisitions in January 1998, of which up to $5.0 million may be converted to Shares of Class A Common Stock at the initial public offering price.

(3)Does not include shares of Class A Common Stock issuable upon the exercise of stock options outstanding at December 31, 1997. See "Management--Stock Option Plan."

DILUTION

As of December 31, 1997 CDW's pro forma net tangible book value was $ or $ per share, after giving effect to (i) the termination of the redemption feature of certain common shares upon the consummation of the Offerings and (ii) the issuance of shares of Class A Common Stock upon the conversion of certain convertible notes issued in connection with prior acquisitions, which by their terms will mandatorily convert into shares of Class A Common Stock at the initial public offering price upon consummation of the Offerings (the "Acquisition Notes"). After giving effect to estimated expenses of $ million payable by the Company in connection with the Offerings, pro forma net tangible book value of CDW at December 31, 1997 would have been $ million or $ per share of Common Stock. Assuming an initial public offering price of $ per share of Class A Common Stock, there would have been an immediate dilution of $ per share to purchasers of the shares of Class A Common Stock in the Offerings ("New Investors"). Dilution is determined by subtracting adjusted net tangible book value per share after the Offerings from the amount of cash paid by a New Investor for one share of Class A Common Stock. The following table illustrates the per share dilution:

Initial public offering price per share	$
Pro forma net tangible book value per share before the Offerings (1)	$
Decrease in net tangible book value per share attributable to the Offerings	
Pro forma net tangible book value per share after the Offerings	
Dilution per share to New Investors	$

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(1) Net tangible book value per share as of a specified date represents net tangible assets (total tangible assets less total liabilities) divided by the number of shares of Class A Common Stock assumed to be then outstanding.

The following table summarizes on a pro forma basis as of December 31, 1997, after giving effect to the issuance of Class A Common Stock upon conversion of the Acquisition Notes in connection with the Offerings, the differences between the existing stockholders and the New Investors with respect to the number of shares of Class A Common Stock purchased, the total consideration paid and the average price paid per share.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PAID PER SHARE
Existing Stockholders		%		%	$
New Investors					
Total		%	$	%	

As of December 31, 1997, an aggregate of shares of Class A Common Stock were issuable upon the exercise of outstanding options at a weighted-average exercise price of $ per share. If all options outstanding at December 31, 1997 were exercised or converted, the pro forma net tangible book value per share immediately after completion of the Offerings would be $. This would represent an immediate dilution of $ per share to New Investors. See "Management--Stock Option Plan," "--Stock Option Plan for Branch Employees" and "Description of Certain Indebtedness--Acquisition Notes."

SELECTED FINANCIAL DATA

The following table sets forth (i) selected historical consolidated financial data of the Predecessor as of and for the year ended December 31, 1993 and as of and for the two months ended February 28, 1994 and (ii) selected historical consolidated financial data of the Company as of and for the ten months ended December 31, 1994, as of and for the years ended December 31, 1995, 1996 and 1997, which have been derived from audited financial statements. The selected historical consolidated financial data of the Predecessor have been derived from the Predecessor's financial statements, which have been audited by the Predecessor's accountants. The selected historical consolidated financial data of the Company as of and for the years ended December 31, 1995, 1996 and 1997 have been derived from the Company's consolidated financial statements, which have been audited by Coopers & Lybrand L.L.P. The adjusted combined selected data for 1994 combines the audited results of operations of the Predecessor for the two months ended February 28, 1994 and of the Company for the ten months ended December 31, 1994. The adjusted combined selected data for the year ended December 31, 1994 does not purport to represent what the Company's consolidated results of operations would have been if the Acquisition had actually occurred on January 1, 1994. See the Consolidated Financial Statements of the Company and the accompanying notes thereto included elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

SELECTED FINANCIAL DATA

(IN MILLIONS, EXCEPT SHARE DATA)

	THE PREDECESSOR (1)		THE COMPANY		THE COMPANY		
	YEAR ENDED DECEMBER 31,	TWO MONTHS ENDED FEBRUARY 28,	TEN MONTHS ENDED DECEMBER 31,	ADJUSTED COMBINED YEAR ENDED DECEMBER 31,	YEAR ENDED DECEMBER 31,		
	1993	1994	1994	1994 (2)	1995	1996	1997
INCOME STATEMENT DATA:							
Sales, net	$1,570.8	$ 237.3	$1,398.5	$1,635.8	$ 1,857.0	$ 2,274.6	$ 2,594.8
Gross profit	238.1	32.5	230.0	262.5	321.0	405.0	463.9
Selling, general and administrative expenses	241.2	34.9	197.7	232.6	258.0	326.0	372.5
Depreciation and amortization	7.9	1.2	7.5	8.7	7.3	10.8	11.3
Income (loss) from operations	(11.0)	(3.6)	24.8	21.2	55.7	68.2	80.1
Other income and expense, net	1.7	--	--	--	--	--	--
Interest expense, net (3)	14.2	2.4	17.6	20.0	15.8	17.4	20.1
Income (loss) before income taxes	(23.5)	(6.0)	7.2	1.2	39.9	50.8	60.0
Income (loss) before cumulative effect and extraordinary charge, net of taxes	(13.8)	(4.1)	3.6	(0.5)	25.1	32.5	36.2
Cumulative effect of change in accounting, net of taxes (4)	1.6	--	--	--	--	--	--
Extraordinary charge, net of taxes (5)	--	--	--	--	8.1	--	--
Net income (loss) (6)	$ (15.4)	$ (4.1)	$ 3.6	$ (0.5)	$ 17.0	$ 32.5	$ 36.2
EARNINGS PER SHARE DATA: (7)							
Basic earnings per common share before extraordinary charge, net of taxes	--	--	$ 3.71	--	$ 25.11	$ 31.97	$ 35.48
Basic earnings per common share	--	--	3.71	--	17.05	31.97	35.48
Shares used in basic per share calculation	--	--	970,637	--	1,000,735	1,015,238	1,021,271
Diluted earnings per common share before extraordinary charge, net of taxes	--	--	$ 3.68	--	$ 23.86	$ 29.47	$ 31.53
Diluted earnings per common share	--	--	3.68	--	16.20	29.47	31.53
Shares used in diluted per share calculation	--	--	979,165	--	1,053,344	1,101,573	1,149,199

	DECEMBER 31,	FEBRUARY 28,	DECEMBER 31,	DECEMBER 31,		
	1993	1994	1994	1995	1996	1997
BALANCE SHEET DATA:						
Adjusted working capital (8)	$ 224.8	$ 228.7	$ 196.5	$ 222.5	$ 291.6	$ 338.8

Total assets....	521.0	504.5	533.7	581.3	773.5	870.9
Total long-term debt.....	--	--	180.6	172.0	260.6	294.3
Redeemable common stock (9).....	--	--	5.5	7.7	8.9	9.0
Stockholders' equity.....	--	--	99.5	116.4	148.7	184.5

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(1) Presents consolidated financial data of the Predecessor for the periods prior to the Company's acquisition of substantially all of the assets and certain liabilities of the Predecessor, effective February 28, 1994. See "Certain Transactions and Relationships--Westinghouse." Consolidated financial data of the Predecessor have been derived from the Predecessor's consolidated financial statements, which have been audited by the Predecessor's accountants. The Commission, in Staff Accounting Bulletin Number 55 (SAB 55), requires that historical financial statements of a subsidiary, division or lesser business component of another entity include certain expenses incurred by the parent on its behalf. These expenses include officer and employee salaries; rent; depreciation; advertising; accounting and legal services; other selling, general and administrative expenses; and other such expenses. The financial statements of the Predecessor include such adjustments, estimates or allocations as the management of the Predecessor's parent company believed necessary to reflect these expenses. Because of such items, certain aspects of the consolidated results of operations for periods prior to the period beginning February 28, 1994 are not comparable with those for subsequent periods.

(footnotes continued on following page)

(2) Presents adjusted combined results of operations of the Predecessor for the two months ended February 28, 1994 and of the Company for the ten months ended December 31, 1994. The adjusted combined operations data does not purport to represent what the Company's consolidated results of operations would have been if the Acquisition had actually occurred on January 1, 1994.

(3) The Predecessor received a charge from its parent company in the form of interest expense for the portion of the parent company investment that, for internal reporting purposes, represented debt. For the year ended 1993 and the two months ended February 28, 1994, approximately 40% of the average parent company investment was considered to be debt for internal reporting purposes. The effective annual interest rates for all periods was approximately 10%. This method of reporting interest expense for internal reporting purposes is not necessarily indicative of interest expense that would have been incurred had the Predecessor operated as a separate stand-alone entity.

(4) Represents a charge, net of deferred taxes, for the cumulative effect of a change in accounting for postemployment benefits at January 1, 1993.

(5) Represents a charge, net of taxes, relating to the write-off of unamortized debt issuance and other costs associated with the early termination of debt.

(6) The Predecessor's results of domestic operations were included in the consolidated U.S. federal income tax return of its parent. The Predecessor's results of operations in Puerto Rico and certain operations in Canada were also included with other operations of the Predecessor's parent in the tax returns in those jurisdictions. For operations that did not pay their own income tax, the Predecessor's parent internally allocated income tax expense at the statutory rate after adjustment for state income taxes and several other items. The income tax expense and other tax-related information in the Predecessor's consolidated financial statements were calculated as if the Predecessor had not been eligible to be included in the consolidated tax returns of its parent (i.e., on a "stand-alone" basis). The calculation of tax provisions and deferred taxes necessarily required certain assumptions, allocations and estimates that the Predecessor's management believed were reasonable to accurately reflect the tax reporting for the Predecessor as if a stand-alone taxpayer.

(7) For a description of the calculations of basic and diluted earnings per common share, see Note 2 to the consolidated financial statements included elsewhere in this Prospectus.

(8) Defined as trade accounts receivable plus inventories less accounts payable.

(9) Represents Redeemable Class A Common Stock as described in Note 9 to the consolidated financial statements. Under certain conditions, the holders thereof have the right to require the Company to repurchase all of the redeemable shares. As a result of this redemption feature, the Company has provided for a reduction in stockholders' equity to record the initial repurchase obligation. These repurchase rights terminate upon consummation of an initial public offering. The $9.0 million at December 31, 1997 will be reclassified upon consummation of the Offerings to increase paid-in capital.

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

GENERAL

WESCO is the second largest electrical wholesale distributor in North America with approximately 330 branches located in 48 states and nine Canadian provinces. The Company sells over 210,000 products, sourced from over 6,000 suppliers, to more than 130,000 active customers. WESCO complements its product offerings with a range of services and procurement solutions. Growth in revenue is dependent upon several factors, including industry trends, general economic conditions and the ability of the Company to grow market share and consummate acquisitions. From 1993 to 1997 the Company's sales rose by 13.4% on a compound annual basis, while industry sales grew at a compound annual rate of 10.2% during the same period. The Company's ability to outpace the growth in the industry has resulted primarily from the launching of an aggressive acquisition program, which has added more than $650 million in annualized sales since August 1995. The majority of these acquisitions occurred during and after 1996 and, as such, have had a greater effect on periods beginning with 1996.

The Company's sales can be categorized as stock sales, special orders or direct shipments. Stock sales are filled directly from branch inventory and over the past three years represented 40% to 50% of total sales. Direct ship orders are shipped to the customer by the manufacturer since generally they involve large orders or products that are too bulky to be easily handled and over the past three years represented 35% to 45% of total sales. Special orders are for products that are not ordinarily stocked in branch inventories and are ordered from the manufacturer pursuant to a customer's request. Special orders represent the remainder of total sales. Gross profit margins on stock and special order sales are approximately 50% higher than those on direct ship sales. Although direct ship margins are lower, operating profits are comparable since the inventory and handling costs associated with direct shipments are lower.

The Company pays its sales force commissions based on a standard percent of billing margin dollars. Since stock and special order sales are typically at higher gross profit margins than direct ship sales, the commissions paid are also higher as a percent of sales.

Since CDW acquired WESCO in early 1994, the Company has experienced a significant improvement in its income from operations, which has more than doubled from 1.3% of sales in 1994 to 3.1% of sales in 1997. This margin improvement has resulted primarily from (1) better leveraging of the Company's existing infrastructure due to growth in sales, (2) focusing on higher margin products and services such as National Accounts and (3) acquisitions of companies with average operating margins in excess of that for WESCO's existing business.

At December 31, 1997, the Company's net adjusted working capital investment was $338.8 million, composed of $351.2 million in accounts receivable and $299.4 million in inventory, offset by $311.8 million in accounts payable. The Company is implementing a number of initiatives designed to improve its working capital performance, primarily in the area of inventory management. Such initiatives include (1) coordinating purchasing and inventory investment activities among groups of branches or "districts," (2) upgrading the logic of the automated stock replenishment programs used to supply branches from the distribution centers, (3) negotiating improved inventory return and consignment arrangements with important suppliers, (4) increasing the use of preferred suppliers and (5) shortening and stabilizing lead times between order and delivery from suppliers.

The Company has historically financed its acquisitions, new branch openings, working capital needs and capital expenditures through internally generated cash flow and borrowings under its credit facilities. During the initial phase of an acquisition or new branch opening, the Company typically incurs expenses related to installing or converting information systems, training employees and other initial operating activities. In some acquisitions, the Company may incur expenses in connection with the closure of any of its own redundant branches. Historically, the costs associated with opening new branches, and closing branches in connection with certain acquisitions, have not been material. The Company has accounted for its acquisitions under the purchase method of accounting.

RESULTS OF OPERATIONS

The following table sets forth the percentage relationship to net sales of certain items in the Company's Statement of Income for the periods presented:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
Sales, net	100.0%	100.0%	100.0%
Gross profit	17.3	17.8	17.9
Selling, general and administrative expenses	14.3	14.8	14.8
Income from operations	3.0	3.0	3.1
Interest expense	0.9	0.8	0.8
Income before income taxes	2.1	2.2	2.3
Income taxes	0.8	0.8	0.9
Income before extraordinary charge	1.3	1.4	1.4
Extraordinary charge, net of taxes	0.4	--	--
Net income	0.9%	1.4%	1.4%

1997 COMPARED TO 1996

NET SALES. Sales for the year ended December 31, 1997 were $2,594.8 million, compared with $2,274.6 million for the year ended December 31, 1996. This represented an increase of $320.2 million, or 14.1%. Sales of comparable branches (those open throughout both periods) rose 7.0%, with branches in the United States and Canada increasing 7.1% and 5.9%, respectively. Within the United States, the branches with a high volume of sales to utility customers experienced a somewhat higher level of comparable branch sales. In addition to growth in sales of comparable branches, the remaining sales increase resulted primarily from the nine companies acquired since the beginning of 1996. Sales of product from stock rose 21%, as compared to the prior period, increasing the mix of stock sales three percentage points to 48% of total sales. This was a result of several ongoing initiatives designed to increase stock sales, such as the continued emphasis on growing National Account sales, and, to a lesser extent, the impact of acquired company sales, which have tended to have a higher mix of stock sales. Direct ship sales rose 4% over the prior period. This sales increase was below that experienced by the Company in other areas and was primarily due to the slower growth in the non-residential construction market for commercial and industrial projects, which constitutes the majority of direct ship sales.

GROSS PROFIT. Gross profit for the year ended December 31, 1997 was $463.9 million, compared with $405.0 million for 1996. The increase of $58.9 million, or 14.5%, was primarily due to the higher sales volume in 1997 from both acquisitions and comparable branch operations. Gross profit as a percentage of sales increased to 17.9% in 1997 from 17.8% in 1996. In 1996, approximately $9.3 million of gross profit was recorded in connection with a one-time international construction project with a gross profit margin that was higher than the Company's usual margins on large construction projects due to service requirements and risk considerations associated with the order. Without this international order, the Company's gross profit margin would have been 17.6% in 1996, compared to 17.9% for 1997. The increase in the gross profit margin was primarily due to the increase in the mix of higher margin stock sales, including sales associated with acquired companies.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (INCLUDING DEPRECIATION AND AMORTIZATION). Selling, general and administrative ("SG&A") expenses for the year ended December 31, 1997 were $383.8 million, compared with $336.8 million in 1996. This increase of $47.0 million, or 14.0%, was primarily due to expenses associated with the companies acquired in 1997 and 1996. SG&A expenses as a percentage of sales remained unchanged at 14.8%. Acquisitions with higher SG&A expense rates were offset by cost containment in the Company's core business, as well as cost reductions in the acquired companies. Depreciation and amortization increased by $0.5 million as a result of recent acquisitions.

INTEREST EXPENSE. Interest expense increased by $2.7 million primarily due to the higher levels of borrowings outstanding associated with the acquisitions made since the beginning of 1996, partially offset by lower interest rates during 1997.

INCOME TAXES AND NET INCOME. The effective tax rate was 39.6% for the year ended December 31, 1997 compared to 36.1% for the same period in 1996. The increase in the effective tax rate was primarily due to the reduction of a valuation allowance for deferred tax assets in 1995 and 1996, which had the effect of reducing the income tax rate during those periods. The Company began its operations as a stand-alone entity in early 1994 with no history of generating taxable income. Accordingly, a valuation allowance was established for the net deferred tax assets that were generated during 1994. In 1995 and 1996, as the Company subsequently demonstrated an ability to utilize such deferred tax assets, the valuation allowance was reduced and had the effect of reducing the effective tax rate for both 1995 and 1996. Since the valuation allowance was reduced to zero during 1996, there was no similar effect on the 1997 tax rate. Net income in 1997 increased $3.7 million, or 11.4%, to $36.2 million from $32.5 million in 1996, primarily as a result of the increase in gross profit, partially offset by the increase in operating expenses and a higher effective tax rate.

1996 COMPARED TO 1995

NET SALES. Sales for the year ended December 31, 1996 were $2,274.6 million, an increase of $417.6 million, or 22.5%, from $1,857.0 million for the year ended December 31, 1995. Approximately 74% of the sales increase was attributable to the seven acquisitions made during 1996 as well as the full-year effect of the two acquisitions made in the second half of 1995. The balance of the sales increase was due to the continued growth in the base of the existing business, with no significant differences in the growth rates of the various markets. Comparable branch sales increased 3.8% during the period, with branches in the United States increasing at a 5.1% rate and Canada declining at a 3.0% rate, reflecting a decline in the Canadian market overall, particularly for the construction project business.

GROSS PROFIT. Gross profit for 1996 of $405.0 million increased 26.2%, or $84.0 million, over the $321.0 million recorded in 1995. The increase in gross profit was primarily due to the increase in sales discussed above. As a percent of sales, gross profit increased to 17.8% in 1996 from 17.3% in 1995. The one-time international construction project discussed above increased the gross profit margin by 0.2 percentage points. Without this project, the Company's gross profit margin would have been 17.6% in 1996. The remainder of this increase in the gross profit margin was attributable to the higher mix of stock sales in the acquired companies, which sales typically have higher margins.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (INCLUDING DEPRECIATION AND AMORTIZATION). SG&A expenses increased $71.5 million, or 27.0%, to $336.8 million in 1996 from $265.3 million in 1995. This increase was primarily due to the expenses associated with the acquisitions discussed above, including $1.7 million of additional amortization of goodwill. As a percent of sales, SG&A expenses increased to 14.8% in 1996 from 14.3%. This increase was primarily due to the higher expense rate of the acquired companies, typically associated with their higher stock sales mix.

INTEREST EXPENSE. Interest expense increased $1.6 million in 1996 to $17.4 million from $15.8 million in 1995 primarily due to the increased level of borrowings outstanding as a result of the nine companies acquired in 1995 and 1996, partially offset by lower interest rates during 1996.

INCOME TAXES AND INCOME BEFORE EXTRAORDINARY CHARGE. The effective tax rate was 36.1% for 1996, compared to 37.0% for 1995. Income before extraordinary charge increased $7.4 million, or 29.5%, to $32.5 million in 1996 from $25.1 million in 1995. This increase was due to the higher sales and gross profit partially offset by the higher selling, general and administrative expenses discussed above.

EXTRAORDINARY CHARGE. During 1996, the Company refinanced its revolving credit facilities and, as a result, wrote off $8.1 million, representing unamortized debt issuance costs net of applicable taxes.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity needs arise from seasonal working capital requirements, capital expenditures, interest and principal payment obligations and acquisitions. The Company has historically met its liquidity and capital investment needs with internally generated funds and borrowings under its existing credit facilities.

For the year ended December 31, 1997, cash used for operating activities was $11.1 million compared to cash provided by operating activities of $15.2 million for the year ended December 31, 1996. The cash used for operating activities was primarily due to the $54.6 million increase in certain components of net working capital offset by the $36.2 million in net income. The $32.6 million increase in receivables was, for the most part, due to the increased level of sales. The $31.7 million increase in inventories was due, in part, to the increased sales and to the increase in the mix of stock sales. Also, the Company increased its inventory investment in its five regional distribution centers by $13.8 million during 1997, primarily in connection with the addition of certain supplier lines historically purchased directly by the branches. This initial increase will be offset as the Company reduces its existing investment in those supplier lines at the branch locations.

Net cash used in investing activities was $22.4 million for the year ended December 31, 1997, compared to $111.0 million for the year ended December 31, 1996. The primary reason for the cash used in investing activities for the periods presented was acquisitions. The Company used $13.9 million and $103.9 million for acquisitions in the periods ended December 31, 1997 and 1996, respectively. The decrease was due to the reduced number of completed acquisitions in 1997 versus 1996.

The Company's capital expenditures, excluding acquisitions, for the year ended December 31, 1997 were $12.4 million as compared to $9.4 million for the year ended December 31, 1996. Such capital expenditures were primarily for branch and distribution center facility improvements, forklifts and delivery vehicles and computer equipment and software. The increase in such expenditures reflects the necessary investments in fixed assets to position the Company for its growth plans. Capital expenditures for fiscal 1998 are expected to total approximately $14.0 million.

The Company is in the process of modifying, upgrading or replacing its computer software applications and systems to accommodate the "Year 2000" changes required for correct recording of dates in the year 2000 and beyond. The Company does not expect that the cost of its Year 2000 compliance program will be material to its financial condition or results of operations. The Company believes that it will be able to achieve compliance by early 1999, and does not currently anticipate any material disruption in its operations. The Company does not currently have any information concerning the compliance status of its suppliers and customers. In the event that any of the Company's significant suppliers or customers do not successfully achieve Year 2000 compliance, the Company's business or operations could be adversely affected.

Cash provided by financing activities decreased $46.1 million to $41.1 million for the year ended December 31, 1997 compared to $87.2 million for the year ended December 31, 1996. The decrease was due to reduced borrowings as a result of fewer completed acquisitions.

At December 31, 1997, the Company had total long-term debt of $294.3 million. This indebtedness consisted of $226.2 million under existing credit facilities, $65.3 million associated with two mortgage notes issued to Westinghouse in connection with the Acquisition, and $2.8 million of notes in connection with certain acquisitions. The weighted average interest rate on the credit facilities at December 31, 1997 was 6.7%. This rate fluctuates with the LIBOR, Bankers Acceptance and Prime based lending rates. The Company funded the $59.5 million aggregate purchase price of two acquisitions that closed in January 1998 through $45.0 million of borrowings under its credit facilities and the issuance of $14.5 million of its unsecured notes, maturing by mid-1999. The mortgage notes mature in February 2001 with interest at approximately 8% per annum, which is computed semi-annually and added to the principal amount of the mortgage notes.

In February 1998, the Company amended certain terms and conditions of its existing credit facilities. The amendment included provisions that permit the Company to borrow up to a maximum of $445 million and release all previously required collateral. The existing credit facilities expire in February 2001 and have no principal payment requirements prior to that date.

Management believes that the Company has adequate resources and liquidity to meet its borrowing obligations, fund all required capital expenditures and pursue its business strategy for existing operations for the foreseeable future. However, the Company may require additional funding in order to pursue significant acquisition opportunities. Such acquisitions may be financed by bank borrowings, public offerings or private

placements of equity or debt securities or a combination of the foregoing and may require the consent of the Company's existing lenders. There can be no assurance that the Company will be able to obtain such funds to finance significant future acquisitions.

INFLATION

The rate of inflation, as measured by changes in the consumer price index, did not have a material effect on the sales or operating results of the Company during the periods presented. However, inflation in the future could affect the Company's operating costs. Price changes from suppliers have historically been consistent with inflation and have had little impact on the Company's profitability.

SEASONALITY

The Company's operating results are affected by certain seasonal factors. Sales are typically at their lowest during the first quarter due to a reduced level of construction activity during the winter months. Sales increase during the warmer months beginning in March and continuing through November. Sales drop again slightly in December as the weather cools and also as a result of reduced level of activity during the holiday season. As a result, the Company reports sales and earnings in the first quarter that are generally lower than that of the remaining quarters.

QUARTERLY INFORMATION

The following table presents unaudited quarterly operating results for each of the Company's last eight quarters as well as the percentage of the Company's sales represented by each item. This information has been prepared by the Company on a basis consistent with the Company's audited financial statements and includes all adjustments (consisting only of normal recurring adjustments) that management considers necessary for a fair presentation of the data. These quarterly results are not necessarily indicative of future results of operations. This information should be read in conjunction with the Company's consolidated financial statements and Notes thereto included elsewhere in this Prospectus.

	QUARTER ENDED							
	MARCH 31		JUNE 30		SEPTEMBER 30		DECEMBER 31	
	(DOLLARS IN MILLIONS)							
1996:								
Sales, net	$477.1	100.0%	$584.6	100.0%	$606.6	100.0%	$606.3	100.0%
Gross profit	89.3	18.7	102.4	17.5	104.0	17.1	109.3	18.0
Income from operations	15.2	3.2	16.9	2.9	16.6	2.7	19.5	3.2
Net income	7.4	1.6	7.7	1.3	7.7	1.3	9.7	1.6
1997:								
Sales, net	$576.7	100.0%	$659.4	100.0%	$680.0	100.0%	$678.7	100.0%
Gross profit	104.4	18.1	114.7	17.4	120.9	17.8	123.9	18.3
Income from operations	14.9	2.6	20.8	3.2	23.4	3.4	21.0	3.1
Net income	6.1	1.1	9.5	1.4	11.0	1.6	9.6	1.4

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financing Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share." This Statement, which is effective for the 1997 financial statements, establishes standards for computing and presenting earnings per share ("EPS") and requires restatement of all prior period EPS data presented. The provisions of SFAS No. 128 have been adopted and the effects are included in the financial statements included elsewhere in this Prospectus.

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," which establishes standards for reporting and displaying comprehensive income and its components. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income

be reported in a financial statement that is displayed with the same prominence as other financial statements. Additionally, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and related disclosures about products and services, geographic areas and major customers. These statements are effective for financial statements for fiscal years beginning after December 15, 1997. Management is currently evaluating the implications of these statements.

THE COMPANY

WESCO is a leading full-line provider of products and related services in the electrical wholesale distribution industry with sales of $2.6 billion in 1997, an increase of more than $1 billion since 1993. With its blend of national capabilities and extensive local geographic coverage, WESCO specializes in developing combined product and service solutions tailored to meet the specific needs of each of its customers. WESCO is the second largest electrical wholesale distributor in North America and a leading consolidator in this highly fragmented, $67 billion industry. Through a network of approximately 330 branches located in 48 states and nine Canadian provinces, supported by five regional distribution centers, WESCO is able to serve virtually the entire U.S. and Canadian market. WESCO is particularly well positioned to meet the complex procurement needs of multi-site customers seeking total supply chain cost reduction through preferred alliances with fewer suppliers.

WESCO offers a broad range of electrical, industrial and data communications products and services to a large and diversified customer base including (1) industrial companies from numerous manufacturing and process industries and original equipment manufacturers ("OEMs"), including manufacturers of factory-built homes and other modular structures, (2) contractors for industrial, commercial and residential projects, (3) investor-owned utilities, municipal power authorities and rural electric cooperatives and (4) commercial, institutional and governmental customers. WESCO maintains over 130,000 active customer accounts, and stocks and distributes over 210,000 products, sourced from over 6,000 suppliers, ranging from basic wire to advanced automation and control products. WESCO complements its product offerings with a range of services and procurement solutions, including integrated supply, where it manages all aspects of the customer's supply process, and electronic commerce, where it employs technology to streamline business transactions.

Since CDW acquired WESCO in 1994, management has realigned operations to achieve substantial growth in sales and profitability. Under its new leadership, WESCO (1) reconfigured its branch network to focus on key customer markets, (2) significantly expanded its National Accounts marketing program, (3) launched the industry's most active acquisition program and (4) implemented a new incentive system for branch managers and sales personnel. As a result of these actions, sales have increased to $2.6 billion in 1997 from $1.6 billion in 1993, a compound annual growth rate of 13.4%, and operating income has increased to $80.1 million in 1997 from a loss of $11.0 million in 1993. Since August 1995, WESCO has completed 13 acquisitions adding more than $650 million in annualized sales. In addition, for information about the Company by geographic area, see Note 17 to the company's consolidated financial statements.

INDUSTRY OVERVIEW

The electrical wholesale distribution industry serves customers in the industrial, commercial, construction and utility markets. Electrical wholesalers provide logistical and technical services for customers by bundling together a wide range of products typically required for the construction and maintenance of electrical supply networks, including wire, lighting, distribution and control equipment and a wide variety of electrical supplies. The wholesale channel enables customers to efficiently access a broad range of products and has the capacity to deliver value-added services. Customers now expect distributors to provide a broader and more complex package of services as they seek to outsource non-core functions and achieve measurable cost savings in purchasing, inventory and supply chain management. As a result, electrical wholesalers have approximately doubled their share of total electrical products sold in the United States during the period 1972 to 1997, and sales by electrical wholesalers now represent approximately 60% of the U.S. electrical market.

The electrical wholesale distribution industry in the United States is large, growing and highly fragmented. Industry sources estimate total electrical wholesale distributor sales at $67.3 billion for 1997, which represents a 10.2% compound annual growth rate over 1993 sales of $45.6 billion. The four largest wholesale distributors in the United States, including WESCO, control only 14% of total industry sales. No single distributor accounts for more than 5% of industry sales, and 57% of such sales are generated by distributors with less than $21 million

in annual sales. In contrast, the much smaller Canadian market has achieved a high degree of concentration, with the top four distributors, including WESCO's Canadian branches, representing approximately 64% of the market. In the United States, electrical distribution is still in the early stages of consolidation, unlike many other wholesale distribution industries which have undergone substantial consolidation in the past two decades, including electronics, pharmaceuticals, laboratory and medical products, foodservice and grocery supply.

WESCO, by virtue of its national and local capabilities, financial resources and focused acquisition strategy, has the opportunity to lead industry consolidation and capitalize on customer demand for value-added services and procurement outsourcing.

BUSINESS STRATEGY

WESCO's mission is to become the preeminent wholesale distributor of electrical and other products in each of its chosen markets by tailoring its product and service offerings to meet the differing requirements of its targeted customers. WESCO's fundamental business goal is to achieve growth in sales and profitability that is consistently above the industry average, through marketing and acquisition initiatives, leveraging its fixed cost structure and purchasing power, and improving working capital management. To achieve that goal, WESCO's business strategy emphasizes six elements:

.LEVERAGE NATIONAL COORDINATION AND SCALE

WESCO, with its national branch network in both the United States and Canada and the scale such network affords, has several competitive advantages:

NATIONAL ACCOUNTS. WESCO offers multi-site agreements with the scope required by National Accounts--major customers such as Fortune 500 industrials and large utilities, who seek to coordinate their MRO supplies purchasing activity across multiple locations. National Accounts generated over $395 million in sales in 1997, representing a compound annual growth rate of 25% since 1995.

PREFERRED SUPPLIER AGREEMENTS. WESCO enters into favorable preferred supplier agreements which provide for improved payment terms, volume rebates, marketing programs and geographic franchises.

SPECIALIZED SALES FORCES. WESCO has specialized and technical sales forces to meet specific customer needs in National Accounts, data communications, automation and control, energy management, integrated supply and major construction projects. These sales forces are deployed and coordinated nationally to support marketing initiatives, program management and value-added services at the local branch level.

REGIONAL DISTRIBUTION CENTERS. WESCO provides same-day shipment of a broad range of products to branches and direct to customers from five regional distribution centers, offering opportunities for economies in logistics and inventory management.

.ENCOURAGE LOCAL ENTREPRENEURSHIP AND FLEXIBILITY

A distributor's reputation is often determined at the local level, where timely supply and customer service are critical. Accordingly, WESCO grants its branch managers substantial autonomy in directing the branch sales force, configuring inventories, selecting markets served and developing local service options. Branches operate as separate profit and loss centers. WESCO's incentive system strongly encourages growth and profitability at the branch level, with a significant portion of the branch manager's compensation incentive based.

While WESCO grants its branches a high degree of independence, they directly support and participate in national initiatives such as National Account sales, expansion of data communications product sales and marketing promotions with select manufacturers. Branches also benefit from standardized computer systems, preferred supplier agreements negotiated at the national level and a WESCO-sponsored quality initiative that has led to ISO 9002 certification for 85 branches. ISO 9002 certification is a quality measurement system based on standards set by an international federation composed of national bodies from approximately 100 countries. Almost every manufacturing, distribution and service organization is eligible to apply for ISO certification. WESCO believes it has more separately certified ISO 9002 locations than any other electrical distributor in North America.

.DELIVER VALUE-ADDED SERVICES

WESCO offers a comprehensive portfolio of supply management services designed to create measurable value for its customers, including (1) assignment of on-site support personnel, (2) outsourcing of the entire MRO purchasing process, (3) inventory optimization programs, (4) participation in joint cost savings teams, (5) energy-efficient product upgrades, (6) safety and product training for customer employees and (7) process improvements using automation solutions. Such services are in increasing demand from industrial and utility customers seeking to improve asset utilization and reduce operating costs.

In addition, WESCO is able to add accuracy and efficiency to its customer transactions by incorporating technologies such as electronic data interchange ("EDI"), electronic cataloging (such as CD-ROM and Internet ordering), on-line order entry and barcoded inventory replenishment.

.FOCUS ON MARKETS WHERE WESCO HAS DEVELOPED DISTINCTIVE COMPETENCIES

WESCO has developed distinctive competencies in several markets by aligning its branch network by principal market served. Business strategies, specialized personnel and locally tailored inventories are designed to match each market's requirements. WESCO targets customers with large, complex service and supply requirements in all markets where sophisticated sourcing, project management and logistical support are needed. To serve such customers effectively, WESCO leverages its national capabilities, extensive local penetration and breadth of products and services offered.

In the industrial market, WESCO has created a large National Accounts organization and networks of branch managers who share best practices for automotive, pulp and paper, petrochemical, steel, mining and food processing customers. In the construction market, WESCO enjoys a strong reputation for supporting customers on larger commercial and industrial projects with design assistance, cost estimating, sourcing and project management.

In the utility market, cost and competitive pressures caused by industry deregulation have created an opportunity for WESCO to provide both MRO supplies and specialized electrical transmission and distribution products to large utilities, who expect wholesalers to supply both outsourced services and the distinctive products needed for maintenance of the electrical network. Large investor-owned utilities, who have traditionally bought directly from manufacturers, are under pressure to reduce their asset base and are shifting purchases to distributors such as WESCO, who can help optimize inventory levels and reduce costs. The Company believes that it is the leading electrical wholesaler in this market.

WESCO is a leading electrical wholesaler in the manufactured structures market, with a dedicated 17-branch network that provides just-in-time supply of both electrical and non-electrical products.

.DRIVE CONTINUOUS IMPROVEMENT IN PRODUCTIVITY AND PROFITABILITY

WESCO believes a successful business strategy must include a commitment to continuous improvement in productivity and profitability. WESCO Company is emphasizing the widespread use of innovative and disciplined approaches to managing its business processes, employee productivity and capital efficiency. These continuous improvement initiatives include (1) regular "zero based" re-evaluations of all facets of its business infrastructure, (2) activity-based costing to more accurately measure and enhance profitability by customer, supplier and other categories, (3) enhanced coordination of inventory management among suppliers, branches and regional distribution centers, (4) benchmarking, using competitive analysis and world-class best practices to set appropriate standards for expense management, working capital and employee and overall productivity, (5) increased investment in targeted areas such as sales force management and company-wide training and development and (6) application of technology to enhance information and decision support systems.

.LEAD INDUSTRY CONSOLIDATION

WESCO actively pursues acquisitions that complement its existing business. WESCO's acquisition strategy has been to (1) accelerate expansion into key growth markets, (2) add important new customers, (3) enhance sales of acquired branches by immediately broadening the product and service mix, (4) expand local

presence to better serve existing customers, (5) increase scale and breadth of relationships with manufacturers and (6) leverage existing infrastructure. WESCO considers strategic acquisitions on a continuous basis. Since August 1995, WESCO has completed 13 acquisitions with 89 branch locations and annualized sales of more than $650 million. Furthermore, as a result of these acquisitions, WESCO has added major supplier relationships with Allen-Bradley, General Electric and Square D.

STRATEGY FOR CONTINUED GROWTH

WESCO has increased sales by more than $1 billion since year-end 1993, a compound annual growth rate in excess of 13%. WESCO's plans for continued growth are as follows:

.EXPAND PRODUCT AND SERVICE OFFERINGS

WESCO intends to build on its demonstrated ability to introduce new products and services to meet customer demands and market opportunities. For example, WESCO plans to expand its presence in the data communications market. The premise wiring systems market, a product category of the total data communications market, is large and growing, with estimated 1997 U.S. sales of $2.6 billion, representing a compound annual growth rate since 1993 of approximately 14%. In the past two years, WESCO has significantly increased its focus on this market, generating sales of $83 million in 1997. Led by its dedicated data communications sales team of approximately 70 people, and leveraging its general sales force, WESCO intends to expand sales to new and existing customers, as well as broaden its offerings into other data communications product lines, such as outdoor wiring systems, active components and processors.

In addition, WESCO plans to expand the number of integrated supply programs with new and existing accounts. Given the success of its integrated supply initiatives to date and the rapid growth in the demand for such services anticipated by industry sources, WESCO sees a major opportunity to develop additional customer relationships by leveraging its comprehensive service and supply expertise.

.GROW NATIONAL PROGRAMS

WESCO has well-established National Account relationships with approximately 300 companies. National Accounts provide ongoing revenue through strategic multi-year agreements. WESCO believes that it can expand revenue generated by its National Accounts program by (1) increasing its penetration of existing National Accounts, (2) shortening ramp-up time to full implementation, (3) adding new products to existing MRO agreements, (4) expanding agreements to include capital projects and (5) extending the program to new customers.

In addition, through its Major Projects Group, WESCO plans to intensify its focus on large construction projects, such as new stadiums, industrial sites, wastewater treatment plants, airport expansions, healthcare facilities and prisons. WESCO intends to secure new contracts through (1) aggressive national marketing of WESCO's demonstrated project management capabilities, (2) further development of relationships with leading construction and engineering firms and (3) close coordination with National Account customers on their renovations and new construction projects.

.GAIN SHARE IN KEY LOCAL MARKETS

WESCO has identified key geographic markets with a substantial base of potential customers and will use a combination of acquisitions, new branch openings and heightened sales and marketing efforts to gain market share. WESCO's executive marketing team, together with local branch managers, will work to expand WESCO's program of detailed market analysis and opportunity identification on a branch-by-branch and product line basis. In addition, WESCO intends to leverage relationships with preferred suppliers to increase sales of their products in local markets through various initiatives including (1) sales promotions, (2) cooperative marketing efforts, (3) direct participation in National Accounts implementation, (4) dedicated sales forces and (5) product exclusivity.

.EXECUTE ACQUISITION STRATEGY

WESCO intends to lead consolidation in the fragmented electrical wholesale distribution industry. Since adopting its acquisition strategy in August 1995, WESCO has been successful in adding more than $650 million in annualized sales, and will continue to evaluate acquisition opportunities to achieve the strategic objectives outlined under "--Business Strategy." After the Offerings, the ability, where appropriate, to use its shares to finance acquisitions should give WESCO access to an expanded range of possible acquisitions. WESCO seeks acquisitions that will be accretive to earnings and will significantly complement the organic growth of the business. The 13 acquisitions completed by WESCO to date have collectively been accretive to its earnings.

. ACCESS INTERNATIONAL OPPORTUNITIES

WESCO believes in a pragmatic and profitable expansion of sales outside the United States and Canada. WESCO intends to limit risk and maximize profit opportunities, principally by following its National Account customers and key suppliers into their non-U.S. markets. For example, WESCO has opened a branch in Mexico City, where many current customers have plant operations and where WESCO has been granted the highly regarded Allen-Bradley franchise. Other opportunities to grow international sales include expanding the network of independent export sales representatives outside of North America, increasing the number of North American-based export sales offices and building closer relationships with global engineering, procurement and constructions firms.

ACQUISITIONS

In mid-1995 WESCO launched its program to make acquisitions that complement its existing business. See "--Business Strategy." Since August 1995, WESCO has completed 13 acquisitions, with 89 branch locations and annualized sales of over $650 million. These acquisitions and the key rationale for each are summarized below.

YEAR	COMPANY	HEADQUARTERS	NUMBER OF BRANCHES	ANNUAL SALES (1) (MILLIONS)	KEY RATIONALE
1995	Fife Electric	Detroit, MI	1	$ 42	Capitalized on strong relationships with auto manufacturers and introduced Square D franchise.
	Manufactured Housing Supply	Monroe, NC	1	5	Expanded product offering for Manufactured Structures customers.
1996	Murco, Inc.	Monroe, LA	3	14	Leveraged systems integration capabilities with paper and wastewater customers.
	Standard Electric Company, Inc.	Bangor, ME	9	25	Improved coverage of pulp and paper National Accounts.
	EESCO, Inc.	Chicago, IL	36	288	Increased Midwest industrial presence and introduced Allen-Bradley franchises.
	Hamby-Young	Aurora, OH	2	22	Introduced turn-key substation capabilities into WESCO's branch network.
	Nevada Electric Supply	Las Vegas, NV	1	5	Expanded into growing Las Vegas market.
	Power Supply, Inc.	Houston, TX	5	20	Enhanced utility market share in Texas.
	Ace Electric	Jacksonville, FL	11	44	Expanded Allen-Bradley franchise in the Southeast.
1997	Diversified Electric	Little Rock, AR	2	28	Further consolidated utility leadership in Southeast.
	Maydwell & Hartzell	Brisbane, CA	7	24	Built utility leadership in West.
1998	Avon Electrical Supplies, Inc.	Hauppauge, NY	2	80	Expanded presence in metropolitan New York.
	Brown Wholesale Electric Company	Sun Valley, CA	9	70	Expanded industrial/construction market share in Southwest.
		TOTAL	89	$667	

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(1) Represents WESCO's estimate of annual sales volume at the time of acquisition, based on WESCO's review of internal and/or audited statements of the acquired business.

The largest acquisition completed to date was EESCO, Inc. ("EESCO"), the eighth largest electrical wholesale distributor in the United States at the time it was acquired by WESCO in April 1996. As a result of the EESCO acquisition, WESCO increased coverage in the key Chicago and Minneapolis markets, developed important new supplier relationships (Allen-Bradley and General Electric), increased scale and realized cost savings through the consolidation of branches and the reduction of selling, general and administrative expenses. WESCO has substantially increased the sales and profitability of EESCO by (1) increasing investment capital for new and existing EESCO branches, (2) expanding EESCO's technical support group and (3) including EESCO branches in National Account programs and preferred supplier agreements. Since its acquisition, EESCO's annual net sales have increased to $341 million for 1997 from $288 million for 1995.

In January 1998, WESCO acquired the electrical distribution businesses of Avon Electrical Supplies, Inc., and its affiliates ("Avon Electrical") and Brown Wholesale Electric Company ("Brown Wholesale"). Avon Electrical, operating at two branch locations, is a leading distributor in the New York metropolitan area. Brown Wholesale operates from seven branch locations in California and Hawaii and two in Arizona, where it is the leader in the high-growth Phoenix market. These acquisitions will add approximately $150 million in annualized

sales. WESCO funded the aggregate purchase price of approximately $59.5 million through $45.0 million in borrowings under its existing credit facilities, and issuing $14.5 million aggregate principal amount of its unsecured notes, maturing by mid-1999. Up to $5 million of such notes may be converted to shares of Class A Common Stock at the initial public offering price at the election of the holder, which election is required to be made prior to the Offerings. In connection with the Avon Electrical acquisition, two principals of the seller purchased an aggregate 1,992 shares of Class A Common Stock at a purchase price of $250.97 per share.

PRODUCTS AND SERVICES

WESCO's network of branches and distribution centers contains approximately 210,000 unique product stock keeping units ("SKUs"), and the average branch routinely maintains in its warehouse stock approximately 4,000 to 8,000 SKUs. The six major product groups currently distributed are (1) supplies, including fuses, terminals, connectors, boxes, fittings, tools, lugs and tapes, (2) distribution equipment, including circuit breakers, transformers, switchboards, panelboards and busway, (3) lighting, including lamps, fixtures and ballasts, (4) wire and conduit, including wire, cable, steel conduit and PVC conduit, (5) control, automation and motors, including motor control centers, drives, programmable logic controllers, pushbuttons and operator interfaces, and (6) data communications, including premise wiring, patch panels, terminals, connectors, hubs and routers. WESCO's sales mix by product group for 1997 was as follows:

PRODUCT	PERCENT OF 1997 SALES
Supplies	25%
Distribution Equipment	23
Wire & Conduit	22
Lighting	19
Control, Automation & Motors	8
Data Communications	3

In conjunction with product sales, WESCO offers customers a menu of services and procurement solutions that draws on its product and supply management expertise and systems capabilities. These services range from multi-site National Account programs to on-site integrated supply.

NATIONAL ACCOUNTS. WESCO's national platform, strong branch network and product breadth give it the capacity to offer multi-site agreements with the scope required by National Accounts--major customers such as Fortune 500 industrials and large utilities. The typical National Account customer seeks total supply chain cost reductions by coordinating purchasing activity for MRO supplies across multiple locations. Through rigorous selection processes, these customers dramatically reduce their electrical supply base--often from several hundred suppliers to just one--with expectations for measurable cost reductions, high levels of service and consistent product and pricing across all locations.

As a result of its implementation processes, WESCO is able to consistently document double-digit savings within the first year of program launch. Comprehensive roll-out plans establish jointly-managed implementation teams at the local and national level to prioritize activities, track progress against objectives, and identify key performance measures. WESCO is increasingly involving its preferred suppliers early in the implementation process, where they can contribute expertise and product knowledge to accelerate program ramp-up and the capture of savings. In the first year of its relationship with a 17-location National Account customer in the pulp and paper industry, for example, WESCO documented savings of more than 17% over 12 savings categories, including unit price reductions, inventory reductions, energy savings and application engineering.

In another instance, WESCO's sales to a National Account customer in the petrochemical industry have grown steadily from $4.4 million in 1994 to $14 million in 1997. WESCO documented total cost savings of $1.4 million as a result of its initiatives at the customer's ten major refineries. During 1997, WESCO delivered

additional savings through a variety of continuous improvement initiatives, including remote electronic updates of contract pricing in the customer's computer system and product standardization for high-volume commodities. WESCO's performance has led to international supply opportunities with this customer.

INTEGRATED SUPPLY PROGRAMS. WESCO's integrated supply programs offer customers a variety of services to support their objectives for improved supply chain management. WESCO integrates its personnel, product and distribution expertise, electronic technologies and service capabilities with the customer's own internal resources to meet particular service requirements. Each integrated supply program is uniquely configured to deliver a significant reduction in the number of MRO suppliers, reduce total procurement costs, improve operating controls and lower administrative expenses.

WESCO can act as the customer's "integrator," responsible for selecting and managing suppliers of a wide range of MRO and OEM products. WESCO may also develop a customer's integrated supply program in collaboration with one or more distributors of complementary product lines. Major national distributors have joined with WESCO in both formal and informal "alliances" to generate cross-sales opportunities, share market expertise and execute integrated supply agreements. In one case, a petrochemical customer directed WESCO, which was already furnishing electrical and related supplies to its West Coast refinery, to work with a safety distributor and a pipe, valve, and fitting distributor to jointly design and operate an "integrated supply warehouse." Three on-site specialists, one from each company, now manage the customer's inventory, make daily deliveries to over 100 use points, and replenish parts bins throughout the refinery.

ELECTRONIC COMMERCE. WESCO enhances its ability to service customers accurately and efficiently by incorporating technologies such as EDI, electronic mail, electronic cataloging (such as CD-ROM and Internet ordering), direct order entry and barcoded bin labelling to streamline inventory replenishment. WESCO also employs technological and logistical innovations in its internal operating processes to improve customer service, including paperless warehousing, cross-docking, barcoding and automatic stock replenishment.

SUPPLIERS AND PURCHASING

WESCO's supplier relationships are strategically important to WESCO, providing access to a wide range of products, technical training and sales and marketing support. Manufacturers often take an active role in marketing products to the customer by deploying their own sales force and/or independent manufacturers' representatives to work together with wholesalers. WESCO's rapid growth, size, geographic scope and marketing initiatives with large, high profile customers make it an attractive partner for manufacturers. As a result, WESCO has been able to negotiate broad access to most product lines, including preferred arrangements with regard to volume discounts, payment terms, marketing support and logistics.

WESCO purchases products from a diverse group of over 6,000 suppliers. Through December 31, 1997, ten suppliers accounted for 45% of the Company's purchases, with 200 suppliers accounting for 85% of purchases. The largest of these was Eaton Corporation, through its Cutler-Hammer division, successor to the Distribution and Control Business Unit of Westinghouse, accounting for 18% of total purchases. No other supplier accounted for more than 2%. WESCO's ten largest suppliers, based on 1997 purchases through December 31, 1997, and their principal product lines are as follows:

SUPPLIER	PRODUCT LINE
Cutler-Hammer	Distribution and Control
Allen-Bradley	Control and Automation
Asea Brown Boveri	Transformers
Philips Lighting	Lamps
Southwire Company	Wire and Cable
Cooper Lighting	Lighting Fixtures
Thomas & Betts	Supplies
Lithonia Lighting	Lighting Fixtures
Crouse Hinds	Fittings
General Electric	Lamps

WESCO has preferred supplier agreements with approximately 150 of its suppliers, and purchases approximately 60% of its stock inventories from suppliers pursuant to these agreements. Consistent with industry practice, most of WESCO's agreements with suppliers, including both distribution agreements and preferred supplier agreements, are terminable by either party on no more than 60 days notice. See "Risk Factors--Key Suppliers; Maintenance of Supply; Interruption of Distribution Center Operations."

In order to capitalize on its buying power as a national network, WESCO has increasingly centralized buying by moving a larger proportion of branch stock through its five regional distribution centers. To preserve local flexibility in tailoring their inventories to meet local customer requirements, branches are offered the option of purchasing a choice of competing lines from the distribution centers.

WESCO has a product management group to manage key supplier relationships, including negotiating preferred supplier agreements, managing cooperative marketing funds, organizing product training, developing joint marketing plans with suppliers, evaluating supplier performance and driving continuous improvement programs.

MARKETS AND CUSTOMERS

WESCO has a large customer base diversified across its principal markets, and maintains current credit files on approximately 130,000 accounts. With no customer accounting for more than 2% of sales, WESCO is not dependent on any single customer. WESCO's broad customer base includes (1) industrial companies from numerous manufacturing and process industries, and OEMs, including manufacturers of factory-built homes and other modular structures, (2) contractors for industrial, commercial and residential projects, (3) investor-owned utilities, municipal power authorities and rural electric cooperatives and (4) commercial, institutional and governmental ("CIG") customers.

INDUSTRIAL--MRO CUSTOMERS. Sales to industrial MRO customers accounted for approximately 16% of the electrical wholesale market and, together with original equipment manufacturers, 40% of the Company's sales in 1997. Electrical products are needed to maintain and upgrade the electrical network at all industrial sites. Expenditures are greatest in the heavy process industries, such as pulp and paper and petrochemical. Typically, electrical MRO is the first or second ranked product category by purchase value for MRO. Other MRO product categories might also include, among other things, lubricants; pipe, valves and fittings; fasteners; and power transmission products. MRO activity has been difficult for industrial users to manage, as it is characterized by a fragmented supply base, a high volume of low dollar transactions, poor usage and cost information and relatively high inventory levels. For example, it would not be unusual for a customer to inventory as many as 10,000 MRO SKUs. Furthermore, customers are sensitive to supply reliability, since a lack of critical spares could cause an entire manufacturing process to shut down.

WESCO is responding aggressively to the needs of this market, particularly for the high-use customers in heavy process industries. To more efficiently manage the MRO process on behalf of its customers, WESCO offers a menu of supply management services, including (1) inventory optimization programs, such as product standardization and substitution, (2) joint cost savings teams, (3) outsourcing of the entire MRO purchasing process, (4) energy-efficient product upgrades, (5) product and safety training for customer employees and (6) assignment of on-site support personnel. WESCO's most distinctive service is its National Accounts program, with the ability to offer multi-site agreements to large industrial customers to ensure local supply with nationwide consistency in product and pricing.

INDUSTRIAL--OEM CUSTOMERS. Sales to industrial OEM customers accounted for approximately 9% of the electrical wholesale market in 1997. These customers incorporate electrical assemblies and components into their own products and typically require a reliable, high-volume supply of a narrow range of electrical items. The wholesale channel generally serves the smaller and medium-sized OEMs, while the larger OEMs typically purchase directly from manufacturers. Customers in this segment are price and service sensitive due to the

volume and the critical nature of the product used. OEMs also expect value-added services such as design and technical support, just-in-time supply and electronic commerce. While prices tend to be lower in this market due to usage volume, long-term relationships are typical, which leads to an efficient supply process and stable, high volume.

WESCO addresses this market by (1) providing experienced, technically-oriented sales specialists who assist in product specification and selection, prototype development and supplier coordination, (2) offering supply management services similar to those provided to industrial MRO customers, (3) securing access to product lines that are commonly specified by OEMs, (4) working with suppliers on product application development and (5) offering specialized packaging or kitting services that bring efficiencies to the customer's manufacturing process.

WESCO is the leading electrical wholesaler in the manufactured structures market, a particular type of OEM. For the past several years WESCO has been expanding its service to these customers by offering non-electrical products such as structural components, air conditioning units, plumbing fixtures, cabinets and kitchen ventilation equipment.

ELECTRICAL CONTRACTORS. Sales to electrical contractors accounted for approximately 40% of the electrical wholesale market and approximately 38% of WESCO's sales in 1997. These customers range from large contractors for major industrial and commercial projects, the customer types which WESCO principally serves, to small residential contractors who represent a small portion of WESCO's sales. Electrical products purchased by contractors typically account for approximately 40% to 50% of the total installed cost, and therefore accurate cost estimates and competitive material costs are critical to a contractor's success in winning projects at a profit. Contractors choose wholesale suppliers on the basis of price, availability and various support services such as design assistance, bill of material development, credit policies and inventory management.

WESCO is one of the industry leaders in serving the complex needs of large commercial and industrial contractors, and has established a Major Projects Group to focus some of its most experienced personnel on serving the needs of the top 50 U.S. electrical contractors on a multi-regional basis. WESCO also offers a comprehensive range of services to meet the needs of contractors, including commodity blanket purchase agreements, on-line ordering, CD-ROM catalogs, on-site trailers, lighting and distribution equipment lay-outs and access to low voltage products, especially data communications. WESCO has also worked to strengthen its relationships with independent manufacturers' representatives who provide additional sales coverage, technical assistance and training on behalf of manufacturers.

UTILITIES. Sales to utilities accounted for approximately 4% of the electrical wholesale market and approximately 14% of WESCO's sales in 1997. These customers include large investor-owned utilities, smaller rural electric cooperatives and municipal power authorities. Traditionally, investor-owned utilities have purchased product directly from manufacturers, while smaller rural electric cooperatives and municipal power authorities have been supplied by electrical wholesalers, including WESCO. Both large and small utility customers require relatively high dollar volumes of specialized product to maintain the electrical network. Access to these specialized utility products is limited by geographic franchises granted by manufacturers. These products are, therefore, not generally available to all electrical wholesalers at the pricing required by utility customers.

Recent trends in the utility industry favor utility-oriented electrical wholesalers, such as WESCO. The Company believes that it is the leading electrical wholesaler to this market, with approximately a 13% share. The most important trend is the deregulation of utility power generation, which has forced large utilities to seek better asset utilization and cost savings in all aspects of their operations, including purchasing and supply management. Investor-owned utilities, in focusing on their core business, have moved to outsource certain supply functions to wholesalers in order to reduce costs and enhance cash flow. For example, WESCO has been selected for supply management agreements with ComEd, PECO Energy and Wisconsin Electric Power Company. These agreements generally have terms of 2 to 3 years and an annual contract value of $2 million to $10 million.

COMMERCIAL, INSTITUTIONAL AND GOVERNMENTAL CUSTOMERS. Sales to CIG customers accounted for approximately 21% of the electrical wholesale market and approximately 7% of WESCO's sales in 1997. This is a fragmented market which includes schools, hospitals, property management firms, retailers (not for resale) and government agencies of all types. These customers typically have less complex product and service needs than

large contractors or industrial and utility customers. WESCO's locally oriented and entrepreneurial branch operations are well positioned to serve these customers. WESCO's National Accounts strategy also extends to multi-site financial institutions, department stores and amusement parks. National retail or service chains tend to favor distributors such as WESCO who can meet their recurring needs at dozens or hundreds of store or office locations.

OTHER ELECTRICAL CUSTOMERS. Sales to other electrical customers accounted for approximately 10% of the electrical wholesale market and less than 1% of WESCO's sales in 1997. These customers include the general public, retailers (for resale), farmers and other wholesalers.

DATA COMMUNICATIONS CUSTOMERS. The growing market for data communications products includes (1) all aspects of facilities and premise wiring for data networks and (2) electronic devices and processors that transmit and manage the data flowing through a network. Because of the convergence of voice, data, and video applications, the data communications market consists of a wide range of new products and manufacturers that are not included in the estimates for the electrical industry. The premise wiring component of the data communications market is estimated by industry sources to grow to approximately $5 billion in total sales by the year 2001, with as much as $3 billion of this sales potential falling outside the usual projections for the electrical industry.

DISTRIBUTION NETWORK

BRANCH NETWORK. WESCO operates a system of approximately 330 branches, of which approximately 275 are located in the United States, approximately 50 are located in Canada and the remainder are located in Puerto Rico, Mexico and Guam. WESCO also has sales offices in four other international locations and operates a network of branches under management contract in Saudi Arabia. Approximately 30% of branches are owned facilities, and the remainder leased facilities. WESCO's branches were initially opened in markets with a minimum population of 50,000 or in close proximity to major customers. Over the last two years WESCO has opened approximately 15 branches per year, principally to service National Account customers.

The size of individual branches within WESCO's nationwide network varies broadly. In 1997, WESCO's branches had annual sales as high as $66 million, with an average of approximately $8 million. A representative branch employs 10 to 15 people and typically stocks a product mix of 4,000 to 8,000 SKUs, tailored to its local customer base. Customers can place orders at the branches through facsimile, telephone, mail, EDI, on-line order entry or counter appearances.

WESCO grants its branch managers substantial autonomy in directing the branch sales force, configuring inventories, selecting markets served and developing local service options. Branches operate as separate profit and loss centers. A key aspect of WESCO's growth strategy is to encourage higher levels of productivity by creating appropriate economic incentives for branch managers through a mix of bonuses and stock options tied to the branch's growth and profit improvement. Since the Acquisition and the implementation of this incentive system, WESCO's average compensation for branch managers has increased by approximately 60%. See "Management--Stock Option Plan for Branch Employees."

DISTRIBUTION CENTERS. To support its branch network, WESCO has a system of five regional distribution centers ("DCs") which supply approximately 20% of total purchases (45% of stock purchases). The following is a summary description of the DCs:

LOCATION	SQUARE FEET	REGIONS SERVED	LEASED/OWNED
Warrendale, PA	252,699	Eastern United States	Owned and Leased
Sparks, NV	195,800	Western United States	Leased
Byhalia, MS	148,000	Southeastern United States	Owned
Dorval, QE	97,000	Eastern and Central Canada	Leased
Burnaby, BC	34,341	Western Canada	Owned

The DCs add value to customers in the following ways: (1) shorter lead times for product supply; (2) better product availability due to the breadth and depth of stock; (3) same day shipments for orders received up to 8:30 p.m.; and (4) central order handling and fulfillment for certain multi-site customers. In addition to creating value for customers, the DCs improve WESCO's supply chain management through: (1) automatic replenishment of branch stock; (2) on-line ordering for branches; (3) redeployment of slow-moving branch stock; (4) automation of branch purchasing administration; (5) bulk purchasing to achieve order discounts; and (6) advanced distribution techniques such as paperless picking, flow racking, barcoding, weight verification, electronic freight management and cross-docking. Suppliers also benefit from the DCs due to larger order sizes and lower transportation costs. DCs ship to branches every day, for same-day orders or orders previously generated through WESCO's computerized automated stock replenishment system.

TRANSPORTATION AND LOGISTICS. WESCO offers its customers a variety of delivery methods, including: (1) direct shipment from the manufacturer, which is employed for many large orders and engineered products; (2) branch shipment, which is used for the large majority of stock and special order sales; (3) branch pick-up, which is used by some customers, particularly contractors, for their day-to-day business; and (4) shipment from a DC on an exception or emergency basis, since DCs are primarily used to replenish branch stock.

Typically, manufacturers pay freight charges for inbound shipments to DCs, branches or customers. In some instances, prepaid freight terms are contingent upon WESCO meeting certain minimum order requirements. For some suppliers and where it results in lower overall transportation costs, WESCO has negotiated pick-up allowances in lieu of prepaid freight.

SALES ORGANIZATION

GENERAL SALES FORCE. WESCO's general sales force is based at the local branches, and comprises approximately 2,000 sales personnel, split equally between outside sales representatives and inside sales personnel. Outside sales representatives, who have an average of more than eight years of experience at WESCO, are paid under a compensation structure which is heavily weighted towards commissions. They are responsible for making direct customer calls, performing on-site technical support, generating new customer relations and developing existing territories. The inside sales force is the support organization for the outside sales force and is a key point of contact for responding to routine customer inquiries such as price and availability requests and for entering and tracking orders.

NATIONAL ACCOUNTS. WESCO has what management believes to be the largest National Account sales force in the industry, led by an experienced group of sales executives who negotiate and administer contracts, coordinate branch participation, identify sales and service opportunities. National Accounts managers' efforts are aligned by targeted customer industries, including automotive, pulp and paper, petrochemical, steel, mining and food processing.

DATA COMMUNICATIONS. Data communications products are supported by a dedicated sales force of approximately 70 inside and outside representatives who focus primarily on the premise wiring systems market. This team is supported by additional resources in purchasing, inventory management, product training, product management and regional sales management. WESCO also operates a training facility where customers and the general sales force can receive industry-recognized certification in product installation.

INDUSTRIAL AUTOMATION SPECIALISTS. According to industry estimates, sales of automation and control products are growing faster than the overall industry average as technology advances and industrial firms of all types seek more productive processes. The service hallmark of WESCO's EESCO Division is its specialization in automation and control products. Its general sales staff is highly trained in assisting customers with process control applications, and a separate staff of 58 technical support and automation specialists provides sales assistance for analysis, design, specification and implementation. In addition, other WESCO branches which primarily serve industrial MRO and OEM customers draw on a dedicated staff of technically trained industrial automation specialists, who are strategically located in selected high-potential market areas and provide support and assistance to multiple branches. Overall, a total of approximately 90 automation and control specialists are currently employed throughout WESCO.

MAJOR PROJECTS GROUP. In 1995, WESCO established a group of highly experienced sales managers to target, on a national basis, the market for large construction projects with electrical material valued in excess of $1 million. WESCO's approach distinguishes it from almost all of its competitors, who typically handle even the largest construction projects on a local basis. Through the Major Projects organization, WESCO can meet the needs of contractors for complex construction projects such as new stadiums, industrial sites, wastewater treatment plants, airport expansions, healthcare facilities and prisons.

CANADA

To serve the Canadian market, WESCO operates a network of approximately 50 branches in nine provinces. Branch operations are supported by two distribution centers located near Montreal and Vancouver. With sales of approximately US$280 million, Canada represented 11% of total WESCO sales in 1997. The Canadian market for electrical wholesale is considerably smaller than the U.S. market, with roughly US$2.4 billion in total sales according to industry sources. The Canadian market is also far more concentrated than the U.S. market, based on estimated market data, with Westburne (33% share), Guillevin, owned by Consolidated Electrical Distributors (12% share), WESCO's Canadian branches (11% share) and Sonepar (8% share) collectively representing approximately 64% of the market, compared to approximately 14% for the top four U.S. wholesalers.

WESCO's Canadian operations have a strong reputation for serving the needs of medium and large contractors, which in 1997 represented 61% of WESCO's Canadian sales. More recently, WESCO has been successful in growing sales with industrial customers, through marketing of control products and the development and expansion of instrumentation product sales. National Account programs are also being successfully applied to this market, building on WESCO's U.S. experience with industrial customers. Data communications product sales have grown rapidly in Canada from a negligible amount in 1993 to approximately 8% of total Canadian sales in 1997.

INTERNATIONAL

WESCO is continuing to build its international presence outside of the United States and Canada, principally by following its National Account customers and key suppliers into their high-growth markets, thereby limiting start-up risk and maximizing profit opportunity. Other opportunities to grow international sales include expanding and improving the quality of the network of independent export sales representatives outside of North America, increasing the number of North American-based export sales offices and building closer relationships with global engineering, procurement and construction firms. With sales of approximately US$64 million, international sales (excluding Canada) represented 2% of total WESCO sales in 1997. WESCO channels its international sales principally through 13 sales offices, six of which are located within North America (export offices) and seven of which are in international locations, and through sales representatives in 22 foreign countries.

WESCO plans to open additional branches in the Mexico City area, where WESCO has the highly regarded Allen-Bradley franchise for the Federal District and three surrounding states. WESCO estimates that the Mexico City market area represents 40% of total purchases in the $1.5 to $2.0 billion Mexican market.

A sales contact database of the foreign locations of WESCO's National Account customers is under development. It is estimated that over 1,000 plant sites outside of North America will eventually be covered by a direct sales and telemarketing program.

MANAGEMENT INFORMATION SYSTEMS

WESCO's corporate information system, WESCOM, provides low-cost, highly functional processing of business transactions. WESCOM performs services necessary to support the full range of business operations, such as customer service, inventory and logistics management, accounting and administrative support. The system has been upgraded with decision support, executive information system analysis and retrieval capabilities to provide detailed income statement and balance sheet variance and trend reporting at the branch level. The

system also provides activity based costing capabilities for analyzing profitability by customer, supplier, sales representative and shipment type. Sales and margin trends and variances can be easily analyzed by branch, customer, product category, supplier, or account representative.

The WESCOM system is fully distributed, so every branch (other than EESCO branches, which are in the preliminary stages of being integrated) has its own computer system to support local business activities, on a real time basis, from sales quotation to delivery of products to customers. Telecommunication links through a central system in Pittsburgh give each branch access to information on inventory status in WESCO's distribution centers as well as other branches and an increasing number of on-line suppliers.

WESCO conducts a portion of its business through EDI transactions, typically exchanging in excess of 65,000 EDI transactions per month with its trading partners. WESCO's electronic commerce strategy calls for tighter linkages to both customers and suppliers through greater use of technological advances, including Internet and CD-ROM catalogs, barcoding, enhanced EDI, electronic funds transfer and other innovative improvements.

WESCO is in the process of modifying, upgrading or replacing its computer software applications and systems to accommodate the "Year 2000" changes required for correct recording of dates for the year 2000 and beyond. WESCO does not expect that the cost of its Year 2000 compliance program will be material to its financial condition or results of operations. WESCO believes that it will be able to achieve compliance by the end of 1999, and does not currently anticipate any material disruption in its operations. WESCO does not currently have any information concerning the compliance status of its suppliers and customers. In the event that any of WESCO's significant suppliers or customers do not successfully achieve Year 2000 compliance, WESCO's business or operations could be adversely affected.

BACKLOG

WESCO measures and monitors backlog for large construction project orders by reassessing the status of all direct shipment orders at the end of each month. The vast majority of backlog orders will ship within one year. At December 31, 1997, such backlog orders were approximately $309 million as compared to $287 million at December 31, 1996, representing an increase of $22 million, or 8%. Since backlog orders reflect varying ship dates based on customer needs or production schedules, WESCO does not believe changes in the backlog necessarily correlate to the level of future monthly sales. In addition, backlog orders at December 31, 1996 do not reflect backlog orders of branches acquired since that date.

COMPETITION

The electrical wholesale distribution market is highly fragmented and competitive. In the United States, there are currently an estimated 8,000 electrical wholesale distributors with over 16,000 outlets. The four largest distributors, including WESCO, control only 14% of total industry sales. No single distributor accounts for more than 5% of industry sales, and approximately 57% of such sales are generated by distributors with less than $21 million in annual sales. In contrast, the top four distributors in Canada account for 64% of the market. See "Risk Factors--Competition."

WESCO competes directly with national, regional and local distributors. Certain large competitors, distributors such as Graybar Electric Company, Inc., Consolidated Electrical Distributors and GE Supply Company, compete nationally, and offer a broad base of products. Large regional companies in the United States and Canada, such as Rexel, Inc., Crescent Electric Supply Company, Cameron & Barkley Company, Platt Electric Supply Inc., Sonepar and Westburne Inc., are strong competitors within their regions. Certain other competitors, such as W.W. Grainger Inc., which focuses primarily on industrial supplies distribution, overlap with electrical wholesale distributors in some product lines. Distinct from these full-line distributors are niche distributors that carry only certain products such as wire, lighting products, or data communications equipment.

Competition among electrical wholesale distributors is primarily focused on the local service area, and is generally based on product line breadth, product availability and price. WESCO believes that it has certain

competitive advantages over certain of its local competitors, which are not able to carry the range of products stocked by WESCO or achieve purchasing economies of scale. However, some of WESCO's competitors are larger and have access to greater financial and marketing resources than WESCO. Another source of competition is buying groups formed by smaller distributors to increase purchasing power and provide some limited cooperative marketing capability. The two largest of these are Affiliated Distributors, representing an estimated $5 billion of annual electrical wholesale distribution sales, and IMARK, representing an estimated $3 billion of annual sales, based on industry sources. While increased buying power may improve the competitive position of buying groups locally, WESCO does not believe these groups have been able to compete effectively with WESCO for National Account customers due to the difficulty in coordinating a diverse ownership group.

Outside of the wholesale distribution channel, manufacturers employ, and may increase the use of, direct sales and/or independent manufacturers representatives. Some manufacturers with sufficient size, geographic scope and financial and marketing resources may be in a position to offer customers National Account services. Consumer channels such as hardware stores, DIY retail outlets (such as Home Depot), mass merchants and grocery stores also compete for certain customers. Some retail chains, with nationwide purchasing advantages, can in certain product categories offer prices comparable to those of the wholesale distributors, although with a much narrower product offering overall. These channels attract smaller residential contractors who work on projects generally requiring basic electrical supplies. Such contractors represent a small portion of WESCO's sales. WESCO's customers typically require a broader range of products and services than those provided by these retail channels.

EMPLOYEES

As of December 31, 1997, WESCO had approximately 4,700 employees worldwide, of which approximately 4,000 are located in the United States and approximately 700 in Canada and WESCO's other foreign locations. Less than 5% of WESCO's employees are represented by unions. WESCO believes its labor relations to be generally good.

PROPERTIES

In addition to its five regional distribution centers, WESCO leases its 60,389 square foot headquarters in Pittsburgh, Pennsylvania. For a description of the distribution centers, see "--Distribution Network--Distribution Centers." WESCO does not regard the real property associated with any single branch location as material to its operations. WESCO believes its facilities are in good operating condition. WESCO's owned real property, including its three owned distribution centers, serves as collateral for certain mortgage notes issued to Westinghouse in connection with the Acquisition. See "Description of Certain Indebtedness--Mortgage Notes."

INTELLECTUAL PROPERTY

WESCO's trade and service mark, composed of the words "WESCO the extra effort people(R)," together with the running man design, is registered in the United States Patent and Trademark Office, the Canadian Trademark Office and the Mexican Instituto de la Propriedad Industrial. WESCO considers this mark to be material to its businesses.

ENVIRONMENTAL MATTERS

WESCO believes that it is in substantial compliance with applicable Environmental Laws. There are no significant capital expenditures for environmental control matters either estimated in the current year or expected in the near future. See "Risk Factors--Environmental Risks."

LEGAL PROCEEDINGS

WESCO is party to routine litigation incidental to WESCO's business. WESCO does not believe that any legal proceedings to which it is a party or to which any of its property is subject, will have a material adverse effect on WESCO's financial position or results of operations.

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of CDW and WESCO and their respective ages, positions and years of service with the Company (and the Predecessor) are set forth below.

NAME	AGE	POSITION	YEARS WITH THE COMPANY AND WITH THE PREDECESSOR
B. Charles Ames	72	Chairman of the Board	4
Roy W. Haley	51	President and Chief Executive Officer; Director	4
David F. McAnally	42	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer	*
Stanley C. Weiss	68	Executive Vice President, Industry Affairs	1
Steven A. Burleson	38	Vice President, Corporate Controller	3
John R. Burke	49	Vice President, Operations	1
William M. Goodwin	52	Vice President, Operations	20
James H. Mehta	42	Vice President, Business Development	2
James V. Piraino	38	Vice President, Marketing	1
Patrick M. Swed	54	Vice President, Operations	19
Donald H. Thimjon	54	Vice President, Operations	31
Robert E. Vanderhoff	42	Vice President, Operations	13
Jeffrey B. Kramp	38	Corporate Secretary and General Counsel	4
William A. Barbe	39	Director	4
Wiley N. Caldwell	70	Director	4
Alberto Cribiore	52	Director	4
J. Trevor Eyton	63	Director	4
Leon J. Hendrix, Jr.	56	Director	4
Benson P. Shapiro	56	Director	4
Martin D. Walker	65	Director	4

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* Tenure with the Company is less than one year.

Messrs. Ames, Barbe, Caldwell, Cribiore, Eyton, Haley, Hendrix, Kramp, McAnally, Shapiro and Walker hold the same positions with both CDW and WESCO.

Messrs. Weiss, Burleson, Burke, Goodwin, Mehta, Piraino, Swed, Thimjon and Vanderhoff hold these positions with WESCO only.

Mr. McAnally is Treasurer of CDW and WESCO, and Executive Vice President, Chief Operating Officer and Chief Financial Officer of WESCO only.

Set forth below is biographical information for the executive officers and directors of CDW and WESCO listed above.

B. CHARLES AMES has been Chairman of CDW and WESCO since February 1994. Mr. Ames is a principal of CD&R and a general partner of Clayton & Dubilier Associates IV Limited Partnership ("Associates IV"), the general partner of Fund IV. From January 1988 to May 1990, Mr. Ames served as Chairman and Chief Executive Officer of The Uniroyal Goodrich Tire Company. From July 1983 to October 1987, Mr. Ames served as Chairman of the Board, President and Chief Executive Officer of Acme-Cleveland Corporation, a manufacturer of machine tools, telecommunication equipment and electrical and electronic controls. Mr. Ames is a director of M. A. Hanna Company, and the Progressive Corporation. Mr. Ames is also a Director of Lexmark International, Inc. and its parent Lexmark International Group, Inc., and Riverwood International Corporation and its parent, Riverwood Holding, Inc., companies in which investment funds managed by CD&R have investments.

ROY W. HALEY has been President and Chief Executive Officer of CDW and WESCO since February 1994. Prior to joining the Company, from 1988 to 1993, Mr. Haley was an executive at American General Corporation, a diversified financial services company, where he served as Chief Operating Officer and as President and Director. Between 1989 and 1991, Mr. Haley was President and Chief Executive Officer of American General Finance, Inc., a consumer finance company. Previously Mr. Haley was a partner with Arthur Andersen & Co., working as a management consultant principally for manufacturing and distribution clients.

DAVID F. MCANALLY has been Executive Vice President, Chief Operating Officer and Chief Financial Officer of WESCO and Treasurer of CDW and WESCO since December 1997. Prior to joining WESCO, from 1996 to November 1997, Mr. McAnally was Senior Vice President, Chief Financial Officer of Rykoff-Sexton, Inc., a foodservice distribution company. Between 1992 and 1996, Mr. McAnally was Senior Vice President and Chief Financial Officer of U.S. Foodservice, Inc., also a foodservice distribution company.

STANLEY C. WEISS has been Executive Vice President Industry Affairs since April 1996. From 1956 to April 1996, Mr. Weiss held a number of senior executive positions at EESCO, most recently Chairman of the Board and Chief Executive Officer.

STEVEN A. BURLESON joined WESCO in January 1995 as Corporate Controller and became Vice President and Corporate Controller in 1997. From 1990 to 1995, Mr. Burleson was Vice President and Treasurer of The Bon-Ton Stores, Inc. in York, Pennsylvania.

JOHN R. BURKE has been Vice President, General Manager of WESCO's EESCO Division since April 1996. Prior to joining WESCO, Mr. Burke was a Vice President of EESCO, an electrical distributor acquired by the Company in April 1996. Prior to joining EESCO in 1986, Mr. Burke occupied various positions with General Electric Corporation, where he began his career in 1973.

WILLIAM M. GOODWIN has been Vice President, International Group of WESCO since March 1984. Since 1977, Mr. Goodwin has served as a branch, district and region manager for WESCO in various locations and also served as Managing Director of WESCOSA, a former Westinghouse manufacturing and distribution business in Saudi Arabia.

JAMES H. MEHTA has been Vice President, Business Development of WESCO since November 1995. Prior to joining WESCO, from 1993 to 1995 Mr. Mehta was a principal with Schroder Ventures, a private equity investment firm based in London, England. From 1991 to 1993 he was managing private family investments. From 1988 to 1990 Mr. Mehta was Vice President, Corporate Development with the Uniroyal Goodrich Tire Company, and from 1990 to 1991 he was a consultant to CD&R.

JAMES V. PIRAINO has been Vice President, Marketing since joining WESCO in August 1996. From 1995 to 1996, Mr. Piraino was a Vice President of AlliedSignal Corp. From 1989 to 1995, Mr. Piraino occupied marketing and sales management positions with W.W. Grainger, Inc. Prior to joining W.W. Grainger, Inc., Mr. Piraino worked in product and sales management with General Electric Corporation, where he began his career in 1981.

PATRICK M. SWED has been Vice President, Industrial Group of WESCO since March 1994. Prior to joining WESCO, Mr. Swed had been Vice President of Branch Operations for the Predecessor from 1991 to 1994. Mr. Swed joined Westinghouse as a sales engineer in 1966 and first moved to the Predecessor in 1978 as a division marketing manager.

DONALD H. THIMJON has been Vice President, Utility Group of WESCO since March 1994. Prior to joining WESCO, Mr. Thimjon served as Vice President, Utility Group for the Predecessor from 1991 to 1994 and as Regional Manager from 1980 to 1991.

ROBERT E. VANDERHOFF has been Vice President, Manufactured Structures Group since March 1994. Prior to joining WESCO, Mr. Vanderhoff had been Vice President of the Predecessor since April 1993. Prior to 1993, Mr. Vanderhoff acted as District Manager from 1990 to 1993, Branch Manager from March to June 1990 and Account Executive from 1986 to 1990 of the Predecessor.

JEFFREY B. KRAMP has been Corporate Secretary and General Counsel of CDW and WESCO since March 1994. From 1987 to February 1994 Mr. Kramp served as Assistant General Counsel at Westinghouse, with WESCO as his primary legal responsibility during this time period.

WILLIAM A. BARBE has been a Director of CDW and WESCO since February 1994. Mr. Barbe is a principal of CD&R, which he joined in November 1992. Mr. Barbe is also a general partner of Associates IV, the general partner of Fund IV and a director of Kinko's, Inc., a company in which an investment fund managed by CD&R has investments. Mr. Barbe was a Vice President, Corporate Finance Department of Smith Barney, Harris Upham & Co., an investment banking firm from 1990 to 1992. Prior to 1990, Mr. Barbe was a Vice President, Corporate Finance Department, of Drexel Burnham Lambert, Incorporated.

WILEY N. CALDWELL has been a Director of CDW and WESCO since December 1994. Mr. Caldwell is the retired former President of W.W. Grainger, Inc. Prior to his 15 year tenure with W.W. Grainger, Inc., Mr. Caldwell held senior U.S. and international marketing and operations positions with American Hospital Supply Corporation. He serves as a Director of APS Holdings, Inc., Consolidated Papers, Inc. and Kewaunee Scientific Corporation.

ALBERTO CRIBIORE has been a Director of CDW and WESCO since March 1994. Mr. Cribiore was a principal of CD&R from 1985 to March 1997 and a co-President of CD&R from 1995 to March 1997. Mr. Cribiore recently formed Brera Capital Partners LLC, a private equity investment firm in New York, and serves as its Managing Principal. Mr. Cribiore is also the Chairman and a Director of MCM Group, Inc. and its wholly-owned subsidiary, McCarthy, Crisanti & Maffei, Inc., and also serves as a Director of Riverwood International Corporation and its parent Riverwood Holding, Inc., a company in which an investment fund managed by CD&R has investments.

J. TREVOR EYTON, a member of the Canadian Senate, has been a Director of CDW and WESCO since July 1994. Senator Eyton has been a senior officer in the EdperBrascan Corporation and its predecessor corporations since September 1979, most recently as Chairman of Brascan Ltd. from May 1991 to September 1997, and since that time as Senior Chairman. Senator Eyton has also served as a member of the Canadian Senate since September 1990, and is a director of Brookfield Ltd. and M.A. Hanna Company.

LEON J. HENDRIX, JR. has been a Director of WESCO since March 1994 and of CDW since May 1994. He is a general partner of Associates IV, the general partner of Fund IV and a principal of CD&R, which he joined in November 1993. Mr. Hendrix is the Chief Executive Officer and a Director of Remington Arms Company, Inc., and its parent RACI Holding, Inc., a company in which an investment fund managed by CD&R has an investment. Mr. Hendrix was Chief Operating Officer of Reliance Electric Company from 1992 to 1993, Executive Vice President of Reliance Electric Company from 1989 to 1992 and Vice President, Corporate Development of Reliance Electric Company from 1986 to 1989. Mr. Hendrix also serves as a Director of Keithley Instruments, Inc., National City Bank of Cleveland, NACCO Industries Inc., Cambrex Corporation and Riverwood International Corporation and its parent Riverwood Holding, Inc., a company in which an investment fund managed by CD&R has investments. Mr. Hendrix is a member of the Board of Trustees of Clemson University.

BENSON P. SHAPIRO has been a Director of CDW and WESCO since July 1994. Mr. Shapiro has been an independent management consultant since July 1997. He previously served as the Malcolm P. McNair Professor of Marketing at the Harvard Business School where he was a professor from July 1970 to June 1997. Mr. Shapiro is an authority on marketing strategy and sales management with particular interests in marketing organization, product line planning, pricing, and national account sales strategies. He is the author, co-author or editor of 12 books and 19 Harvard Business Review articles. He performs research on product line planning, pricing, interfunctional coordination, and strategic account selection and management. Mr. Shapiro is also a member of the Board of Directors of United Stationers, Inc.

MARTIN D. WALKER has been a Director of CDW and WESCO since March 1994. He retired in 1997 from M.A. Hanna Company, where he had been Chairman and Chief Executive Officer since 1986. Mr. Walker is also a Director of Comerica, Inc., The Goodyear Tire & Rubber Company, M.A. Hanna Company, LifeStyle Furnishings International Ltd., Meritor Automotive, Inc., The Reynolds & Reynolds Company, Textron Inc., The Timken Company, and Lexmark International, Inc., a company in which Fund IV has an investment.

COMPOSITION OF BOARD AND COMMITTEES

The Board of Directors of CDW and WESCO (the "Board") has three standing committees: an Executive Committee, an Audit Committee and a Compensation Committee.

The Executive Committee consists of Messrs. Ames, Caldwell, Haley and Hendrix, with Mr. Ames serving as Chairman. It is responsible for overseeing the management of the affairs and business of the Company and has been delegated authority to exercise the powers of the Board during intervals between Board meetings.

The Audit Committee consists of Messrs. Barbe, Caldwell, Hendrix and Walker, with Mr. Caldwell serving as Chairman. It is responsible for recommending the firm to be appointed as independent accountants to audit the Company's financial statements and to perform services related to the audit; reviewing the scope and results of the audit with the independent accountants; reviewing with the management and the independent accountants the Company's year-end operating results; considering the adequacy of the internal accounting and control procedures of the Company; reviewing the non-audit services to be performed by the independent accountants, if any, and considering the effect of such performance on the accountants' independence.

The Compensation Committee consists of Messrs. Ames, Barbe, Hendrix and Walker, with Mr. Walker serving as Chairman. It is responsible for the review, recommendation and approval of compensation arrangements for directors and executive officers, for the approval of such arrangements for other senior level employees, and for the administration of certain benefit and compensation plans and arrangements of the Company.

COMPENSATION OF DIRECTORS

CDW's policy is not to pay compensation to those directors who are also employees of CDW or any of its subsidiaries or affiliated with CD&R or any principal stockholder of CDW. All directors are, however, reimbursed for expenses incurred in attending Board and committee meetings.

The non-employee directors of the Company who are not affiliated with CD&R or any principal stockholder of CDW receive an annual retainer of $20,000 and additional fees of $1,000 per meeting for attendance at Board meetings and $500 per meeting for attendance at committee meetings. Any such non-employee director who serves as a chairperson of a committee also receives an annual retainer of $2,500.

EXECUTIVE COMPENSATION

The information set forth below describes the components of the total compensation of the Chief Executive Officer and the four other most highly compensated executive officers of the Company, based on 1997 salary and bonuses (the "Named Executives"). The principal components of such individuals' current cash compensation are the annual base salary and bonus included in the Summary Compensation Table. Also described below is other compensation such individuals can receive under the Company's stock and option programs.

The following table sets forth the compensation earned by the Named Executives for all services rendered to the Company during the year ended December 31, 1997.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION SALARY	BONUS	ALL OTHER COMPENSATION(1)
Roy W. Haley,..... President & CEO	1997	$466,667	$425,000	$52,300
Stanley C. Weiss,..... Executive Vice President, Industry Affairs	1997	300,000	150,000	62,010(2)
James H. Mehta,..... Vice President, Business Development	1997	258,339	115,000	13,325
Patrick M. Swed,..... Vice President, Industrial/Construction	1997	200,000	130,000	33,000
James V. Piraino,..... Vice President, Marketing	1997	165,000	110,000	14,463

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(1) (A) Includes contributions by WESCO under the WESCO Distribution, Inc. Retirement Savings Plan in the amounts of $9,550, $13,700, $7,675, $15,950, and $7,543 for Messrs. Haley, Weiss, Mehta, Swed and Piraino, respectively.

(B) Includes contributions by the Company under the WESCO Distribution, Inc. Deferred Compensation Plan in the amounts of $42,750, $31,900, $5,650, $17,050 and $6,920 for Messrs. Haley, Weiss, Mehta, Swed and Piraino, respectively.

(2) Includes life insurance premiums in the amount of $16,410.

EMPLOYMENT AGREEMENTS

In connection with WESCO's acquisition of EESCO, WESCO entered into an employment agreement with Mr. Weiss (the "Weiss Agreement"), pursuant to which WESCO agreed to employ Mr. Weiss during the period commencing on the date of the acquisition and ending on December 31, 1998, subject to WESCO's right to terminate Mr. Weiss' employment prior to such date for "cause" (as defined in the Weiss Agreement) without any continuing liability. During the employment term under the Weiss Agreement, Mr. Weiss is entitled to an annual base salary of $300,000 and, provided WESCO attains annual performance objectives established from year to year by WESCO, an annual incentive bonus equal to a percentage of his annual base salary, not to exceed 75%. In the event of the termination of Mr. Weiss' employment with WESCO by Mr. Weiss for "good reason" (as defined in the Weiss Agreement), Mr. Weiss will continue to receive payments of his annual base salary for the remainder of the employment term. The Weiss Agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

WESCO intends to enter into an employment agreement with Mr. Haley (the "Haley Agreement") providing for a rolling employment term of three years. Pursuant to the proposed Haley Agreement, Mr. Haley will be entitled to an annual base salary of $500,000 and an annual incentive bonus equal to a percentage of his annual base salary ranging from 0% to 200%. The actual amount of Mr. Haley's annual incentive bonus will be determined based upon the financial performance of WESCO as compared to the annual performance objectives established by CDW for the relevant fiscal year. Under the proposed terms of the Haley Agreement, if Mr. Haley's employment with CDW and WESCO is terminated by CDW and WESCO without "cause" (as defined in the Haley Agreement), by Mr. Haley for "good reason" (as so defined) or as a result of Mr. Haley's death or disability (any such termination, a "Qualifying Termination"), Mr. Haley (or, in the event of his death,

Mr. Haley's spouse) is entitled to continued payments of his average annual base salary and his average annual incentive bonus (reduced by any disability payments, if applicable) for the three-year period, or in the case of a termination due to Mr. Haley's death or disability, the two-year period, following such termination, and continued welfare benefit coverage for the two-year period following such termination. In addition, in the event of any such Qualifying Termination, all outstanding options held by Mr. Haley will become fully vested. The Haley Agreement further provides that, in the event of the termination of Mr. Haley's employment by CDW and WESCO without cause or by Mr. Haley for good reason, in either such case, within the two-year period following a "change in control" of CDW or WESCO (as defined in such agreement) (such termination, a "Qualifying CIC Termination"), in addition to the termination benefits described above, Mr. Haley will be entitled to receive continued welfare benefit coverage and payments in lieu of additional contributions to WESCO's Retirement Savings Plan and Deferred Compensation Plan for the three year period following such Qualifying CIC Termination, provided that if the aggregate payments to Mr. Haley would exceed the limits on the deductibility of certain parachute payments under the United States Internal Revenue Code of 1986, as amended, such payments will be reduced as necessary to ensure deductibility. In addition, following a change in control, Mr. Haley is entitled to a minimum annual bonus equal to 50% of his base salary and the definition of "good reason" is modified to include certain additional events. The proposed Haley Agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

CDW and WESCO also intend to enter in an employment agreement with David McAnally (the "McAnally Agreement"), the Executive Vice President, Chief Operating Officer and Chief Financial Officer of WESCO and Treasurer of each of CDW and WESCO, providing for an employment term of two years, subject to automatic renewal at the end of each year for an additional year. Pursuant to the proposed terms of the McAnally Agreement, Mr. McAnally will be entitled to an annual base salary of $300,000 and, depending upon the extent, if any, to which WESCO achieves the performance objectives established for an applicable fiscal year, an annual incentive bonus ranging from 0 to 100% of his annual base salary; provided that Mr. McAnally is entitled to a minimum annual bonus for 1998 of $150,000. In addition, under the proposed terms of the McAnally Agreement, Mr. McAnally will purchase up to 2,500 shares of Class A Common Stock at the initial public offering price and, pursuant to the existing Stock Option Plan, will be granted options to purchase 17,500 shares of Class A Common Stock at an option exercise price per share equal to the initial public offering price. The options generally become vested in five equal annual installments on each of the first five anniversaries thereof subject to Mr. McAnally's continued employment. See "--Long-Term Incentive Plan." The proposed terms of the McAnally Agreement provide that in the event of a Qualifying Termination of Mr. McAnally's employment, Mr. McAnally (or, in the event of his death, his spouse) will be entitled to continued payments of his average annual base salary and average annual incentive bonus (reduced by any disability payments, if applicable) and to continued welfare benefit coverage, in each such case, for a period ending on the later of (1) the date of the expiration of the then current employment term and (2) the first anniversary of the date of such Qualifying Termination, provided that if such Qualifying Termination occurs prior to the second anniversary of Mr. McAnally's commencement of employment with WESCO, such payments and benefit coverage will be provided for a period of one year following such termination. In addition, in the event of a Qualifying Termination of Mr. McAnally's employment following the second anniversary of the commencement of his employment, 50% of any outstanding options granted to Mr. McAnally will become vested. It is expected that the McAnally Agreement will contain provisions similar to the provisions of the Haley Agreement concerning a "change in control" of CDW or WESCO, except that in the event of a Qualifying CIC Termination, Mr. McAnally will be entitled to continued payments of his average annual base salary and average bonus and continued welfare benefit coverage for up to two years following such termination and Mr. McAnally will be entitled to receive a cash-out payment in respect of his options if (i) he does not resign from employment without "good reason" (as defined in the McAnally Agreement), or (ii) he is terminated without "cause" (as defined in the McAnally Agreement) by a successor, prior to the first anniversary of the change in control. The McAnally Agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

STOCK PURCHASE PLAN AND ADDITIONAL MANAGEMENT SHARES

Under the CDW Holding Corporation Stock Purchase Plan (the "Stock Purchase Plan"), the Compensation Committee, which is responsible for administering the Stock Purchase Plan, may offer to certain executives, officers, and other key employees of the Company (the "Purchase Plan Participants") the opportunity to purchase up to an aggregate of 55,000 shares of Class A Common Stock (the "Purchase Plan Shares"). Purchase Plan Participants are selected by reason of their expected contribution to the growth and success of CDW and WESCO. The Board may at any time amend or terminate the Stock Purchase Plan, but may not adversely affect the rights of any Purchase Plan Participant with respect to Purchase Plan Shares purchased prior to such action, unless the Purchase Plan Participant consents. As of December 31, 1997, 30,014 shares were issued and outstanding, and 24,986 shares remained available for sale, under the Stock Purchase Plan. In addition, as of December 31, 1997, CDW has sold 54,150 shares of Class A Common Stock (the "Additional Management Shares") to key management employees (including Named Executives), non-employee directors and other investors otherwise than pursuant to the Stock Purchase Plan. The outstanding Purchase Plan Shares and the Additional Management Shares were sold at a price per share equal to the estimated fair market value (as defined in the related stock subscription agreements described below) per share on the date of sale as determined by the Board. In conjunction with the purchase of the Purchase Plan Shares and the Additional Management Shares, CDW has granted to the purchasers pursuant to the CDW Holding Corporation Stock Option Plan options to purchase shares of Class A Common Stock equal to approximately one and one-third times the number of Purchase Plan Shares or Additional Management Shares purchased. See "--Stock Option Plan." None of the Named Executives currently participates in the Stock Purchase Plan, and no Additional Management Shares were sold to any of the Named Executives during 1997.

STOCK SUBSCRIPTION AGREEMENTS

Each Purchase Plan Participant is required to enter into a stock subscription agreement (a "Stock Subscription Agreement") specifying the purchase price for the Purchase Plan Shares being purchased and such other terms consistent with the Stock Purchase Plan as the Compensation Committee determines. Unless the Compensation Committee otherwise determines, each Stock Subscription Agreement provides that the Purchase Plan Participant is entitled to the benefits of, and bound by the obligations in, the Registration and Participation Agreement, including certain demand and "piggyback" registration rights thereunder. See "Shares Eligible for Future Sale--Registration and Participation Agreement." The Stock Subscription Agreements also contain certain transfer restrictions, take-along rights in favor of Fund IV and repurchase rights and obligations of CDW, all of which will terminate upon consummation of the Offerings. The Additional Management Shares have been issued pursuant to Stock Subscription Agreements containing substantially similar provisions.

STOCK OPTION PLAN

Under the CDW Holding Corporation Stock Option Plan (the "Stock Option Plan"), the Compensation Committee, which is responsible for administering the Stock Option Plan, may grant to certain executives, officers, and other key employees of the Company (the "Option Plan Participants") up to an aggregate 181,000 options to purchase one share, subject to adjustment, of Class A Common Stock (the "Options"). Options that are canceled, terminated or forfeited without exercise will again be available for grant. Option Plan Participants are selected by reason of their expected contribution to the growth of CDW and WESCO. The Board may at any time amend or terminate the Stock Option Plan, but may not adversely affect the rights of any Option Plan Participant with respect to Options granted prior to such action, unless the Option Plan Participant consents. As of December 31, 1997, 103,310 Options had been granted, of which (1) 5,142 Options had been exercised, (2) 3,424 Options had been canceled without exercise, (3) 94,744 Options with a weighted average exercise price of $108.75 per share remained outstanding, (4) 33,848 Options with a weighted average exercise price of $103.06 were exercisable. After giving effect to the foregoing, 81,114 Options remained available for grant under the Stock Option Plan. The outstanding Options were granted with an exercise price per share equal to the estimated fair market value (as defined in the related stock option agreements described below) per share on the date of grant as determined by the Board. The foregoing does not include (a) options to acquire 25,100 shares

of Class A Common Stock outstanding, and options to acquire 24,900 shares of Class A Common Stock available for grant, under the CDW Holding Corporation Stock Option Plan for Branch Employees, (b) options to acquire 100,000 shares of Class A Common Stock granted to Westinghouse in connection with the Acquisition or (c) options to acquire 120,000 shares of Class A Common Stock to be available for grant under the contemplated LTIP, approximately 60,000 of which will be awarded to executives and key management personnel at the time of the Offerings. Upon establishment of the LTIP, CDW intends to reduce the number of Options available for grant under the Stock Option Plan to approximately 31,000. See "--Stock Option Plan for Branch Employees," "Certain Transactions and Relationships--Westinghouse" and "--Long-Term Incentive Plan." In addition, in connection with the Avon Electrical acquisition, two principals of the seller purchased 1,992 shares of Class A Common Stock at a price per share of $250.97. See "Business--Acquisitions."

CHANGE IN CONTROL PROVISIONS

In the event of a "change in control" (as defined in the Stock Option Plan), outstanding Options, whether or not exercisable, will be canceled in exchange for a cash payment with respect to each share of Class A Common Stock subject to such Options equal to the excess of (1) the value per share of the Class A Common Stock in the transaction giving rise to the change in control over (2) the per share exercise price, unless the Compensation Committee determines in good faith, prior to the change in control, that the outstanding Options will be honored or assumed by the successor in a manner that provides the Option Participants with rights at least as favorable as those prevailing immediately prior to the change in control. The Offerings will not result in a change in control.

STOCK OPTION AGREEMENTS

Each Option Plan Participant is required to enter into a stock option agreement (a "Plan Option Agreement") specifying the exercise price and duration of the Options being granted and such other terms consistent with the Stock Option Plan as the Compensation Committee determines. Certain other terms of the Plan Option Agreement are summarized below.

EXERCISE OF OPTIONS. Unless the Compensation Committee otherwise determines, Options become exercisable in one-third installments on each of the third, fourth and fifth anniversary of the date of grant. The Compensation Committee has granted Options to certain Named Executives and other senior executives that become exercisable in one-fifth installments on each of the first five anniversaries of the date of grant. Upon exercise of an Option, the Option Plan Participant is required to enter into a stock subscription agreement in substantially the form required under the Stock Purchase Plan. See "--Stock Purchase Plan." The exercise price of any Option may not be less than the fair market value (as defined in the Stock Option Plan) per share of Class A Common Stock as of the date of grant.

TERMINATION OF OPTIONS. All Options terminate on the tenth anniversary of the date of grant, unless terminated earlier as described below. Upon termination of an Option Plan Participant's employment with the Company, unless otherwise determined by the Compensation Committee, (1) any unexercisable Options held by such Option Plan Participant will terminate and will not be exercisable, (2) in the case of termination other than for "cause" (as defined in the Stock Option Plan), then exercisable Options will terminate within certain specified periods depending upon the circumstances of the termination of employment, and (3) in the case of termination for cause, all Options held by such Option Plan Participant, whether or not then exercisable, will terminate immediately.

TRANSFERABILITY OF OPTIONS; REPURCHASE OF OPTIONS. The Options will not be transferable or assignable other than by will or by the laws of descent, and an Option can be exercised only by the Option Plan Participant to whom it is granted or by the Option Plan Participant's estate or designated beneficiary upon such Option Plan

Participant's death. Unless the Compensation Committee otherwise determines, each Plan Option Agreement provides that the Option Plan Participant, in respect of shares purchased upon the exercise of any Option, is entitled to the benefits of, and bound by the obligations in, the Registration and Participation Agreement, including certain demand and "piggyback" registration rights thereunder. See "Shares Eligible for Future Sale--Registration and Participation Agreement." The Plan Option Agreements also contain certain repurchase rights and obligations of the Company, which will terminate upon the consummation of the Offerings.

STOCK OPTION PLAN FOR BRANCH EMPLOYEES

Under the CDW Holding Corporation Stock Option Plan for Branch Employees (the "Branch Option Plan"), the Compensation Committee, which is responsible for administering the Branch Option Plan, may grant to branch managers and other key employees of WESCO employed at a branch or contributing significantly to growth and profitability of a branch (the "Branch Participants") up to 50,000 options, each to purchase one share, subject to adjustment, of Class A Common Stock (the "Branch Options"). Options that are canceled, terminated or forfeited without exercise will again be available for grant. The Board may at any time amend or terminate the Branch Option Plan, but may not adversely affect the rights of any Branch Participant with respect to Branch Options granted prior to such action, unless the Branch Participant consents. As of December 31, 1997, 25,250 Branch Options had been granted, of which (1) 150 Branch Options had been cancelled without exercise, (2) 25,100 Branch Options with a weighted average exercise price of $195.40 per share were outstanding, and (3) none were exercisable. After giving effect to the foregoing, 24,900 Branch Options remained available for grant under the Branch Option Plan. The outstanding Branch Options were granted with an exercise price per share determined by the Board to represent the estimated fair market value (as defined in the related Branch Option Agreements described below) per share on the date of grant. None of the Named Executives currently participate in the Branch Option Plan.

Options are granted to Branch Participants as soon as practicable following the end of each performance period under the Branch Option Plan. The first such performance period commenced on February 28, 1994 and ended on December 31, 1996, and the second such performance period commenced on January 1, 1997 and is scheduled to end on December 31, 1999. Branch Options are allocated to branch or division employees by the Compensation Committee based primarily on the attainment by such branch or division of performance objectives during each performance period.

CHANGE IN CONTROL PROVISIONS

In the event of a "change in control" (as defined in the Branch Option Plan), outstanding Branch Options, whether or not exercisable, will be canceled in exchange for a cash payment with respect to each share of Class A Common Stock subject to such Branch Options equal to the excess of (1) the value per share of the Class A Common Stock in the transaction giving rise to the change in control over (2) the per share exercise price, unless the Compensation Committee determines in good faith, prior to the change in control, that the outstanding Branch Options will be honored or assumed by the successor in a manner that provides the Branch Participants with rights at least as favorable as those prevailing immediately prior to the change in control. The Offerings will not result in a change in control.

BRANCH OPTION AGREEMENTS

Each Branch Participant is required to enter into a stock option agreement (a "Branch Option Agreement") specifying the exercise price and duration of the Branch Options being granted and such other terms consistent with the Branch Option Plan as the Compensation Committee determines. Certain other terms of the Branch Option Agreement are summarized below.

EXERCISE OF BRANCH OPTIONS; EXERCISE PRICE. Except as otherwise determined by the Compensation Committee or in connection with a change in control, Branch Options become exercisable in one-third

installments on each of the first, third and fifth anniversaries of the date of grant. Upon exercise of a Branch Option, the Branch Plan Participant is required to enter into a stock subscription agreement in substantially the form required under the Stock Purchase Plan. See "--Stock Purchase Plan." The per share exercise price of any Branch Option may not be less than the greatest of (1) the fair market value (as defined in the Branch Option Plan) per share of Class A Common Stock as of the end of the related performance period, (2) such fair market value as of the date of grant and (3) $100.

TERMINATION OF BRANCH OPTIONS. All Branch Options terminate on the tenth anniversary of the date of grant, unless terminated earlier as described below. Upon termination of a Branch Participant's employment with WESCO, unless otherwise determined by the Compensation Committee, (1) any unexercisable Branch Options held by such Branch Participant will terminate and will not be exercisable, (2) in the case of termination other than for "cause" (as defined in the Branch Option Plan), then exercisable Branch Options will terminate within certain specified periods depending upon the circumstances of the termination of employment, and (3) in the case of termination for cause (as defined in Branch Option Plan), all Branch Options held by such Branch Participant, whether or not then exercisable, will terminate immediately.

TRANSFERABILITY OF BRANCH OPTIONS; REPURCHASE OF BRANCH OPTIONS. The Branch Options will not be transferable or assignable other than by will or by the laws of descent, and a Branch Option can be exercised only by the Branch Participant to whom it is granted or by the Branch Participant's estate or designated beneficiary upon such Branch Participant's death. Unless the Compensation Committee otherwise determines, each Branch Option Agreement provides that the Branch Plan Participant, in respect of shares purchased upon the exercise of any Branch Option, is entitled to the benefits of, and bound by the obligations in, the Registration and Participation Agreement, including certain demand and "piggyback" registration rights thereunder. See "Shares Eligible for Future Sale--Registration and Participation Agreement." The Branch Option Agreements also contain certain repurchase rights and obligations of CDW and WESCO, which will terminate upon the consummation of the Offerings.

LONG-TERM INCENTIVE PLAN

In connection with the Offerings, the Company intends to establish a Long Term Incentive Plan (the "LTIP") under which selected management employees of the Company will be eligible to receive grants of equity awards with respect to the Class A Common Stock. Under the terms of the LTIP, an aggregate of 120,000 shares of Class A Common Stock will be authorized for award. Pursuant to the terms of the LTIP, the Compensation Committee will be authorized to grant awards in the form of stock options, stock appreciation rights, restricted stock, performance shares and deferred stock units. In connection with the Offerings, options to purchase approximately 60,000 shares of Class A Common Stock (the "Initial Options") will be awarded to executives and other key management employees selected by the Board. The Initial Options will have a ten year term and an exercise price equal to the Offering price. Subject to the option holder's continued employment, one-half of the Initial Options will generally become vested if the average market value of the Class A Common Stock over a two month period equals or exceeds 150% of the Offering price and the remaining one-half of the Initial Options will generally become vested if the average market value of the Class A Common Stock over a two month period equals or exceeds 200% of the Offering price, provided that all of the Initial Options will become vested as of the eighth anniversary of the date of grant without regard to the then market value of the Class A Common Stock. The LTIP will provide that in the event of a change in control of CDW or WESCO (as defined in the LTIP), all then outstanding awards will become fully vested and all restrictions on transfer applicable to any such award will lapse, unless the individual award agreement evidencing any such award provides otherwise.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table sets forth information for each Named Executive with regard to the aggregate stock options held at December 31, 1997. No stock options were granted to, or exercised by, any of the Named Executives during 1997.

NAME	NUMBER OF SECURITIES UNEXERCISED OPTIONS AT FY-END (#) (EXERCISABLE/UNEXERCISABLE)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END ($)(1) (EXERCISABLE/UNEXERCISABLE)
Roy W. Haley	13,368 / 8,912	
Stanley C. Weiss	-- / --	
James H. Mehta	3,428 / 5,142	
Patrick M. Swed	3,426 / 2,284	
James V. Piraino	286 / 1,144	

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(1) Based on a price per share of Class A Common Stock of $. This price reflects the estimated fair market value as of December 31, 1997, as determined by the Board.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 1996 and 1997, Messrs. Ames, Barbe, Hendrix and Walker served on the Compensation Committee.

Messrs. Ames, Barbe and Hendrix are each principals of CD&R. The Company paid CD&R fees of $400,000 for advisory, management consulting and monitoring services rendered during 1997. The Company has agreed to indemnify certain members of the Board and CD&R against liabilities incurred under securities laws, including in connection with the Offerings, or with respect to their services for the Company. See "Certain Transactions and Relationships--CD&R and Fund IV."

CERTAIN TRANSACTIONS AND RELATIONSHIPS

CD&R AND FUND IV

Fund IV, which is CDW's largest stockholder, is a private investment fund managed by CD&R. Amounts contributed to Fund IV by its limited partners are invested at the discretion of the general partner, in equity or equity-related securities of entities formed to effect leveraged buy-out transactions, and in the equity of corporations where the infusion of capital coupled with the provision of managerial assistance by CD&R can be expected to generate returns on investments comparable to returns historically achieved in leveraged buy-out transactions. The general partner of Fund IV is Associates IV. Each of B. Charles Ames, William A. Barbe and Leon J. Hendrix, Jr. is a principal of CD&R, a general partner of Associates IV and a director of the Company. See "Management--Directors and Executive Officers." CDW was formed by CD&R to effect the Acquisition. In connection with the Acquisition, Fund IV acquired 833,280 shares of Class A Common Stock at a purchase price of $100.00 per share, of which shares are being offered hereby. See "Security Ownership by Management and Principal Stockholders" and "Selling Stockholders."

Beginning in March 1994, the Company has paid CD&R monthly fees of $33,333 plus related out-of-pocket expenses, for advisory, management consulting and monitoring services, and it is expected that such fees will continue in the future. Under the terms of WESCO's lending arrangements, such fees must be determined by arms length negotiation and must be reasonable. Under the Registration and Participation Agreement, such fees may not exceed $1 million during any fiscal year. In connection with the Acquisition and arranging the financing thereof, the Company paid CD&R a fee of approximately $4.2 million and reimbursed CD&R for its out-of-pocket expenses of $47,227. None of the principals of CD&R who serve as directors of the Company receive directors' fees.

The Company has entered into an indemnification agreement with CD&R and Fund IV pursuant to which the Company has agreed, subject to certain exceptions, to indemnify the members of its boards of directors, as well as CD&R, Fund IV and certain of their associates and affiliates (the "Indemnitees"), to the fullest extent allowable under applicable Delaware law and to indemnify the Indemnitees against any suits, claims, damages or expenses which may be made against or incurred by them under applicable securities laws in connection with offerings of securities of CDW, including the Offerings, liabilities to third parties arising out of any action or failure to act by the Company, and, except in cases of gross negligence or intentional misconduct, the provision by CD&R of advisory, management consulting and monitoring services.

MANAGEMENT LOANS

From time to time following the Acquisition, executive officers have purchased shares of Class A Common Stock from CDW. A portion of the purchase price paid for the Class A Common Stock purchased by such executive officers has been financed by full-recourse bank loans guaranteed by WESCO. Since February 28, 1994, Messrs. Burke, Burleson, Goodwin, Haley, Kramp, Mehta, Piraino, Swed, Thimjon and Vanderhoff have had outstanding loans guaranteed by WESCO. The largest aggregate amount of guaranteed indebtedness outstanding on such loans at any time since February 28, 1994 for Messrs. Burke, Burleson, Goodwin, Haley, Kramp, Mehta, Piraino, Swed, Thimjon and Vanderhoff was $167,262, $68,800, $161,200, $1,377,956, $68,700, $587,959, $167,262, $343,200, $155,000 and $34,400, respectively. As of December 31, 1997, Messrs. Burke, Burleson, Goodwin, Haley, Kramp, Mehta, Piraino, Swed, Thimjon and Vanderhoff owed $167,262, $68,800, $161,200, $1,377,956, $68,700, $587,959, $167,262, $343,200, $155,000 and $34,400, respectively, on such loans.

WESTINGHOUSE

On February 28, 1994, CDW completed the acquisition of all of the assets and certain liabilities of the Westinghouse Electric Supply Company division of Westinghouse, WESCO's Predecessor. In connection with the Acquisition, Westinghouse acquired certain securities of, and entered into certain agreements with, CDW as

described below. Since the Acquisition, WESCO has continued to purchase products and services from, and sell products and provide services to, Westinghouse. See Note 13 to the consolidated financial statements.

SHARES, OPTIONS AND MORTGAGE NOTES. In connection with the Acquisition, Westinghouse acquired 100,000 shares of Class A Common Stock (the "Westinghouse Shares") and an option to purchase an additional 100,000 shares of Class A Common Stock, subject to adjustment, at an exercise price of $100 per share (the "Westinghouse Option"). The Westinghouse Option is exercisable any time prior to termination on February 28, 1999. The Westinghouse Shares, the Westinghouse Option and any shares issuable on exercise of the Westinghouse Option are subject to a right of first refusal in favor of CDW and Fund IV, which first refusal right will terminate upon the consummation of the Offerings. Westinghouse is a party to the Registration and Participation Agreement, pursuant to which it has, among other rights, certain demand and "piggy-back" registration rights. See "Shares Eligible for Future Sales--Registration and Participation Agreement." After giving effect to the Offerings, Westinghouse will hold shares of Class A Common Stock and options to purchase an additional shares, representing in the aggregate % of the Class A Common Stock on a fully diluted basis. Westinghouse also acquired in connection with the Acquisition, the Mortgage Notes, which are secured by liens on all of the Company's owned real property. See "Description of Certain Indebtedness--Mortgage Notes."

OTHER AGREEMENTS. Also in connection with the Acquisition, Westinghouse entered into various agreements with the Company including a five-year non-competition agreement which remains in effect through February 28, 1999; a transitional services agreement which is no longer in effect; and an agreement (the "Letter Agreement") pursuant to which, among other things, Fund IV and CDW agreed to vote for, or cause to be voted for, one Westinghouse nominee to the Boards of Directors of CDW and each of its subsidiaries. Westinghouse has not exercised its rights to nominate such directors. In addition, WESCO purchases products and services from and sells products to Westinghouse in the ordinary course of business. WESCO purchases of products and services from Westinghouse amounted to $27,481,000, $19,115,000 and $15,498,000 in 1995, 1996 and 1997, respectively, and WESCO sales to Westinghouse amounted to $27,311,000, $21,192,000 and $21,666,000 in 1995, 1996 and 1997, respectively. See Note 13 to consolidated financial statements. The Letter Agreement, and Westinghouse's rights thereunder, will terminate upon consummation of the Offerings. In addition, Westinghouse agreed to indemnify the Company with respect to certain matters in connection with the Acquisition, including certain liabilities arising under Environmental Laws. CDW has made a claim under this indemnity for certain environmental liabilities in the amount of $1.5 million, which Westinghouse is disputing.

SECURITY OWNERSHIP BY MANAGEMENT AND PRINCIPAL STOCKHOLDERS

The following table furnishes certain information, to the best knowledge of the Company, as of March , 1998 and as adjusted to reflect the sale of the Class A Common Stock offered hereby, as to the shares of Class A Common Stock beneficially owned by (1) each director of the Company, (2) each Named Executive, (3) by all directors and executive officers of the Company as a group and (4) by each person owning beneficially more than 5% of the outstanding shares of such class. See "Description of Capital Stock."

	PRIOR TO THE OFFERINGS		AFTER THE OFFERINGS	
BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(2)	PERCENTAGE OF CLASS(3)	AMOUNT AND NATURE OF BENEFICIAL OWNER- SHIP	PERCENTAGE OF CLASS
NAME AND ADDRESS				
The Clayton & Dubilier Private Equity Fund IV Limited Partnership 270 Greenwich Avenue Greenwich, CT 06830 (1)(4).....	833,280	%		%
B. Charles Ames (1)(5)..	833,280			
William A. Barbe (1)(5).	833,280			
Donald J. Gogel (1)(5)..	833,280			
Leon J. Hendrix, Jr. (1)(5).....	833,280			
Hubbard C. Howe (1)(5)..	833,280			
Andrall E. Pearson (1)(5).....	833,280			
Joseph L. Rice, III (1)(5).....	833,280			
CBS Corporation, formerly known as Westinghouse Electric Corporation (6) 51 West 52nd Street New York, NY 10019.....	200,000			
Roy W. Haley (6).....	30,088			
James H. Mehta (6).....	9,858			
Stanley C. Weiss.....	--			
Wiley N. Caldwell.....	1,000			
Alberto Cribiore.....	--			
J. Trevor Eyton.....	500			
Benson P. Shapiro.....	1,000			
Martin D. Walker.....	1,000			
All directors and executive officers as a group (20 persons) (6) (7)...	902,080			

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(1) Assumes the Underwriters' over-allotment options are not exercised. If such options are exercised, each such person would have shares, representing % of the outstanding shares of Class A Common Stock.

(2) Does not reflect the stock split to be effected prior to the consummation of the Offerings.

(3) For the purposes of this table, the percent of the issued and outstanding shares of Class A Common Stock of CDW held by each individual or group has been calculated on the basis of shares which includes (i) shares of Class A Common Stock issued and outstanding on March , 1998, (ii) shares of Class A Common Stock subject to stock options exercisable within 60 days of March , 1998 only with respect to respective named stockholders and (iii) shares of Class A Common Stock which will be issued in exchange for the Acquisition Notes upon consummation of the Offerings. See "Management--Stock Option Plan," "Description of Capital Stock" and "Description of Certain Indebtedness--Acquisition Notes."

(footnotes continued on following page)

(4) Fund IV is an investment partnership, the general partner of which is Associates IV. The general partners of Associates IV are Messrs. Ames, Barbe, Gogel, Hendrix, Howe, Pearson and Rice, who share investment discretion with respect to the securities held by Fund IV. Messrs. Gogel and Rice own all of the outstanding stock of CD&R.

(5) Consists solely of shares owned by Fund IV. Messrs. Ames, Barbe, Gogel, Hendrix, Howe, Pearson and Rice may be deemed to share beneficial ownership of the shares owned of record by Fund IV by virtue of their status as general partners of Associates IV, but each expressly disclaims such beneficial ownership of the shares owned by Fund IV. Messrs. Ames, Barbe, Gogel, Hendrix, Howe, Pearson and Rice share investment and voting power with respect to securities owned by Fund IV. The business address for each of them is c/o Clayton, Dubilier & Rice, Inc., 375 Park Avenue, 18th Floor, New York, New York 10152.

(6) Includes shares issuable upon the exercise of currently exercisable options or options exercisable within 60 days of the date of this Prospectus.

(7) Includes 833,280 shares owned of record by Fund IV with respect to which Messrs. Ames, Barbe and Hendrix may be deemed to share beneficial ownership by virtue of their status as general partners of Associates IV. Each of Messrs. Ames, Barbe and Hendrix expressly disclaims beneficial ownership of such shares.

SELLING STOCKHOLDERS

The Selling Stockholders acquired their shares of Class A Common Stock in connection with the Acquisition. The transferability of the shares held by the Selling Stockholders is restricted by federal and state securities laws and by the Registration and Participation Agreement, and by the stock subscription agreement pursuant to which such shares were issued. Under the Registration and Participation Agreement, the Selling Stockholders have certain rights to require CDW to register shares of Class A Common Stock under the federal securities laws, and to register or qualify such shares for resale under state securities laws. All the shares of Class A Common Stock offered by the Selling Stockholders hereby are being registered pursuant to such registration rights. The Registration and Participation Agreement requires CDW to pay all expenses incurred by the Selling Stockholders with respect to the Offerings, other than underwriting discounts and commissions, transfer taxes applicable to the Class A Common Stock to be sold by the Selling Stockholders and certain legal fees. As required under the Registration and Participation Agreement, CDW has agreed to pay the fees and expenses of one law firm to represent certain Selling Stockholders in connection with the Offerings. The Company has agreed to indemnify the Selling Stockholders and the Underwriters, and the Selling Stockholders have agreed to indemnify the Company, its directors, controlling persons and officers who have signed the Registration Statement of which this Prospectus is a part and the Underwriters as to certain matters relating to the Class A Common Stock to be sold by the Selling Stockholders. Upon registration and sale, such shares of Class A Common Stock will be free of the restrictions noted above other than restrictions under the Securities Act with respect to persons who may be deemed to be affiliates of CDW for purposes of the Securities Act.

The following table sets forth certain information with respect to the Selling Stockholders and their beneficial ownership of the Class A Common Stock as of December 31, 1997 and as adjusted to reflect the sale of the Class A Common Stock offered by the Selling Stockholders hereby. For information with respect to positions, offices or other material relationships of the Selling Stockholders with CDW or any predecessor or affiliate thereof, other than as a stockholder thereof, during the past three years between CDW, Fund IV and Westinghouse, see "Certain Transactions and Relationships." Each Selling Stockholder named has sole voting and dispositive power with respect to its shares.

All information with respect to beneficial ownership has been furnished by the respective Selling Stockholders.

The information presented in the preceding discussion and in the following table assumes that the Underwriters' over-allotment options are not exercised in full.

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES BENEFICIALLY OWNED PRIOR TO OFFERINGS		NUMBER OF SHARES OFFERED	SHARES BENEFICIALLY OWNED AFTER OFFERINGS	
	NUMBER	PERCENT		NUMBER	PERCENT
The Clayton & Dubilier Private Equity Fund IV Limited Partnership..... 270 Greenwich Avenue Greenwich, CT 06830	833,280				
Richard J. Marshuetz(1).. 4739 Bayard Street Pittsburgh, PA 15213	13,286(/2/)	*			

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* Less than 1% of class.

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(1) Former executive of the Company.

(2) Includes currently exercisable options to purchase 6,856 shares at an exercise price of $100 per share.

DESCRIPTION OF CAPITAL STOCK

The following description of CDW's capital stock does not purport to be complete and is qualified in its entirety by reference to applicable Delaware law and to the provisions of CDW's Certificate of Incorporation and By-laws. Copies of the forms of Certificate of Incorporation and By-laws have been filed as exhibits to the Registration Statement of which this Prospectus forms a part.

CDW's authorized capital stock consists of 2,000,000 shares of Class A Common Stock, par value $.01 per share, and 2,000,000 shares of Class B Common Stock, par value $.01 per share. As of March , , CDW had outstanding shares of Class A Common Stock, no shares of Class B Common Stock, options to purchase shares of Class A Common Stock, of which options for shares were exercisable and options for shares became exercisable over the next five years. As of March , there were holders of record of Class A Common Stock.

CLASS A COMMON STOCK

VOTING RIGHTS. Each holder of shares of Class A Common Stock is entitled to one vote per share on all matters to be voted on by stockholders. Holders of Class A Common Stock are not entitled to cumulative votes in the election of directors.

DIVIDEND RIGHTS. The holders of Class A Common Stock are entitled to dividends and other distributions if, as and when declared by the Board out of assets legally available therefor, subject to the rights of any holder of preferred stock, restrictions set forth in the Company's credit facilities and restrictions, if any, imposed by other indebtedness outstanding from time to time. See "Dividend Policy" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations--Liquidity and Capital Resources." The holders of Class A Common Stock and Class B Common Stock are entitled to equivalent per share dividends and distributions.

OTHER RIGHTS. Upon the liquidation, dissolution or winding up of CDW, the holders of shares of Class A Common Stock would be entitled to share pro rata (on an equal basis with the holders of the Class B Common Stock) in the distribution of all of CDW's assets remaining available for distribution after satisfaction of all its liabilities and the payment of the liquidation preference of any outstanding preferred stock. The holders of Class A Common Stock have no preemptive or other subscription rights to purchase shares of CDW, nor are they entitled to the benefits of any sinking fund provisions. No share of Class A Common Stock issued in connection with or outstanding prior to the Offerings is subject to any further call or assessment.

EXCHANGE RIGHTS. In the event that Fund IV makes a distribution of shares of Class A Common Stock to its limited partners and, following such distribution, one of its limited partners would then be subject to limitations under the Bank Holding Company Act of 1956 (the "Bank Holding Act") on its ability to hold more than 5% of the voting stock of CDW, Fund IV is entitled to exchange a certain number of shares of its Class A Common Stock into the same number of shares of Class B Common Stock so as to permit it to distribute shares of Class B Common Stock to such limited partners without exceeding the limitations under the Bank Holding Act.

CLASS B COMMON STOCK

The Class B Common Stock is identical to the Class A Common Stock in all respects except that the holders of Class B Common Stock will have no right to vote, except as required by law. Shares of Class B Common Stock automatically convert into the same number of shares of Class A Common Stock upon the sale or transfer by the holder thereof to a non-affiliate. To the extent permitted by law, each holder of Class B Common Stock is entitled to convert any or all shares of Class B Common Stock held into the same number of shares of Class A Common Stock. The Class B Common Stock was intended to meet the needs of several limited partners in Fund IV which may be subject to limitations under the Bank Holding Act on their ability to hold more than 5% of the

voting stock of CDW in the event Fund IV were to distribute its shares of Class A Common Stock to such limited partners. It is not anticipated that additional shares of Class B Common Stock will be issued except in the event that Fund IV distributes shares of Common Stock to such limited partners. See "--Class A Common Stock--Exchange Rights."

Following the Offerings, Fund IV will hold shares of Class A Common Stock. Fund IV has no present plans to make a distribution of shares of Class A Common Stock held by it to any of its investors. Because shares of Class B Common Stock are issuable only upon the exchange of shares of Class A Common Stock, the issuance of shares of Class B Common Stock would not increase the total number of shares of Common Stock outstanding on such date.

TRANSFER AGENT AND REGISTRAR

has been appointed as the transfer agent and registrar for the shares of Common Stock.

CERTAIN EFFECTS OF AUTHORIZED BUT UNISSUED STOCK

After consummation of the Offerings, CDW will have unissued and unreserved shares of Class A Common Stock. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital and for facilitating corporate acquisitions. Except pursuant to the stock option plans described herein, CDW does not currently have any plans to issue additional shares of Common Stock. One of the effects of unissued and unreserved shares of capital stock may be to enable the Board to render more difficult or discourage an attempt to obtain control of CDW by means of a merger, tender offer, proxy contest or otherwise, and thereby to protect the continuity of CDW's management. If, for example, the Board were to determine that a takeover proposal was not in CDW's best interests, such shares could be issued by the Board without stockholder approval in one or more private transactions or other transactions that might prevent or render more difficult or costly the completion of the takeover transactions by diluting the voting or other rights of the proposed acquiror or insurgent stockholder group, by creating a substantial voting block in institutional or other hands that might undertake to support the position of the incumbent Board, by effecting an acquisition that might complicate or preclude the takeover, or otherwise.

DESCRIPTION OF CERTAIN INDEBTEDNESS

CREDIT FACILITIES

GENERAL. On February 13, 1998, WESCO and WESCO Distribution-Canada, Inc. ("WESCO Canada") amended their credit agreements with separate bank groups. The amended credit agreements (the "Credit Facilities") provide for an aggregate $445 million of revolving credit facilities. Under the agreement with the U.S. lenders, WESCO may borrow up to $400 million including a swing line subfacility of $10 million and a letter of credit subfacility of $35 million (as amended, the "U.S. Credit Facility"). Under the agreement with the Canadian lenders, WESCO Canada may borrow up to Cdn$62.7 million, including a swing line subfacility of Cdn$5 million, a letter of credit subfacility of Cdn$5 million and an acceptance facility (as amended, the "Canadian Credit Facility"). Borrowings may be used for general corporate purposes including acquisitions. Borrowings are subject to certain conditions, including, if WESCO fails to meet certain financial tests, a borrowing base requirement based on eligible accounts and inventory. The Credit Facilities will terminate on February 28, 2001. The obligations under the Credit Facilities and related guarantees are unsecured.

GUARANTY. Borrowings under the U.S. Credit Facility are guaranteed by CDW; while borrowings under the Canadian Credit Facility are guaranteed by WESCO and (indirectly) by CDW.

INTEREST AND FEES. Interest on outstanding borrowings under the U.S. Credit Facility accrues at a floating rate based, at WESCO's option, upon (1) LIBOR for one, two, three or six months plus 1.00% or (2) the greater of (a) the federal funds rate plus 0.50% or (b) the prime rate plus 0.25%. The applicable margins over LIBOR and the prime rate are subject to reduction if WESCO meets certain debt rating requirements or other financial tests. At December 31, 1997, the applicable margins were 0.28% and 0.00%, respectively. Borrowings under the Canadian Credit Facility bear interest at the higher of (1) the rate offered by certain Canadian banks for acceptances plus 0.50% and (2) the Canadian prime rate. The margin over the Canadian prime rate is subject to reduction if WESCO Canada meets certain financial tests. At December 31, 1997 the applicable margin was 0.50%. In addition, the Company pays a facility fee on both the U.S. and Canadian Credit Facilities of 0.23% at December 31, 1997. WESCO is also required to pay a letter of credit commission equal to 0.28% per annum (subject to reduction if certain financial tests are met) on the daily amount stated to be available from time to time under each outstanding letter of credit.

CERTAIN COVENANTS. The U.S. Credit Facility contains various restrictive covenants (the breach of which would also be an event of default under the Canadian Credit Facility) that, among other things, impose (1) limitations on the incurrence of additional indebtedness or guarantees, other than (a) $10 million to finance fixed or capital assets, (b) $10 million to finance certain acquisitions, (c) $20 million for any corporate purposes, (d) $30 million for any other purpose and (e) $100 million of subordinated indebtedness; (2) limitations on the issuance of additional stock of subsidiaries; (3) limitations on liens or negative pledges, with customary exceptions and an exception for liens to secure up to $10 million of indebtedness to finance the acquisition of fixed or capital assets; (4) customary limitations on investments, loans, acquisitions or advances (although pursuant to a recent amendment to the U.S. Credit Facility, WESCO is no longer subject to a dollar limitation on the size of any acquisition as long as it has complied with its other financial covenants and maintains $25 million in unused commitments); (5) customary limitations on dividends; (6) limitations on the sale, lease or other disposal of assets to a basket of $35 million (however, the covenant permits securitization of assets of up to $100 million); (7) customary limitations on transactions among affiliates which are not arms-length; and (8) customary limitations on entering into new lines of business.

In addition, the U.S. Credit Facility imposes certain financial tests that require WESCO to (1) maintain a consolidated net worth of at least $100 million, (2) maintain a funded indebtedness to consolidated EBITDA ratio of 5 to 1 for the quarter ended March 30, 1998, decreasing to 3.75 to 1 at March 31, 2000 and thereafter, determined on a consolidated basis and tested at the end of each quarter for the trailing four quarters, and (3) maintain a fixed charge coverage ratio of not less than 2 to 1, as such terms are defined in the Credit Facilities.

EVENTS OF DEFAULT. The U.S. Credit Facility and, by incorporation by reference, the Canadian Credit Facility, contain various events of default, including (1) the failure of Fund IV and its affiliates to own, directly or indirectly, at least 30% of the outstanding voting stock of CDW, (2) an acquisition by a third party or group of a percentage of the outstanding voting stock of CDW greater than 30% or of the power to elect a majority of CDW's Board of Directors and (3) CDW ceasing to own all of the outstanding stock of WESCO or WESCO ceasing to own all of the outstanding stock of WESCO Canada and Realco. Pursuant to certain amendments to the Credit Facilities, the Offerings will not result in a charge of control constituting an event of default under such Credit Facilities.

MORTGAGE NOTES

A portion of the purchase price for the Acquisition was financed through the issuance by CDW to Westinghouse of a guaranteed first mortgage note in the initial amount of $45 million, due February 28, 2001 (the "Buyer Note") and the issuance by WESCO Canada of a guaranteed first mortgage note to Westinghouse Canada in the original principal amount of Cdn$6.8 million, due February 28, 2001 (the "Canadian Note" and, collectively with the Buyer Note, the "Mortgage Notes"). At the closing of the Acquisition, CDW caused Realco to assume all of its obligations under the Buyer Note. The Buyer Note is guaranteed by CDW and WESCO. The Canadian Note is guaranteed by CDW, WESCO and Realco. The Buyer Note and the Canadian Note are secured by a first mortgage lien on all of the real property owned by Realco and WESCO Canada, respectively.

The Buyer Note is a zero coupon note with a yield to maturity of 8% and the Canadian Note bears interest at 8% per annum, accruing semi-annually. Accrued interest payments accrete to the principal amount and are not payable in cash. The entire aggregate principal amount of the Mortgage Notes (including accretion for interest accruals) will mature and become payable on February 28, 2001.

The Mortgage Notes contain various covenants, including, among other things, (1) limitations on the incurrence of additional indebtedness, (2) limitations on making certain restricted payments, (3) limitations on transactions with affiliates, (4) limitations on sale of assets or the consolidation with or merger with or into another entity and (5) a restriction on the sale of the mortgaged properties. In addition, the Mortgage Notes contain customary events of default, including for failure to make payments on the Mortgage Notes, failure to perform covenants, defaulting on the payment of other indebtedness in an aggregate principal amount exceeding $35 million, and the insolvency or bankruptcy of the Company. Finally, the Mortgage Notes provide that CDW shall offer to prepay them upon a Change of Control, which is defined to include (1) prior to the consummation of an initial public offering after which the public owns more of the outstanding common stock of CDW than does Westinghouse (a "Specified Public Offering"), Fund IV and its affiliates ceasing to have the power to elect a majority of the members of the Board of Directors; (2) after the consummation of a Specified Public Offering, any person or group (other than Fund IV and its affiliates or Westinghouse) owning more than 30% of the total voting stock of CDW and more than the total voting stock of CDW owned by Fund IV and its affiliates; (3) CDW owning less than all of the outstanding equity securities of WESCO or Realco; (4) WESCO owning less than all the outstanding equity securities of Realco or WESCO Canada; or (5) during any two-year period, individuals who at the beginning of such period constituted the Board of Directors together with any new directors elected by the directors then still in office who were directors at the beginning of such period ceasing for any reason to constitute a majority of the Board of Directors.

ACQUISITION NOTES

In connection with certain acquisitions, WESCO has issued $2.2 million principal amount of senior convertible notes (the "Acquisition Notes"). By their terms, concurrent with the consummation of the Offerings each of the Acquisition Notes will be mandatorily converted into shares of Class A Common Stock at a price per share equal to the offering price in the Offerings. Assuming a closing date for the Offerings of , 1998 and an offering price of $ per share (the midpoint of the range), an aggregate shares of Class A Common Stock would be issued upon conversion of the Acquisition Notes. WESCO funded a portion of the purchase price of the two acquisitions that closed in January 1998 with $15 million aggregate principal amount of its unsecured notes, maturing by mid-1999, up to $5 million of which may be converted to shares of Class A Common Stock at the Offering price at the election of the holder, which election is required to be made prior to the Offerings. See "Business--Acquisitions."

SHARES ELIGIBLE FOR FUTURE SALE

After completion of the Offerings, CDW will have shares of Class A Common Stock outstanding, and shares of Class A Common Stock subject to outstanding stock options and no shares of Class B Common Stock outstanding. Of these shares, the shares of Class A Common Stock sold in the Offerings (and the shares of Class B Common Stock for which such shares of Class A Common Stock will be convertible) will be freely tradeable without restriction under the Securities Act, except by persons who may be deemed to be "affiliates" of CDW, as that term is defined in Rule 144 under the Securities Act. All the remaining shares of Class A Common Stock (including any shares issued upon exercise of such stock options) and any shares of Class B Common Stock for which any such shares of Class A Common Stock are exchanged ("Restricted Shares") may not be sold unless they are registered under the Securities Act or are sold pursuant to an exemption from registration, including an exemption contained in Rule 144 under the Securities Act.

In general, under Rule 144, if one year has elapsed since the Restricted Shares have been acquired from the issuer or from an affiliate of the issuer (whichever is later), the holder of such Restricted Shares, including for this purpose persons who may be deemed "affiliates" of CDW whether or not they hold Restricted Shares, would be entitled to sell, within any three-month period, up to a number of Restricted Shares that does not exceed the greater of (1) 1% of the then outstanding shares of Class A Common Stock (approximately shares immediately after the Offerings assuming that the Underwriters' over-allotment options are exercised in full) and (2) the average weekly trading volume of the Class A Common Stock on the New York Stock Exchange during the four calendar weeks preceding the date on which notice of the sale is filed with the Commission. Sales under Rule 144 are subject to certain restrictions relating to manner of sale, notice and the availability of current public information about CDW and may be effected only through unsolicited brokers' transactions. A person who is not deemed an "affiliate" of CDW at any time during the 90 days preceding a sale would (but for the "lock-up" arrangements described below) be entitled to sell such Restricted Shares immediately after the Offerings under Rule 144 without regard to the volume or other limitations described above, provided that two years have elapsed since such Restricted Shares were acquired from CDW or an affiliate of CDW. Substantially all of the Restricted Shares have been held for more than two years by the holders thereof, of which shares are held by persons who may be deemed to be "affiliates" of CDW. Accordingly, all of the remaining Restricted Shares may be sold publicly following the expiration of the 180-day "lock-up" arrangements described below.

"LOCK-UP" ARRANGEMENTS

CDW, the Selling Stockholders and the directors and substantially all of the employees of the Company who own Class A Common Stock have each agreed not to enter into any agreement providing for, or to effect, any public sale, distribution or other disposition of any shares of Common Stock, including sales pursuant to Rule 144 or Rule 144A under the Securities Act, or grant any public option for any such sale, or otherwise cause CDW to register any securities of CDW, for a period of 180 days after the date of the Offerings without the prior written consent of Merrill Lynch & Co. on behalf of the Underwriters, except for the shares of Class A Common Stock offered in connection with the Offerings. After the expiration of such 180-day period, such stockholders (other than "affiliates" of CDW) will, in general, be entitled to dispose of their shares without regard to volume or other restrictions of Rule 144 under the Securities Act.

REGISTRATION AND PARTICIPATION AGREEMENT

Pursuant to the terms of the Registration and Participation Agreement, existing stockholders of CDW who will collectively own shares of Class A Common Stock (including shares issuable upon the exercise of outstanding stock options) after the Offerings have certain registration rights with respect to their shares of Common Stock (subject to the "lock-up" arrangements described above). After the completion of the

Offerings and the expiration of the 180-day "lock-up" period described above, the holders (other than Westinghouse) of at least 20% of CDW's Registrable Securities (as defined in the Registration and Participation Agreement), may request that CDW register some or all of their Registrable Securities. Any time after February 28, 1999 Westinghouse shall have the right upon two occasions to request that CDW register some or all of the Registrable Securities it holds. In addition, if CDW decides to register additional shares of Common Stock (other than, among other limitations, shares of Common Stock to be issued pursuant to employee benefit or option plans), all holders of CDW's Registrable Securities (including Westinghouse) are entitled to participate in such registration, subject to certain cutback provisions.

Prior to the Offerings, there has been no public market for the Class A Common Stock and no prediction can be made as to the effect, if any, that market sales of Restricted Shares, the availability of such Restricted Shares for such sales, or the existing stockholders' registration rights will have on the market price of the Class A Common Stock prevailing from time to time. Nevertheless, sales of substantial amounts of Class A Common Stock, or the perception that such sales could occur, could adversely affect prevailing market prices for the Class A Common Stock and could impair CDW's future ability to raise capital through an offering of its equity securities. See "Risk Factors--Shares Eligible for Future Sale."

UNITED STATES FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of certain United States federal income and estate tax consequences of the ownership and disposition of Class A Common Stock by non-U.S. holders. As used herein, "non-U.S. holder" means any person or entity that is a beneficial owner of Class A Common Stock, other than (1) a citizen or resident of the United States, (2) a corporation, partnership or other entity created or organized in the United States or under the laws of the United States or of any state of the United States, (3) an estate whose income is includable in gross income for U.S. federal income tax purposes regardless of its source or (4) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust and (y) at least one U.S. person has authority to control all substantial decisions of the trust. Recently enacted legislation authorizes the issuance of Treasury Regulations that, under certain circumstances, could reclassify as a non-U.S. partnership a partnership that would otherwise be treated as a U.S. partnership, or could reclassify as a U.S. partnership a partnership that would otherwise be treated as a non-U.S. partnership. Such regulations would apply only to partnerships created or organized after the date that proposed Treasury Regulations are filed with the Federal Register (or, if earlier, the date of issuance of a notice substantially describing the expected contents of the regulations).

This summary is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury regulations promulgated thereunder (the "Treasury Regulations") and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change, possibly on a retroactive basis.

This summary is for general information only. It does not address aspects of United States taxation other than federal income and estate taxation and does not address all aspects of income and estate taxation or any aspects of state, local or non-United States taxation. In addition, this summary does not consider any specific facts or circumstances that may apply to a particular non-U.S. Holder (including U.S. expatriates, and the fact that in the case of a non-U.S. Holder that is a partnership, the U.S. tax consequences of holding and disposing of shares of Class A Common Stock may be affected by certain determinations made at the partner level), nor does it consider the tax consequences to any person who is a shareholder, partner or beneficiary of a holder of Class A Common Stock.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE PARTICULAR U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF CLASS A COMMON STOCK, AS WELL AS THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER U.S. FEDERAL TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN TAX LAWS.

INCOME TAX

DIVIDENDS. Generally, dividends paid on Class A Common Stock to a non-U.S. holder will be subject to U.S. federal income tax. Except for dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business within the United States, this tax is imposed and collected by withholding at the rate of 30% of the amount of the dividend, unless reduced by an applicable income tax treaty. Under current regulations, dividends paid to an address in a country other than the United States are presumed, absent knowledge to the contrary, to be paid to a resident of such country in determining the applicability of a treaty for such purposes.

However, under recently finalized Treasury Regulations relating to withholding of tax on payments to non-U.S. persons, which by their terms apply to dividend and other payments made after December 31, 1998 (the "Final Withholding Regulations"), a non-U.S. holder who is the beneficial owner (within the meaning of the Final Withholding Regulations) of dividends paid on Class A Common Stock and who wishes to claim the benefit of an applicable treaty is generally required to satisfy certain certification and documentation requirements. Certain special rules apply to claims for treaty benefits made by non-U.S. persons that are entities rather than individuals and to beneficial owners (within the meaning of the Final Withholding Regulations) of dividends paid to entities in which such beneficial owners are interest holders.

Except as may be otherwise provided in an applicable income tax treaty, dividends paid on Class A Common Stock to a non-U.S. holder that are effectively connected with the holder's conduct of a trade or business within the United States are subject to tax at ordinary U.S. federal income tax rates, which tax is not collected by withholding (except as described below under "--Backup Withholding and Information Reporting"). All or part of any effectively connected dividends received by a non-U.S. corporation may also, under certain circumstances, be subject to an additional "branch profits" tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. A non-U.S. holder who wishes to claim an exemption from withholding for effectively connected dividends is generally required to satisfy certain certification and documentation requirements.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax pursuant to a tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the U.S. Internal Revenue Service (the "I.R.S.").

DISPOSITION OF CLASS A COMMON STOCK. Generally, non-U.S. holders will not be subject to U.S. federal income tax (or withholding thereof) in respect of gain recognized on a disposition of Class A Common Stock unless (1) the gain is effectively connected with the holder's conduct of a trade or business within the United States (in which case the "branch profits" tax described above may also apply if the holder is a non-U.S. corporation); (2) in the case of a holder who is a nonresident alien individual and holds Class A Common Stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions are met; or (3) the Company is or has been a "United States real property holding corporation" for U.S. federal income tax purposes (which the Company does not believe it has been or is currently, and does not anticipate becoming) and the holder has held directly or constructively more than 5% of the outstanding Class A Common Stock within the five-year period ending on the date of the disposition.

ESTATE TAX

If an individual non-U.S. holder owns, or is treated as owning, Class A Common Stock at the time of his or her death, such stock would be subject to U.S. federal estate tax imposed on the estates of nonresident aliens, in the absence of a contrary provision contained in an applicable tax treaty.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Under certain circumstances, the I.R.S. requires certain information reporting and "backup withholding" at a rate of 31% with respect to certain payments on Class A Common Stock.

DIVIDENDS. Under current law, dividends paid on Class A Common Stock to a non-U.S. holder at an address outside the United States are generally exempt from backup withholding tax and U.S. information reporting requirements (but not from regular withholding tax, as discussed above). Under the Final Withholding Regulations, for dividends paid after December 31, 1998, a non-U.S. person must generally provide proper documentation indicating non-U.S. status to a withholding agent in order to avoid backup withholding tax; however, dividends paid to certain exempt recipients (not including individuals) will not be subject to backup withholding even if such documentation is not provided if the withholding agent is allowed to rely on certain regulatory presumptions concerning the recipient's non-U.S. status (including payment to an address outside the United States).

BROKER SALES. Payments of proceeds from the sale of Class A Common Stock by a non-U.S. holder made to or through a U.S. office of a broker are generally subject to both information reporting and backup withholding unless the holder certifies its non-U.S. status under penalties of perjury or otherwise establishes entitlement to an exemption. Payments of proceeds from the sale of Class A Common Stock by a non-U.S. holder made to or through a non-U.S. office of a broker generally will not be subject to information reporting or backup withholding. However, payments made to or through certain non-U.S. offices, including the non-U.S. offices of a U.S. broker, are generally subject to information reporting (but not backup withholding) unless the holder certifies its non-U.S. status under penalties of perjury or otherwise establishes entitlement to an exemption.

A non-U.S. holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the I.R.S.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Goldman, Sachs & Co., Bear, Stearns & Co. Inc. and Smith Barney Inc. are acting as representatives (the "U.S. Representatives") of each of the Underwriters named below (the "U.S. Underwriters"). Subject to the terms and conditions set forth in a U.S. purchase agreement (the "U.S. Purchase Agreement") among the Selling Stockholders, the Company and the U.S. Underwriters, and concurrently with the sale of shares of Class A Common Stock to the International Managers (as defined below), the Selling Stockholders have agreed to sell to the U.S. Underwriters, and each of the U.S. Underwriters severally and not jointly has agreed to purchase from the Selling Stockholders, the number of shares of Class A Common Stock set forth opposite its name below.

U.S. UNDERWRITER	NUMBER OF SHARES
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Goldman, Sachs & Co.	
Bear, Stearns & Co. Inc.	
Smith Barney Inc.	
Total	

The Company and the Selling Stockholders have also entered into an international purchase agreement (the "International Purchase Agreement") with certain underwriters outside the United States and Canada (the "International Managers" and, together with the U.S. Underwriters, the "Underwriters") for whom Merrill Lynch International, Goldman Sachs International, Bear, Stearns International Limited and Smith Barney Inc. are acting as lead managers (the "Lead Managers"). Subject to the terms and conditions set forth in the International Purchase Agreement, and concurrently with the sale of shares of Class A Common Stock to the U.S. Underwriters pursuant to the U.S. Purchase Agreement, the Selling Stockholders have agreed to sell to the International Managers, and the International Managers severally and not jointly have agreed to purchase from the Selling Stockholders, an aggregate of shares of Class A Common Stock. The initial public offering price per share and the underwriting discount per share of Class A Common Stock will be identical under the U.S. Purchase Agreement and the International Purchase Agreement.

In the U.S. Purchase Agreement and the International Purchase Agreement, the several U.S. Underwriters and the several International Managers, respectively, have agreed, subject to the terms and conditions set forth therein, to purchase all of the shares of Class A Common Stock being sold pursuant to each such agreement if any of the shares of Class A Common Stock being sold pursuant to such agreement are purchased. Under certain circumstances, under the U.S. Purchase Agreement and the International Purchase Agreement, the commitments of non-defaulting Underwriters may be increased. The closings with respect to the sale of shares of Class A Common Stock to be purchased by the U.S. Underwriters and the International Managers are conditioned upon one another.

The U.S. Representatives have advised the Selling Stockholders and the Company that the U.S. Underwriters propose initially to offer the shares of Class A Common Stock to the public at the initial public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of $ per share of Class A Common Stock. The U.S. Underwriters may allow, and such dealers may reallow, a discount not in excess of $ per share of Class A Common Stock on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Selling Stockholders have granted an option to the U.S. Underwriters, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of additional shares of Class A Common Stock at the initial public offering price set forth on the cover page of this Prospectus, less the underwriting discount. The U.S. Underwriters may exercise these options solely to cover over-allotments, if any, made on the sale of the

Class A Common Stock offered hereby. To the extent that the U.S. Underwriters exercise these options, each U.S. Underwriter will be obligated, subject to certain conditions, to purchase a number of additional shares of Class A Common Stock proportionate to such U.S. Underwriter's initial amount reflected in the foregoing table. The Selling Stockholders have also granted an option to the International Managers, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of additional shares of Class A Common Stock to cover over-allotments, if any, on terms similar to those granted to the U.S. Underwriters.

At the request of the Company, the Underwriters have reserved for sale, at the initial public offering price up to of the shares of Class A Common Stock offered hereby to be sold to certain employees of the Company and certain other persons. The number of shares of Class A Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not orally confirmed for purchase within one day of the pricing of the Offerings will be offered by the Underwriters to the general public on the same terms as the other shares offered hereby.

The Selling Stockholders, the Company's executive officers and directors, and certain other stockholders have agreed, subject to certain exceptions, not to directly or indirectly (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any shares of Class A Common Stock or securities convertible into or exchangeable or exercisable for Class A Common Stock, whether now owned or thereafter acquired by the person or entity executing the agreement or with respect to which the person or entity executing the agreement thereafter acquires the power of disposition, or file a registration statement under the Securities Act with respect to the foregoing or (ii) enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of the Class A Common Stock whether any such swap or transaction is to be settled by delivery of Class A Common Stock or other securities, in cash or otherwise, without the prior written consent of Merrill Lynch on behalf of the Underwriters for a period of 180 days after the date of this Prospectus. See "Shares Eligible for Future Sale."

The U.S. Underwriters and the International Managers have entered into an intersyndicate agreement (the "Intersyndicate Agreement") that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, the U.S. Underwriters and the International Managers are permitted to sell shares of Class A Common Stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the U.S. Underwriters and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, and the International Managers and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to U.S. persons or to Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions pursuant to the Intersyndicate Agreement.

Prior to the Offerings, there has been no public market for the Class A Common Stock of CDW. The initial public offering price will be determined through negotiations among the Company, the Selling Stockholders, the U.S. Representatives and the Lead Managers. The factors to be considered in determining the initial public offering price, in addition to prevailing market conditions, are price-earnings ratios of publicly traded companies that the U.S. Representatives and Lead Managers believe to be comparable to the Company, certain financial information of the Company, the history of, and the prospects for, the Company and the industry in which it competes, and an assessment of the Company's management, its past and present operations, the prospects for, and timing of, future revenues of the Company, the present state of the Company's development and the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to the Company. There can be no assurance given that an active trading market will develop for the Class A Common Stock or that the Class A Common Stock will trade in the public market subsequent to the Offerings at or above the initial public offering price.

Application will be made to list the Class A Common Stock on the New York Stock Exchange under the symbol " ." In order to meet the requirements for listing of the Class A Common Stock on the New York Stock Exchange, the U.S. Underwriters and International Managers have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial owners.

The Underwriters and International Managers do not intend to confirm sales of the Class A Common Stock offered hereby to any accounts over which they exercise discretionary authority.

CDW and the Selling Stockholders have agreed to indemnify the U.S. Underwriters and the International Managers against certain liabilities, including certain liabilities under the Securities Act, or to contribute to payments which the U.S. Underwriters and International Managers may be required to make in respect thereof.

Until the distribution of the Class A Common Stock is completed, rules of the Commission may limit the ability of the Underwriters and certain selling group members to bid for and purchase the Class A Common Stock. As an exception to these rules, the U.S. Representatives are permitted to engage in certain transactions that stabilize the price of the Class A Common Stock. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Class A Common Stock.

If the Underwriters create a short position in the Class A Common Stock in connection with the Offerings, i.e., if they sell more shares of Class A Common Stock than are set forth on the cover page of this Prospectus, the U.S. Representatives may reduce that short position by purchasing Class A Common Stock in the open market. The U.S. Representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The U.S. Representatives may also impose a penalty bid on certain Underwriters and selling group members. This means that if the U.S. Representatives purchase shares of Class A Common Stock in the open market to reduce the Underwriters' short position or to stabilize the price of the Class A Common Stock, they may reclaim the amount of the selling concession from the Underwriters and selling group members who sold those shares as part of the Offerings.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might have been in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of the Class A Common Stock to the extent that it discourages resales of the Class A Common Stock.

None of the Company, the Selling Stockholders or any of the Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Class A Common Stock. In addition, none of the Company, the Selling Stockholders or any of the Underwriters makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

LEGAL MATTERS

The validity of the shares of Class A Common Stock offered hereby will be passed upon for CDW and the Selling Stockholders by Debevoise & Plimpton, New York, New York. Certain legal matters will be passed upon for the Underwriters by Fried, Frank, Harris, Shriver & Jacobson (a partnership including professional corporations), New York, New York. Debevoise & Plimpton also acts and may hereafter act as counsel to CD&R and its affiliates and to CDW and its affiliates. Franci J. Blassberg, Esq., a member of Debevoise & Plimpton, is married to Joseph L. Rice, III, a general partner of Associates IV, the general partner of Fund IV.

EXPERTS

The consolidated balance sheets of the Company as of December 31, 1996 and 1997 and the consolidated statements of income, stockholders' equity and cash flows of the Company for each of the three years in the period ended December 31, 1997 included in this Prospectus have been included herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

A registration statement (the "Registration Statement") on Form S-1 under the Securities Act has been filed with the Commission with respect to the shares of Class A Common Stock offered hereby. This Prospectus does not contain all the information set forth in the Registration Statement and exhibits and schedules thereto, certain portions having been omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the shares of Class A Common Stock offered hereby, reference is hereby made to the Registration Statement and such exhibits thereto and the financial statements, notes and schedules filed as part thereof, which may be inspected, without charge, at the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at 75 Park Place, New York, New York 10007 and Northwestern Atrium Center, 500 W. Madison Street, 14th Floor, Chicago, Illinois 60611. Copies of all or any portion of the Registration Statement may be obtained from the Public Reference Section of the Commission upon payment of prescribed fees. The Commission also maintains a worldwide web site at http://www.sec.gov which contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

Statements made in this Prospectus concerning the provisions of any document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of the document included as an exhibit to the Registration Statement. Each such statement is qualified in its entirety by this reference.

CDW intends to furnish its stockholders with annual reports containing audited consolidated financial statements and with quarterly reports for the first three quarters of each fiscal year containing unaudited consolidated summary financial information.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors of

CDW Holding Corporation:

We have audited the accompanying consolidated balance sheets of CDW Holding Corporation and subsidiaries as of December 31, 1996 and 1997, and the related consolidated statements of income, stockholders' equity, and cash flows for the three years in the period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CDW Holding Corporation and subsidiaries as of December 31, 1996 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ COOPERS & LYBRAND L.L.P.

600 Grant Street

Pittsburgh, Pennsylvania

February 6, 1998, except for Note 18,

as to which the date is February 13, 1998.

CDW HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	DECEMBER 31,	
	1996	1997
ASSETS		
Current assets:		
Cash and cash equivalents	--	$ 7,620
Trade accounts receivable, net of allowance for doubtful accounts of $10,075 and $10,814 in 1996 and 1997, respectively	$311,896	351,170
Other accounts receivable	19,040	17,261
Inventories	263,107	299,406
Income tax receivable	--	3,405
Prepaid expenses and other current assets	1,998	3,699
Deferred income taxes (Note 7)	12,731	14,277
Total current assets	608,772	696,838
Property, buildings and equipment, net (Note 4)	93,951	95,082
Trademarks, net of accumulated amortization of $453 and $586 in 1996 and 1997, respectively	3,541	3,408
Goodwill, net of accumulated amortization of $1,887 and $4,522 in 1996 and 1997, respectively (Note 16)	62,553	65,923
Other assets (Note 5)	4,670	9,609
Total assets	$773,487	$870,860
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$283,434	$311,796
Accrued payroll and benefit costs	25,597	27,694
Restructuring reserve	4,541	3,982
Income taxes payable	4,972	--
Other current liabilities (Note 6)	17,160	17,063
Total current liabilities	335,704	360,535
Long-term debt (Notes 8 and 18)	260,635	294,275
Other noncurrent liabilities	6,311	5,875
Deferred income taxes (Note 7)	13,161	16,662
Total liabilities	615,811	677,347
Commitments and contingencies (Note 14)		
Redeemable Class A common stock, $.01 par value, 88,082 and 89,306 shares issued and outstanding in 1996 and 1997, respectively (Note 9)	8,930	8,978
Stockholders' equity (Note 9):		
Class A common stock, $.01 par value, 2,000,000 authorized, 933,280, shares issued and outstanding in 1996 and 1997	9	9
Class B nonvoting convertible common stock, $.01 par value, 2,000,000 shares authorized	--	--
Additional paid-in capital	93,319	93,319
Retained earnings	53,129	89,366
Common stock to be issued under option	2,500	2,500
Foreign currency translation adjustment	(211)	(659)
Total stockholders' equity	148,746	184,535
Total liabilities and stockholders' equity	$773,487	$870,860

The accompanying notes are an integral part of the consolidated financial statements.

CDW HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	1995	1996	1997
Sales, net	$1,857,042	$2,274,622	$2,594,819
Cost of goods sold (exclusive of depreciation and amortization)	1,535,998	1,869,565	2,130,900
Gross profit	321,044	405,057	463,919
Selling, general and administrative expenses	257,972	326,003	372,532
Depreciation and amortization	7,339	10,846	11,331
Income from operations	55,733	68,208	80,056
Interest expense, net	15,813	17,382	20,109
Income before income taxes and extraordinary charge	39,920	50,826	59,947
Provision for income taxes (Note 7)	14,790	18,364	23,710
Income before extraordinary charge	25,130	32,462	36,237
Extraordinary charge, net of applicable taxes (Note 8)	8,068	--	--
Net income	$ 17,062	$ 32,462	$ 36,237
Basic earnings per share:			
Income before extraordinary change	$ 25.11	$ 31.97	$ 35.48
Extraordinary charge	8.06	--	--
Net income	$ 17.05	$ 31.97	$ 35.48
Diluted earnings per share:			
Income before extraordinary change	$ 23.86	$ 29.47	$ 31.53
Extraordinary charge	7.66	--	--
Net income	$ 16.20	$ 29.47	$ 31.53

The accompanying notes are an integral part of the consolidated financial statements.

CDW HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	COMMON STOCK TO BE ISSUED UNDER OPTION	FOREIGN CURRENCY TRANSLATION ADJUSTMENT
Balances at December 31, 1994	933,280	$ 9	$93,319	$ 3,605	$2,500	$ 42
Net income	--	--	--	17,062	--	--
Translation adjustment	--	--	--	--	--	(168)
Balances at December 31, 1995	933,280	9	93,319	20,667	2,500	(126)
Net income	--	--	--	32,462	--	--
Translation adjustment	--	--	--	--	--	(85)
Balances at December 31, 1996	933,280	9	93,319	53,129	2,500	(211)
Net income	--	--	--	36,237	--	--
Translation adjustment	--	--	--	--	--	(448)
Balances at December 31, 1997	933,280	$ 9	$93,319	$89,366	$2,500	$(659)

The accompanying notes are an integral part of the consolidated financial statements.

CDW HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	1995	1996	1997
Cash flows from operating activities:			
Net income	$ 17,062	$ 32,462	$ 36,237
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	7,339	10,846	11,331
Amortization of debt issuance costs and interest rate caps	1,213	531	418
Extraordinary charge, net of applicable taxes	8,068	--	--
Charge in lieu of and deferred income taxes	14,222	(78)	2,837
Changes in assets and liabilities, excluding the effects of acquisitions:			
Trade and other receivables	(26,844)	(21,058)	(32,641)
Inventories	(26,874)	(24,389)	(31,671)
Prepaid and other current assets	254	5,930	(1,120)
Other assets	(1,202)	700	(3,652)
Accounts payable	27,118	20,323	9,690
Accrued payroll and benefit costs	6,287	(1,942)	1,594
Restructuring reserve	(2,909)	(1,636)	(1,499)
Other current and noncurrent liabilities	1,995	(6,472)	(2,646)
Net cash (used for) provided by operating activities	25,729	15,217	(11,122)
Cash flows from investing activities:			
Capital expenditures	(6,456)	(9,411)	(12,446)
Proceeds from the sale of property, buildings and equipment	668	2,338	3,996
Acquisitions, net of cash acquired (Note 15)	(6,181)	(103,918)	(13,914)
Net cash used for investing activities	(11,969)	(110,991)	(22,364)
Cash flows from financing activities:			
Proceeds from long-term debt	878,930	544,907	426,594
Repayments of long-term debt	(893,038)	(459,730)	(389,613)
Outstanding checks in excess of cash available	2,292	1,489	4,249
Debt issuance costs	(218)	(682)	(172)
Issuance and redemption of common stock and exercise of stock options, net	2,224	1,200	48
Net cash provided by (used for) financing activities	(9,810)	87,184	41,106
Net change in cash and cash equivalents	3,950	(8,590)	7,620
Cash and cash equivalents at the beginning of the period	4,640	8,590	--
Cash and cash equivalents at the end of the period	$ 8,590	$ --	$ 7,620

The accompanying notes are an integral part of the consolidated financial statements.

CDW HOLDING CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

1. ORGANIZATION:

On February 28, 1994, CDW Holding Corporation (CDW) and its subsidiaries (collectively, the Company) completed the acquisition of substantially all of the assets and certain liabilities of Westinghouse Electric Supply Company from Westinghouse Electric Corporation (Westinghouse). The Company was formed by the Clayton & Dubilier Private Equity Fund IV Limited Partnership, managed by Clayton, Dubilier & Rice, Inc. for the purpose of the acquisition. All of the Company's commercial activities, which commenced February 28, 1994, are carried out by WESCO Distribution, Inc. and its subsidiaries (WESCO). WESCO is a wholly-owned subsidiary of CDW. WESCO, headquartered in Pittsburgh, Pennsylvania, is a full-line distributor of electrical supplies and equipment and currently operates branch locations in the United States, Canada, Mexico, Puerto Rico and Guam.

The acquisition was accounted for as a purchase and, accordingly, the assets and liabilities acquired have been recorded at their estimated fair value at the date of acquisition, less the excess of the fair value of the assets and liabilities acquired over the purchase price. This excess was allocated to the noncurrent assets of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates upon subsequent resolution of some matters.

Revenue Recognition:

Revenues of the Company are recognized at the time of product shipment.

Cash Equivalents:

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less when purchased.

Inventories:

Inventories primarily consist of merchandise purchased for resale and are stated at the lower of cost or market. Cost is determined principally under the average cost method.

Property, Buildings and Equipment:

Property, buildings and equipment are recorded at cost. Depreciation expense is determined over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over either their respective lease terms or their estimated lives, whichever is shorter.

Expenditures for new facilities and improvements that extend the useful life of an asset are capitalized. Ordinary repairs and maintenance are expensed as incurred. When property is retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any related gains or losses are recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES--CONTINUED:

Intangibles:

Goodwill and other intangibles arising from acquisitions are being amortized on a straight-line basis over periods not exceeding 25 years. The Company regularly reviews the individual components of the balance by evaluating the estimated future undiscounted cash flows to determine the recoverability of the assets and recognizes, on a current basis, any decrease in value.

Trademarks acquired are recorded at cost and are amortized on a straight-line basis over periods not exceeding 25 years.

Income Taxes:

Deferred income taxes result primarily from temporary differences between financial and tax reporting. A valuation allowance is provided when a portion or all of a deferred tax asset may not be realized.

Foreign Currency Translation:

The local currency is the functional currency for the Company's operations outside the United States. Assets and liabilities of these operations are translated to U.S. dollars at the exchange rate in effect at each year-end. Income statement accounts are translated at the average exchange rate prevailing during the year. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of stockholders' equity. Gains and losses from foreign currency transactions are included in net income for the period.

Environmental Expenditures:

The Company has facilities and operations which distribute certain products that must comply with environmental regulations and laws. Expenditures for current operations are expensed or capitalized, as appropriate. Expenditures relating to existing conditions caused by past operations, and which do not contribute to future revenue, are expensed. Liabilities are recorded when remedial efforts are probable and the costs can be reasonably estimated.

Earnings Per Share:

Basic earnings per share are computed by dividing net income by the common shares outstanding during the respective periods. Diluted earnings per share are computed by dividing net income by the common and common equivalent shares outstanding during the respective periods. The dilutive effect of common share equivalents is considered in the diluted earnings per share computation using the treasury stock method.

Reclassifications:

Certain prior year amounts have been reclassified in order to conform with the current presentations.

New Accounting Pronouncements:

In February 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share." This Statement, which is effective for the 1997 financial statements, establishes standards for computing and presenting earnings per share and requires restatement of all prior period earnings per share data presented. The provisions of SFAS No. 128 have been adopted and the effects are included in the financial statements.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES--CONTINUED:

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," which establishes standards for reporting and displaying comprehensive income and its components. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Additionally, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and related disclosures about products and services, geographic areas and major customers. These Statements are effective for financial statements for fiscal years beginning after December 15, 1997. Management is currently evaluating the implications of these Statements.

3. CONCENTRATIONS OF CREDIT RISK AND SIGNIFICANT SUPPLIERS:

The Company distributes its products and extends credit to a large number of customers in the industrial, construction, utility and manufactured structures market. In addition, one supplier accounted for approximately 20%, 18%, and 18% of the Company's purchases for the years ended December 31, 1995, 1996 and 1997, respectively.

4. PROPERTY, BUILDINGS AND EQUIPMENT:

	DECEMBER 31,	
	1996	1997
Land	$ 18,543	$ 17,875
Buildings and leasehold improvements	59,174	61,629
Furniture, fixtures and equipment	27,412	30,083
	105,129	109,587
Less: accumulated depreciation and amortization	(14,266)	(20,721)
	90,863	88,866
Construction in progress	3,088	6,216
	$ 93,951	$ 95,082

5. OTHER ASSETS:

	DECEMBER 31,	
	1996	1997
Debt issuance costs	$ 1,098	$ 1,270
Software costs	5,162	6,846
Favorable lease commitments	1,054	1,054
Other	879	1,916
	8,193	11,086
Less: accumulated amortization	(6,036)	(7,355)
	2,157	3,731
Restricted cash	2,513	5,878
	$ 4,670	$ 9,609

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

5. OTHER ASSETS--CONTINUED:

Debt issuance costs are being amortized on a straight-line basis, which does not differ significantly from the effective interest rate method, over the term of the related debt (see Note 8).

Restricted cash represents proceeds received from the sale of properties which collateralize the First Mortgage Notes. Such proceeds are restricted for either repayment of the First Mortgage Notes or acquisition of additional properties which would be issued as collateral under the First Mortgage Notes (see Note 8).

6. OTHER CURRENT LIABILITIES:

	DECEMBER 31,	
	1996	1997
Accrued taxes other than income	$ 9,782	$10,696
Accrued interest	1,912	1,508
Notes payable	1,597	891
Other current liabilities	3,869	3,968
	$17,160	$17,063

The notes payable relate to a portion of the purchase price for certain acquisitions.

7. INCOME TAXES:

At the acquisition date, February 28, 1994, the Company had approximately $45,000 of future tax deductions ($18,000 of tax benefits) which resulted in the creation of certain deferred tax assets. A valuation allowance was recorded for the full amount of the assets reflected on the opening balance sheet since the realization of these future benefits was not considered likely at that time. However, at December 31, 1996, all of these deductions had been recognized. The recognition of these benefits resulted in a reduction in noncurrent intangible assets, principally trademarks.

The charge in lieu of taxes recognized in 1995 and 1996 represents the amount of tax expense that would have been recognized had the benefits described above been recorded at the time of the acquisition.

The provision for income taxes is as follows:

	1995	1996	1997
Current:			
U.S. federal	$ 468	$15,360	$16,689
State	100	2,872	3,067
Foreign	--	210	1,117
Deferred:			
U.S. federal	7,218	(1,588)	2,727
State	1,314	(267)	(183)
Foreign	740	523	293
Charge in lieu of taxes	4,950	1,254	--
Provision for income taxes before extraordinary charge	14,790	18,364	23,710
Tax benefit of extraordinary charge	(5,244)	--	--
	$ 9,546	$18,364	$23,710

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

7. INCOME TAXES--CONTINUED:

The components of income before income taxes and extraordinary charge by jurisdiction are as follows:

	1995	1996	1997
United States	$35,815	$49,072	$57,083
Canada	4,105	1,754	2,864
	$39,920	$50,826	$59,947

A reconciliation between the federal statutory income tax rate and the effective rate is as follows:

	1995	1996	1997
Federal income taxes at the statutory rate	34.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	5.2	4.2	3.3
Nondeductible expenses	1.8	2.5	2.6
Tax on income of foreign subsidiary	1.0	(0.1)	0.3
Net adjustment to valuation allowance	(5.0)	(5.8)	--
Other	--	0.3	(1.6)
	37.0%	36.1%	39.6%

In 1995 and 1996, the Company determined that it was more likely than not that it would realize the benefits of certain deferred tax assets originating subsequent to the acquisition. As a result, the Company recognized benefits of approximately $1,980 and $2,928 in 1995 and 1996, respectively, associated with the realization of the post acquisition deferred tax assets through the reversal of the associated valuation allowance.

The deferred taxes are as follows:

	1996	1997
Accounts receivable	$ 3,327	$ 4,236
Inventory	4,412	4,819
Restructuring reserve	90	484
Other	4,902	4,738
	12,731	14,277
Intangibles	(320)	(3,766)
Property, buildings and equipment	(4,429)	(4,079)
Other	(8,412)	(8,817)
	(13,161)	(16,662)
	$ (430)	$ (2,385)

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

8. LONG-TERM DEBT:

	DECEMBER 31,	
	1996	1997
United States debt agreements:		
Revolving Credit Loans (A)	$177,400	$205,900
Zero Coupon First Mortgage Note, due February 2001, net of unamortized debt discount of $21,046 in 1996 and $16,601 in 1997 (B)	54,473	58,918
Other	700	2,839
Canadian debt agreements (U.S. dollar equivalents):		
Revolving Credit Loans (A)	21,900	20,245
8% First Mortgage Note, due February 2001 (C)	6,162	6,373
	$260,635	$294,275

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(A) The Company has entered into credit agreements with various banks providing for an aggregate of $360,000 ($300,000 at December 31, 1996) of revolving credit facilities, expiring February 2000. The agreements provide for floating rates, based on either Prime or LIBOR in the United States and Prime or Bankers' Acceptance rates in Canada plus a fixed margin. The interest rates for 1996 for the revolving credit loans ranged from 6.3% to 8.3% in the United States and was 3.2% in Canada. The interest rates for 1997 for the revolving credit loans ranged from 6.1% to 8.5% in the United States and was 4.4% to 5.3% in Canada. The weighted-average interest rate was 6.7% and 6.0% for the years ended December 31, 1996 and 1997, respectively (see Note 18).

In 1995, the Company terminated the existing credit agreements and refinanced the outstanding indebtedness. In connection with this refinancing, the Company recorded an extraordinary charge of $13,312 ($8,068 after-tax) relating to the write-off of unamortized debt issuance and other costs associated with the early termination of the debt.

(B) The Company issued a Zero Coupon First Mortgage Note to Westinghouse for the purchase of the real estate acquired in the United States. This note has a yield to maturity of 8% and a maturity value of $75,519.

(C) The Company issued a First Mortgage Note to Westinghouse for the purchase of the real estate acquired in Canada. All interest and principal will be due February 2001.

The Company has two interest rate cap agreements with individual notional amounts of $80,000 that expire in March 1998 and August 1999. The aggregate cost of the interest rate caps of $278 is being amortized to interest expense over the period of the agreements on a straight-line basis. The agreements effectively provide a ceiling for interest at rates ranging from 6.8% to 7.0%. The market value of the interest rate caps is estimated to be $42 at December 31, 1997.

The agreements contain various restrictive covenants that, among other things, impose (i) limitations on the incurrence of additional indebtedness or guaranties; (ii) limitations on the issuance of additional stock of subsidiaries; (iii) limitations on liens or negative pledges; (iv) limitations on investments, loans, acquisitions or advances; (v) limitations on dividends; (vi) limitations on the sale, lease or other disposal of assets; (vii) limitations on transactions among affiliates which are not arms-length; (viii) limitations on entering into new lines of business; and (ix) limitations on capital expenditures. In addition, the agreements require the Company to meet certain financial tests based on net worth, a funded indebtedness to consolidated EBITDA ratio and fixed charge coverage.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

8. LONG-TERM DEBT--CONTINUED:

The Company is permitted to pay dividends under certain limited circumstances. At December 31, 1997, no retained earnings were available to pay dividends.

The Company had outstanding letters of credit in the amount $3,250 at December 31, 1996 and 1997. These letters of credit are used as collateral for performance and bid bonds. The value of these letters of credit approximates contract value.

The value of assets collateralized under the aforementioned debt agreements was approximately $651,348 and $719,533 at December 31, 1996 and 1997, respectively.

The fair value of the Company's long-term debt is estimated to be approximately $255,620 and $290,035 at December 31, 1996 and 1997, respectively, based on current market interest rates and discounted cash flows.

Future principal payments of long-term debt in excess of one year as of December 31, 1997 are as follows:

1999	$228,230
2000	385
2001	65,594
2002	66

9. CAPITAL STOCK:

Common Stock:

There are 2,000,000 shares each of Class A and Class B common stock authorized at a par value of $.01 per share. The Class B common stock is identical to the Class A common stock, except for voting and conversion rights. The holders of Class B common stock have no voting rights. With certain exceptions, Class B common stock may be converted, at the option of the holder, into the same number of shares of Class A common stock. No Class B common stock was outstanding at December 31, 1996 and 1997.

At December 31, 1997, shares of common stock reserved for future issuance were as follows:

	NUMBER OF SHARES
Stock purchase plan	24,986
Stock option plan	81,114
Stock option plan for branch employees	24,900

Redeemable Class A Common Stock:

Certain employees and key management of the Company who hold Class A common stock and options may require the Company to repurchase, under certain conditions, all of the shares held. This repurchase right terminates upon the consummation of an initial public offering of CDW's Class A common stock.

10. STOCK INCENTIVE PLANS:

Stock Purchase Plan:

Under the Company's stock purchase plan, certain employees of the Company may be granted an opportunity to purchase CDW's Class A common stock. The maximum number of shares available for purchase

10. STOCK INCENTIVE PLANS--CONTINUED:

may not exceed 55,000. The purchase price per share is determined by the Board of Directors of the Company to represent fair market value, as defined by the Stock Subscription Agreement. Should the purchase price of the stock be less than the fair market value of the stock at the grant date, such excess will be recorded as compensation expense in the consolidated statement of income. The plan will continue in effect until either the earlier of June 15, 1999, or the date on which all shares of common stock to be offered have been issued. At December 31, 1996 and 1997, a total of 30,504 and 31,304 shares, respectively, have been purchased under the plan. During 1995, 14,624 shares were purchased for a weighted-average share price of $103 under the plan. During 1996, 2,610 shares were purchased for a weighted-average share price of $169 under the plan. During 1997, 800 shares were purchased for a weighted-average share price of $251 under the plan. In conjunction with the purchase of shares pursuant to the plan, the Company has granted options to purchase shares of common stock equal to approximately one and one-third of the number of shares purchased. See the stock option plan described below for further information.

Other Stock Purchases:

In addition to the stock purchase plan, certain key management employees of the Company, nonemployee directors and other investors were granted an opportunity to purchase CDW's Class A common stock. The purchase price per share was determined by the Board of Directors to represent the fair market value, as defined by the Stock Subscription Agreement, at the date of grant. At each of December 31, 1996 and 1997, 54,150 shares had been purchased. During 1995, 8,140 shares were purchased at a weighted-average share price of $111 under these additional offerings. During 1996, 2,140 shares were purchased at a share price of $195 under an additional offering.

Stock Option Plan:

Participation in the Company's stock option plan is limited to officers and key employees of the Company. The maximum number of Class A common stock options (and the maximum shares of common stock subject to options) granted under the plan may not exceed 181,000. The exercise price per share is determined by the Board of Directors of the Company, but will not be less than the estimated fair market value, as defined by the Stock Option Agreements, on the grant date. Options granted to a participant will vest and will become exercisable over five years, except in the event of a change in control. Each option terminates on the tenth anniversary of its grant date unless terminated sooner under certain conditions.

Stock Option Plan for Branch Employees:

The Company also has a stock option plan whose participation is limited to branch managers and other key branch personnel. The Compensation Committee of the Board of Directors of the Company may grant such employees up to 50,000 options. Provisions for exercise price, vesting and termination of these options are substantially the same as the stock option plan described above.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

10. STOCK INCENTIVE PLANS--CONTINUED:

The transactions for shares under options are as follows:

	1995	1996	1997
Outstanding, beginning of year			
Number	68,860	95,970	98,842
Weighted-average exercise price	$ 100	$ 102	$ 107
Granted			
Number	27,110	6,300	26,140
Weighted-average exercise price	$ 106	$ 181	$ 198
Exercised			
Number	--	3,428	1,714
Weighted-average exercise price	--	$ 100	$ 100
Canceled			
Number	--	--	3,424
Weighted-average exercise price	--	--	$ 102
Outstanding, end of year			
Number	95,970	98,842	119,844
Weighted-average exercise price	$ 102	$ 107	$ 127
Exercisable, end of year			
Number	10,226	18,796	33,848
Weighted-average exercise price	$ 100	$ 101	$ 103

The following summarizes certain stock options information at December 31, 1997:

Options outstanding:

RANGE OF EXERCISE PRICE	NUMBER	WEIGHTED-AVERAGE REMAINING LIFE	WEIGHTED-AVERAGE EXERCISE PRICE
$100--$251	119,844	7.3	$127

Options exercisable:

RANGE OF EXERCISE PRICE	NUMBER	WEIGHTED-AVERAGE EXERCISE PRICE
$100--$195	33,848	$103

The Westinghouse option, discussed in Note 13, has not been included in the above data.

The stock option plans require the Company to repurchase the exercisable portion of the options held by an employee if the employee dies, is disabled or terminated without cause. This repurchase right terminates upon consummation of an initial public offering of CDW's Class A common stock. Since the triggering event requiring the repurchase is considered remote, the Company accounts for the option as a fixed plan and accordingly no compensation expense has been recorded.

In connection with the implementation of SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has elected to continue to account for stock-based compensation arrangements under the provisions of Accounting Principles Board (APB) Opinion No. 25, which resulted in no compensation costs being recorded.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

10. STOCK INCENTIVE PLANS--CONTINUED:

If compensation costs had been determined based on the fair value at the grant dates according to SFAS No. 123, the Company's net income and earnings per share, would have been as follows:

	1995	1996	1997
Net income:			
As reported	$17,062	$32,462	$36,237
Pro forma	16,960	32,399	35,711
Basic earnings per share:			
As reported	17.05	31.97	35.48
Pro forma	16.95	31.91	34.97
Diluted earnings per share:			
As reported	16.20	29.47	31.53
Pro forma	16.10	29.41	31.07

The weighted-average fair value of options granted was $6.23, $16.70 and $33.56 per share for the years ended 1995, 1996 and 1997, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Sholes based pricing model with the following assumptions:

	1995	1996	1997
Risk-free interest rate	6.4%	6.5%	6.5%
Option term	7 years	7 years	7 years

11. EARNINGS PER SHARE:

A reconciliation of the numerator and denominator used to calculate basic and diluted earnings per share is as follows:

	1995	1996	1997
Income before extraordinary charge	$ 25,130	$ 32,462	$ 36,237
Extraordinary charge	8,068	--	--
Net income	$ 17,062	$ 32,462	$ 36,237
Weighted-average common shares outstanding used in computing basic earnings per share	1,000,735	1,015,238	1,021,271
Common shares issuable upon exercise of dilutive outstanding stock options	52,609	86,335	127,928
Weighted-average common shares and common share equivalents used in computing diluted earnings per share	1,053,344	1,101,573	1,149,199
Basic earnings per share:			
Income before extraordinary charge	$ 25.11	$ 31.97	$ 35.48
Extraordinary charge	8.06	--	--
Net income	$ 17.05	$ 31.97	$ 35.48
Diluted earnings per share:			
Income before extraordinary charge	$ 23.86	$ 29.47	$ 31.53
Extraordinary charge	7.66	--	--
Net income	$ 16.20	$ 29.47	$ 31.53

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

12. EMPLOYEE BENEFITS:

A majority of the Company's employees are covered by defined contribution retirement savings plans for their service rendered subsequent to the acquisition date. Westinghouse retains certain retiree pension and health benefits for service rendered prior to formation. U.S. employee contributions of not more than 6% of eligible compensation are matched 50% by the Company. Company contributions for Canadian employees range from 1%--6% of eligible compensation based on years of service.

In addition, employer contributions may be made at the discretion of the Board of Directors and can be based on the Company's current year performance. Employees are credited for service with Westinghouse in determining the vesting of Company contributions. For the years ended December 31, 1995, 1996 and 1997, the Company contributed $7,096, $9,256 and $12,453, respectively, which was charged to expense.

13. RELATED PARTIES:

Pursuant to an agreement, Clayton, Dubilier & Rice, Inc. provides financial advisory and management consulting services to the Company for an annual fee of approximately $400.

WESCO purchases products and services from and sells products to Westinghouse. A summary of these purchases and sales is as follows:

	1995	1996	1997
Purchases from Westinghouse	$27,481	$19,115	$15,498
Sales to Westinghouse	27,311	21,192	21,666

The amount due from Westinghouse at December 31, 1996 and 1997, net of amounts owed, was approximately $4,664 and $2,623, respectively.

In connection with the acquisition, the Company granted Westinghouse an option to purchase 100,000 shares of Class A common stock at a price of $100 per share. The option is exercisable until it terminates on February 28, 1999. The Company has a right of first refusal if Westinghouse decides to sell its option to a third party prior to its termination. The fair value of this option, which was recorded at the acquisition, was $2,500 and is included in the consolidated balance sheets as Common Stock to Be Issued Under Option.

14. COMMITMENTS AND CONTINGENCIES:

Future minimum rental payments required under operating leases, primarily for real property that have noncancelable lease terms in excess of one year as of December 31, 1997, are as follows:

1998	$17,692
1999	14,831
2000	12,838
2001	10,602
2002	6,175
Thereafter	8,593

Rental expense for the years ended December 31, 1995, 1996 and 1997, was $16,326, $22,032 and $26,371, respectively.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

14. COMMITMENTS AND CONTINGENCIES--CONTINUED:

The Company has litigation arising from time to time in the normal course of business. In management's opinion, any present litigation the Company is aware of will not materially affect the Company's consolidated financial position, results of operations or cash flows.

Westinghouse agreed to indemnify the Company for certain environmental liabilities that existed at the time of the acquisition. The Company has made a claim under this indemnity amounting to $1.5 million. The ultimate resolution of this environmental compliance issue is not expected to materially impact the Company's consolidated financial position, results of operations or cash flows.

The Company has guaranteed $5,636 in loans to certain stockholders at December 31, 1997.

15. SUPPLEMENTAL CASH FLOW INFORMATION:

Supplemental cash flow information is as follows:

	1995	1996	1997
Cash paid during the year for:			
Interest	$12,433	$ 11,600	$15,377
Income taxes	1,062	13,756	27,523
Details of acquisitions:			
Fair value of assets acquired	18,455	170,583	21,498
Value of liabilities assumed	(6,242)	(54,884)	(5,334)
Restructuring reserve	--	(5,102)	--
Notes issued to seller	(5,900)	(2,950)	(2,250)
Cash paid for acquisitions	6,313	107,647	13,914
Less: cash acquired	132	3,729	--
	$ 6,181	$103,918	$13,914

16. ACQUISITIONS:

During the three years ended December 31,1997, the Company acquired eleven distributors with branches located across the United States for an aggregate purchase price of $12,423 and $158,802 and $19,248, respectively. The largest acquisition, in April 1996, was EESCO, Inc. with headquarters in Chicago, Illinois. These acquisitions resulted in goodwill of approximately $6,146, $59,766 and $5,913 for the years ending 1995, 1996 and 1997, respectively.

The acquisitions have been accounted for under the purchase method of accounting for business combinations. The results of operations of these companies are included in the consolidated financial statements from the acquisition dates forward. Pro forma results of these acquisitions, assuming they had been made at the beginning of each year presented, would not be materially different from the results reported.

In December 1997, the Company entered into definitive agreements to acquire two distribution businesses for approximately $59,500 financed principally through 45,000 in borrowings under the Company's credit agreement and $14,500 of uncollateralized notes. Up to $5,000 of such notes may be converted to shares of Class

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

16. ACQUISITIONS--CONTINUED:

A common stock at the initial public offering price at the election of the holder, which election is required to be made prior to the initial public offering. Both acquisitions closed in January 1998. These acquisitions have been accounted for under the purchase method of accounting for business combinations.

17. GEOGRAPHIC INFORMATION:

The Company is engaged principally in one line of business--distribution of electrical supplies--which represents more than 90% of consolidated sales. The following table presents information about the Company by geographic area. There were no material amounts of sales or transfers among geographic areas and no material amounts of United States export sales:

	UNITED STATES	CANADA	TOTAL
As of and for the year ended December 31, 1995			
Sales, net	$1,598,618	$258,424	$1,857,042
Income from operations	47,910	7,823	55,733
Identifiable assets	500,905	80,431	581,336
As of and for the year ended December 31, 1996			
Sales, net	2,014,107	260,515	2,274,622
Income from operations	63,562	4,646	68,208
Identifiable assets	688,791	84,696	773,487
As of and for the year ended December 31, 1997			
Sales, net	2,313,862	280,957	2,594,819
Income from operations	74,774	5,282	80,056
Identifiable assets	781,692	89,168	870,860

18. SUBSEQUENT EVENT:

On February 13, 1998, the Company amended the revolving credit agreements (see Note 8). The amendment allows the Company to borrow up to a maximum of $445,000 through February 2001, releases all previously required collateral and amends certain restrictive covenants. The loans continue to adjust for floating rates, based on either Prime or LIBOR in the United States and Prime or Bankers' Acceptance rates in Canada plus a fixed margin.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE CLASS A COMMON STOCK TO WHICH IT RELATES OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY CLASS A COMMON STOCK IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN ANY CHANGE IN THE FACTS SET FORTH IN THE PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

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UNTIL , 1998 (THE 25TH DAY AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE CLASS A COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS DELIVERY REQUIREMENT IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

SHARES

[LOGO]

CDW HOLDING CORPORATION

CLASS A COMMON STOCK

P R O S P E C T U S

MERRILL LYNCH & CO.

GOLDMAN, SACHS & CO.

BEAR, STEARNS & CO. INC.

SALOMON SMITH BARNEY

, 1998

++
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
++

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]
SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED MARCH 10, 1998

PROSPECTUS

SHARES
CDW HOLDING CORPORATION
CLASS A COMMON STOCK

All of the shares of Class A Common Stock of CDW Holding Corporation offered hereby are being sold by certain stockholders (the "Selling Stockholders") of CDW Holding Corporation. Of the shares of Class A Common Stock offered hereby, shares are being offered for sale initially outside the United States and Canada by the International Managers and shares are being offered for sale initially in a concurrent offering in the United States and Canada by the U.S. Underwriters. The initial public offering price and the underwriting discount per share will be identical for both Offerings. See "Underwriting."

Prior to the Offerings, there has been no public market for the Class A Common Stock. It is currently estimated that the initial public offering price will be between $ and $ per share. For a discussion relating to factors to be considered in determining the initial public offering price, see "Underwriting."

Application will be made to list the Class A Common Stock on the New York Stock Exchange under the symbol " ."

SEE "RISK FACTORS" BEGINNING ON PAGE 11 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE CLASS A COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT (1)	PROCEEDS TO SELLING STOCKHOLDERS (2)
Per Share.....	$	$	$
Total (3).....	$	$	$

(1) The Company and the Selling Stockholders have agreed to indemnify the several Underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(2) The Company has agreed to pay the expenses of the Offerings (other than the Underwriting Discount) estimated at $.
(3) The Selling Stockholders have granted to the International Managers and the U.S. Underwriters options to purchase up to an additional and shares of Class A Common Stock, respectively, solely to cover over-allotments, if any. If such options are exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Selling Stockholders will be $, $ and $, respectively. See "Underwriting."

The shares of Class A Common Stock are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the shares of Class A Common Stock will be made in New York, New York on or about , 1998.

MERRILL LYNCH INTERNATIONAL GOLDMAN SACHS INTERNATIONAL
BEAR, STEARNS INTERNATIONAL LIMITED
SALOMON SMITH BARNEY INTERNATIONAL

The date of this Prospectus is , 1998.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

UNDERWRITING

Merrill Lynch International ("Merrill Lynch"), Goldman Sachs International, Bear, Stearns International Limited and Smith Barney Inc. are acting as lead managers (the "Lead Managers") of each of the International Managers named below (the "International Managers"). Subject to the terms and conditions set forth in an international purchase agreement (the "International Purchase Agreement") among the Selling Stockholders, the Company and the International Managers, and concurrently with the sale of shares of Class A Common Stock to the U.S. Underwriters (as defined below), the Selling Stockholders have agreed to sell to the International Managers, and each of the International Managers severally and not jointly has agreed to purchase from the Selling Stockholders, the number of shares of Class A Common Stock set forth opposite its name below.

INTERNATIONAL MANAGER	NUMBER OF SHARES
Merrill Lynch International	
Goldman Sachs International	
Bear, Stearns International Limited	
Smith Barney Inc.	
Total	

The Company and the Selling Stockholders have also entered into a U.S. purchase agreement (the "U.S. Purchase Agreement") with certain underwriters in the United States and Canada (the "U.S. Underwriters" and, together with the International Managers, the "Underwriters") for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co., Bear, Stearns & Co. Inc. and Smith Barney Inc. are acting as representatives (the "U.S. Representatives"). Subject to the terms and conditions set forth in the U.S. Purchase Agreement, and concurrently with the sale of shares of Class A Common Stock to the International Managers pursuant to the International Purchase Agreement, the Selling Stockholders have agreed to sell to the U.S. Underwriters, and the U.S. Underwriters severally and not jointly have agreed to purchase from the Selling Stockholders, an aggregate of shares of Class A Common Stock. The initial public offering price per share and the underwriting discount per share of Class A Common Stock will be identical under the International Purchase Agreement and the U.S. Purchase Agreement .

In the International Purchase Agreement and the U.S. Purchase Agreement, the several International Managers and the several U.S. Underwriters, respectively, have agreed, subject to the terms and conditions set forth therein, to purchase all of the shares of Class A Common Stock being sold pursuant to each such agreement if any of the shares of Class A Common Stock being sold pursuant to such agreement are purchased. Under certain circumstances, under the International Purchase Agreement and the U.S. Purchase Agreement, the commitments of non-defaulting Underwriters may be increased. The closings with respect to the sale of shares of Class A Common Stock to be purchased by the International Underwriters and the U.S. Underwriters are conditioned upon one another.

The International Managers have advised the Selling Stockholders and the Company that the International Managers propose initially to offer the shares of Class A Common Stock to the public at the initial public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of $ per share of Class A Common Stock. The International Managers may allow, and such dealers may reallow, a discount not in excess of $ per share of Class A Common Stock on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Selling Stockholders have granted an option to the International Managers, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of additional shares of Class A Common Stock at the initial public offering price set forth on the cover page of this Prospectus, less the underwriting discount.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

The International Managers may exercise these option solely to cover over-allotments, if any, made on the sale of the Class A Common Stock offered hereby. To the extent that the International Managers exercise the option, each International Manager will be obligated, subject to certain conditions, to purchase a number of additional shares of Class A Common Stock proportionate to such International Manager's initial amount reflected in the foregoing table. The Selling Stockholders also have granted an option to the U.S. Underwriters, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of additional shares of Class A Common Stock to cover over-allotments, if any, on terms similar to those granted to the International Managers.

At the request of the Company, the Underwriters have reserved for sale, at the initial public offering price up to of the shares of Class A Common Stock offered hereby to be sold to certain employees of the Company and certain other persons. The number of shares of Class A Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares of Class A Common Stock which are not orally confirmed for purchase within one day of the pricing of the Offerings will be offered by the Underwriters to the general public on the same terms as the other shares offered hereby.

The Selling Stockholders, the Company's executive officers and directors, and certain other stockholders have agreed, subject to certain exceptions, not to directly or indirectly (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any shares of Class A Common Stock or securities convertible into or exchangeable or exercisable for Class A Common Stock, whether now owned or thereafter acquired by the person or entity executing the agreement or with respect to which the person or entity executing the agreement thereafter acquires the power of disposition, or file a registration statement under the Securities Act with respect to the foregoing or (ii) enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of the Class A Common Stock whether any such swap or transaction is to be settled by delivery of Class A Common Stock or other securities, in cash or otherwise, without the prior written consent of Merrill Lynch on behalf of the Underwriters for a period of 180 days after the date of this Prospectus. See "Shares Eligible for Future Sale."

The International Managers and U.S. Underwriters the have entered into an intersyndicate agreement (the "Intersyndicate Agreement") that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, the International Managers and the U.S. Underwriters are permitted to sell shares of Class A Common Stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the U.S. Underwriters and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to persons who are non- U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, and the International Managers and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to U.S. persons or to Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions pursuant to the Intersyndicate Agreement.

Prior to the Offerings, there has been no public market for the Class A Common Stock of CDW. The initial public offering price will be determined through negotiations among the Company, the Selling Stockholders, the Lead Managers and the U.S. Representatives. The factors to be considered in determining the initial public offering price, in addition to prevailing market conditions, are price-earnings ratios of publicly traded companies that the Lead Managers and U.S. Representatives believe to be comparable to the Company, certain financial information of the Company, the history of, and the prospects for, the Company and the industry in which it competes, and an assessment of the Company's management, its past and present operations, the prospects for, and timing of, future revenues of the Company, the present state of the Company's development and the above factors in relation to market values and various valuation measures of other companies engaged in

activities similar to the Company. There can be no assurance given that an active trading market will develop for the Class A Common Stock or that the Class A Common Stock will trade in the public market subsequent to the Offerings at or above the initial public offering price.

Application will be made to list the Class A Common Stock on the New York Stock Exchange under the symbol " ." In order to meet the requirements for listing of the Class A Common Stock on the New York Stock Exchange, the International Managers and U.S. Underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial owners.

The International Managers and U.S. Underwriters do not intend to confirm sales of the Class A Common Stock offered hereby to any accounts over which they exercise discretionary authority.

CDW and the Selling Stockholders have agreed to indemnify the International Managers and the U.S. Underwriters against certain liabilities, including certain liabilities under the Securities Act, or to contribute to payments which the International Managers and U.S. Underwriters may be required to make in respect thereof.

Until the distribution of the Class A Common Stock is completed, rules of the Commission may limit the ability of the Underwriters and certain selling group members to bid for and purchase the Class A Common Stock. As an exception to these rules, the U.S. Representatives are permitted to engage in certain transactions that stabilize the price of the Class A Common Stock. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Class A Common Stock.

If the Underwriters create a short position in the Class A Common Stock in connection with the Offerings, i.e., if they sell more shares of Class A Common Stock than are set forth on the cover page of this Prospectus, the U.S. Representatives may reduce that short position by purchasing Class A Common Stock in the open market. The U.S. Representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The U.S. Representatives may also impose a penalty bid on certain Underwriters and selling group members. This means that if the U.S. Representatives purchase shares of Class A Common Stock in the open market to reduce the Underwriters' short position or to stabilize the price of the Class A Common Stock, they may reclaim the amount of the selling concession from the Underwriters and selling group members who sold those shares as part of the Offerings.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might have been in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of the Class A Common Stock to the extent that it discourages resales of the Class A Common Stock.

None of the Company, the Selling Stockholders or any of the Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Class A Common Stock. In addition, none of the Company, the Selling Stockholders or any of the Underwriters makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Each International Manager has agreed that (i) it has not offered or sold, and, for a period of six months from the Closing Date, will not offer or sell, to persons in the United Kingdom, other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied with and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the shares of Class A Common Stock in,

from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of shares of Class A Common Stock to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996, or is a person to whom such document may otherwise lawfully be issued or passed on.

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of Class A Common Stock, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or shares of Class A Common Stock in any jurisdiction where action for that purpose is required. Accordingly, the shares of Class A Common Stock may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the shares of Class A Common Stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the shares offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price set forth on the cover page hereof.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

LEGAL MATTERS

The validity of the shares of Class A Common Stock offered hereby will be passed upon for CDW and the Selling Stockholders by Debevoise & Plimpton, New York, New York. Certain legal matters will be passed upon for the Underwriters by Fried, Frank, Harris, Shriver & Jacobson (a partnership including professional corporations), New York, New York. Debevoise & Plimpton also acts and may hereafter act as counsel to CD&R and its affiliates and to CDW and its affiliates. Franci J. Blassberg, Esq., a member of Debevoise & Plimpton, is married to Joseph L. Rice, III, a general partner of Associates IV, the general partner of Fund IV.

EXPERTS

The consolidated balance sheets of the Company as of December 31, 1996 and 1997 and the consolidated statements of income, stockholders' equity and cash flows of the Company for each of the three years in the period ended December 31, 1997 included in this Prospectus have been included herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

A registration statement (the "Registration Statement") on Form S-1 under the Securities Act has been filed with the Commission with respect to the shares of Class A Common Stock offered hereby. This Prospectus does not contain all the information set forth in the Registration Statement and exhibits and schedules thereto, certain portions having been omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the shares of Class A Common Stock offered hereby, reference is hereby made to the Registration Statement and such exhibits thereto and the financial statements, notes and schedules filed as part thereof, which may be inspected, without charge, at the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at 75 Park Place, New York, New York 10007 and Northwestern Atrium Center, 500 W. Madison Street, 14th Floor, Chicago, Illinois 60611. Copies of all or any portion of the Registration Statement may be obtained from the Public Reference Section of the Commission upon payment of prescribed fees. The Commission also maintains a worldwide web site at http://www.sec.gov which contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

Statements made in this Prospectus concerning the provisions of any document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of the document included as an exhibit to the Registration Statement. Each such statement is qualified in its entirety by this reference.

CDW intends to furnish its stockholders with annual reports containing audited consolidated financial statements and with quarterly reports for the first three quarters of each fiscal year containing unaudited consolidated summary financial information.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE CLASS A COMMON STOCK TO WHICH IT RELATES OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY CLASS A COMMON STOCK IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN ANY CHANGE IN THE FACTS SET FORTH IN THE PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

IN THE PROSPECTUS, UNLESS OTHERWISE SPECIFIED, REFERENCES TO "DOLLARS" AND "$" ARE TO UNITED STATES DOLLARS.

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UNTIL , 1998 (THE 25TH DAY AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE CLASS A COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS DELIVERY REQUIREMENT IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

SHARES

[LOGO]

CDW HOLDING CORPORATION

CLASS A COMMON STOCK

P R O S P E C T U S

MERRILL LYNCH INTERNATIONAL

GOLDMAN SACHS INTERNATIONAL

BEAR, STEARNS INTERNATIONAL LIMITED

SALOMON SMITH BARNEY INTERNATIONAL

, 1998

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following are the estimated expenses of the issuance and distribution of the shares of Class A Common Stock being registered, including fees and expenses previously incurred by CDW, other than any underwriting compensation.

SEC Registration fee	$88,500
National Association of Securities Dealers, Inc. filing fee	30,500
NYSE listing fee	
Accounting fees and expenses	
Legal fees and expenses	
Printing and engraving	
Transfer Agent's fees	
Blue Sky fees and expenses (including counsel fees)	
Premium for directors and officers insurance	
Miscellaneous expenses	
Total	$

All of the above expenses of the Offerings will be borne by CDW as contemplated by the Registration and Participation Agreement entered into at the time of the Acquisition.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware (the "Delaware Law") empowers a Delaware corporation to indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was an officer or director of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such officer or director acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the corporation's best interests, and, for criminal proceedings, had no reasonable cause to believe his conduct was illegal. A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation in the performance of his duty. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director actually and reasonably incurred.

Article VI of CDW's By-Laws provides for indemnification by CDW of its directors and officers to the full extent permitted by the Delaware Law. Pursuant to Section 145 of the Delaware Law, the Company has purchased insurance on behalf of its present and former directors and officers against any liability asserted against or incurred by them in such capacity or arising out of their status as such.

Pursuant to specific authority granted by Section 102 of the Delaware Law, Article FIFTH of CDW's Third Restated Certificate of Incorporation contains the following provision regarding limitation of liability of directors and officers:

"(e) No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, provided that nothing contained in this Third

Restated Certificate of Incorporation shall eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit."

CDW has entered into an Indemnification Agreement with Fund IV (together with its respective affiliates, directors and officers, the "Indemnitees"). Pursuant to the Indemnification Agreement, CDW has agreed to indemnify the members of its Board of Directors to the fullest extent allowable under applicable Delaware law. In addition, CDW has agreed to indemnify the Indemnitees against any suits, claims, damages or expenses that may be made against or incurred by them under applicable securities laws in connection with offerings of securities of CDW. However, CDW will not be obligated to indemnify any Indemnitee in the event that any such suit, claim, damage or expense is based upon an untrue statement or agreements related to such offerings of securities in reliance upon written information furnished by such Indemnitee specifically for use in such documents, contracts and agreements. See "Underwriting."

Reference is hereby made to Section 2 of the Underwriting Agreement filed as Exhibit 1 hereto, for certain indemnification arrangements.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Within the past three years, CDW sold or exchanged securities without registration under the Securities Act as follows:

On March 17, 1995, CDW sold to one non-employee Director of the Company, one senior executive of the Company, and one other investor and other key members of management of the Company, 12,235 shares of its Class A Common Stock, for an aggregate purchase price of $1,235,000 and granted to such persons (other than such non-employee Director) 14,265 options to purchase shares of its Class A Common Stock with an exercise price of $100 per share. For the foregoing transactions, CDW relied upon exemptions from registration under Regulation D under the Securities Act and under Rule 701 under the Securities Act.

On December 29, 1995, CDW sold to one senior executive of the Company and eight other key members of management of the Company, 9,884 shares of its Class A Common Stock , for an aggregate purchase price of $1,129,741 and granted to such persons 11,990 options to purchase shares of its Class A Common Stock with an exercise price of $114.30 per share. For the foregoing transactions, CDW relied upon exemptions from registration under Regulation D under the Securities Act and under Rule 701 under the Securities Act.

On April 9, 1996, CDW sold to one key member of management of the Company, 860 shares of its Class A Common Stock, for an aggregate purchase price of $98,298 and granted to such person 1,140 options to purchase shares of its Class A Common Stock with an exercise price of $114.30 per share. For the foregoing transactions, CDW relied upon exemption from registration under Rule 701 under the Securities Act.

On April 9, 1996 CDW sold to one senior executive of the Company 1,714 shares of its Class A Common Stock, for an aggregate purchase price of $171,400. For the foregoing transactions, CDW relied upon exemption from registration under Regulation D under the Securities Act.

On December 17, 1996, CDW sold to one senior executive of the Company 1,714 shares of its Class A Common Stock, for an aggregate purchase price of $171,400. For the foregoing transactions, CDW relied upon exemption from registration under Regulation D under the Securities Act.

On December 20, 1996, CDW sold to two senior executives of the Company and three other key members of management of the Company, 3,890 shares of its Class A Common Stock, for an aggregate purchase price of $760,106, and granted to such persons 5,160 options to purchase shares of its Class A Common Stock with an

exercise price of $195.40 per share. For the foregoing transactions, CDW relied upon exemptions from registration under Regulation D under the Securities Act and Rule 701 under the Securities Act.

On January 1, 1997, CDW granted to key branch employees, 25,250 options to purchase shares of its Class A Common Stock with an exercise price of $195.40 per share. For the foregoing transactions, CDW relied upon exemptions from registration under Rule 701 under the Securities Act.

On October 24, 1997, CDW sold to one senior executive of the Company 1,714 shares of its Class A Common Stock, for an aggregate purchase price of $171,400. For the foregoing transactions, CDW relied upon exemption from registration under Section 4(2) under the Securities Act.

On November 26, 1997, CDW sold to one senior executive of the Company, 800 shares of its Class A Common Stock, for an aggregate purchase price of $200,775, and granted to such senior executive 1,040 options to purchase shares of its Class A Common Stock with an exercise price of $250.97 per share. For the foregoing transactions, CDW relied upon exemption from registration under Rule 701 under the Securities Act.

On January 31, 1998, CDW sold to each of two accredited investors in a private placement, 996 shares of its Class A Common Stock, for an aggregate purchase price of $499,932.24. For the foregoing transactions, CDW relied upon exemption from registration under Section 4(2) under the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) EXHIBITS

NUMBER	DESCRIPTION OF EXHIBITS
1.1	Form of Purchase Agreement (U.S. Version).
1.2	Form of Purchase Agreement (International Version).*
3.1	Certificate of Incorporation of CDW Holding Corporation.+
3.2	By-Laws of CDW Holding Corporation.+
4.1	Amended and Restated Credit Agreement, dated as of March 14, 1997, among WESCO Distribution, Inc., the Several Lenders from time to time parties thereto and Barclays Bank PLC, as Administrative Agent and as Collateral Agent, as amended.
4.2	Amended and Restated Credit Agreement, dated as of March 14, 1997, among WESCO Distribution--Canada, Inc., as Borrower, the Several Lenders from time to time parties thereto, The Bank of Nova Scotia, as Administrative Agent, and Barclays Bank PLC, as Collateral Agent, as amended.
4.3	Guaranteed First Mortgage Note, dated February 28, 1994, due February 28, 2001, with CDW Realco, Inc., as Maker, and Westinghouse Electric Corporation, as Payee.
4.4	Cash Collateral and Security Agreement, dated as of February 28, 1994, between CDW Realco, Inc., as Grantor, and Westinghouse Electric Corporation, as Collateral Agent.
4.5	Guaranteed First Mortgage Note, dated February 28, 1994, due February 28, 2001, with CDW Canada Acquisition Inc., as Maker, and Westinghouse Canada Inc., as Payee.
4.6	Cash Collateral and Security Agreement, dated as of February 28, 1994, between CDW Canada Acquisition Inc., as Grantor, and Westinghouse Canada Inc., as Collateral Agent.
4.7	Promissory Note, dated December 10, 1996, due December 10, 2001, by WESCO Distribution, Inc., as Maker.
4.8	Promissory Note No. 1, dated May 6, 1997, due November 6, 1998, by WESCO Distribution, Inc., as Maker.
4.9	Promissory Note No. 2, dated May 6, 1997, due November 6, 1998, by WESCO Distribution, Inc., as Maker.
4.10	Promissory Note No. 3, dated May 6, 1997, due July 6, 2001, by WESCO Distribution, Inc., as Maker.
4.11	Promissory Note No. 4, dated May 6, 1997, due November 6, 1998, by WESCO Distribution, Inc., as Maker.

4.12 Registration and Participation Agreement, dated as of February 28, 1994 among CDW, The Clayton Dubilier Private Equity Fund IV ("Fund IV") and the stockholders of the Company named therein.
4.13 Specimen of Class A Common Stock Certificate.*
5 Opinion of Debevoise & Plimpton as to the legality of the securities being registered.*
10.1 CDW Holding Corporation Stock Purchase Plan.
10.2 Form of Stock Subscription Agreement.
10.3 CDW Holding Corporation Stock Option Plan.
10.4 Form of Stock Option Agreement.
10.5 CDW Holding Corporation Stock Option Plan for Branch Employees.
10.6 Form of Branch Stock Option Agreement.*
10.7 Indemnification Agreement among CDW and Fund IV.
10.8 Non-Competition Agreement, dated as of February 28, 1996, between Westinghouse Electric Corporation, CDW Holding Corporation and WESCO Distribution, Inc.
10.9 Employment Agreement between WESCO Distribution, Inc. and Stanley C. Weiss.
10.10 Lease dated May 24, 1995 as amended by Amendment One dated June, 1995 and by Amendment Two dated December 24, 1995 by and between WESCO Distribution, Inc. as Tenant and Opal Investors, L.P. and Mural GEM Investors as Landlord.
10.11 Lease dated April 1, 1992 as renewed by Letter of Notice of Intent to Renew dated December 13, 1996 by and between WESCO Distribution, Inc., successor in interest to Westinghouse Electric Supply Company, a former division of Westinghouse Electric Corporation as Tenant and Utah State Retirement Fund as Landlord.
10.12 Lease dated September 4, 1997 by and between WESCO Distribution, Inc. as Tenant and The Buncher Company as Landlord.
10.13 Lease dated March, 1995 by and between WESCO Distribution-Canada, Inc. as Tenant and Atlantic Construction, Inc. as Landlord.
21 Subsidiaries of the Company.
23.1 Consent of Independent Accountants.
23.2 Consent of Debevoise & Plimpton (included in the Opinion of Debevoise & Plimpton filed as Exhibit 5).*
24 Powers of attorney.+

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* To be filed by amendment

+ Previously filed

(B) FINANCIAL STATEMENT SCHEDULES

For the ten-month period ended December 31, 1994 and the years ended December 31, 1995, 1996 and 1997.

Schedule II--Valuation and Qualifying Accounts

Financial statement schedules other than those listed above are omitted as not required or not applicable or because the information is included in the Financial Statements or notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

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 foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the 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 Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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 Pittsburgh, State of Pennsylvania, on March 10, 1998.

CDW Holding Corporation

By /s/ Roy W. Haley
Roy W. Haley
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the following capacities and on March 10, 1998.

SIGNATURE	TITLE
/s/ Roy W. Haley ROY W. HALEY	President and Chief Executive Officer (Principal Executive Officer)
/s/ David F. McAnally DAVID F. MCANALLY	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ Steven A. Burleson STEVEN A. BURLESON	Vice President and Corporate Controller (Principal Accounting Officer)
/s/ B. Charles Ames* (B. CHARLES AMES)	Director
/s/ William A. Barbe* (WILLIAM A. BARBE)	Director
/s/ Wiley N. Caldwell* (WILEY N. CALDWELL)	Director
/s/ Alberto Cribiore* (ALBERTO CRIBIORE)	Director
/s/ J. Trevor Eyton* (J. TREVOR EYTON)	Director
/s/ Leon J. Hendrix* (LEON J. HENDRIX)	Director
/s/ Benson P. Shapiro* (BENSON P. SHAPIRO)	Director
/s/ Martin D. Walker* (MARTIN D. WALKER)	Director

*By /s/ Steven A. Burleson
Steven A. Burleson
Attorney-in-Fact

REPORT OF INDEPENDENT ACCOUNTANTS

In connection with our audits of the consolidated financial statements of CDW Holding Corporation and subsidiaries as of December 31, 1996 and 1997 and for each of the three years in the period ended December 31, 1997, which financial statements are included in the Prospectus, we have also audited the financial statement schedule listed in Item 16 herein.

In our opinion, this financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

/s/ COOPERS & LYBRAND L.L.P.

600 Grant Street
Pittsburgh, Pennsylvania

February 6, 1998, except for
Note 18, as to which the date is
February 13, 1998

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
		ADDITIONS			
	BALANCE AT BEGINNING OF PERIOD	CHARGED TO EXPENSE	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
Allowance for doubtful accounts:					
Year ended December 31, 1995	$12,710	$2,842	--	($6,963)	$ 8,589
Year ended December 31, 1996	8,589	3,017	$2,961 (a)	(4,492)	10,075
Year ended December 31, 1997	10,075	3,274	594	(3,129)	10,814
Allowance for deferred tax assets:					
Year ended December 31, 1995	$12,108	--	($5,946)(b)	($1,980)	$ 4,182
Year ended December 31, 1996	4,182	--	(1,254)(c)	(2,928)	--
Year ended December 31, 1997	--	--	--	--	--

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(a) Represents doubtful account allowances acquired in connection with certain acquisitions consummated in 1996.
(b) Represents valuation allowances relating to new originating deferred tax assets, net of a reversal of valuation allowances as a result of realizing the benefits of the deferred tax assets acquired at the date of formation.
(c) Represents a reversal of valuation allowances as a result of realizing the benefits of the deferred tax assets acquired at the date of formation.

EXHIBIT INDEX

NUMBER	DESCRIPTION OF EXHIBITS	PAGE
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10.6	Form of Branch Stock Option Agreement.*	
10.7	Indemnification Agreement among CDW and Fund IV.	
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10.11	Lease dated April 1, 1992 as renewed by Letter of Notice of Intent to Renew dated December 13, 1996 by and between WESCO Distribution, Inc., successor in interest to Westinghouse Electric Supply Company, a former division of Westinghouse Electric Corporation as Tenant and Utah State Retirement Fund as Landlord.	
10.12	Lease dated September 4, 1997 by and between WESCO Distribution, Inc. as Tenant and The Buncher Company as Landlord.	
10.13	Lease dated March, 1995 by and between WESCO Distribution-Canada, Inc. as Tenant and Atlantic Construction, Inc. as Landlord.	
21	Subsidiaries of the Company.	
23.1	Consent of Independent Accountants.	
23.2	Consent of Debevoise & Plimpton (included in the Opinion of Debevoise & Plimpton filed as Exhibit 5).*	
24	Powers of attorney.+	

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* To be filed by amendment

\+ Previously filed

CDW HOLDING CORPORATION
a Delaware Corporation

_____ Shares of Class A Common Stock

U.S. PURCHASE AGREEMENT

Dated: _____ ___, 1998

TABLE OF CONTENTS

CDW HOLDING CORPORATION

(a Delaware corporation)

_____ Shares of Class A Common Stock

(Par Value $____ Per Share)

U.S. PURCHASE AGREEMENT

_____ __, 1998

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Goldman, Sachs & Co.
Bear, Stearns & Co. Inc.
Smith Barney Inc.
as U.S. Representatives of the several U.S. Underwriters
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

Certain stockholders named in Schedule __ hereto (the "Selling Stockholders") of CDW Holding Corporation ("CDW"), a Delaware corporation (the "Company"), confirm their agreement with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Goldman, Sachs & Co. ("Goldman Sachs"), Bear, Stearns & Co. Inc., Smith Barney Inc. and each of the other U.S. Underwriters named in Schedule A hereto (collectively, the "U.S. Underwriters", which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch Goldman Sachs are acting as representatives (in such capacity, the "U.S. Representatives"), with respect to the sale by the Selling Stockholders and the purchase by the U.S. Underwriters, acting severally and not jointly, of the respective numbers of shares of Class A Common Stock, par value $0.01 per share, of the Company ("Class A Common Stock") set forth in said Schedule A, and with respect to the grant by the Selling Stockholders to the U.S. Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of _____ additional shares of Class A Common Stock to cover over-allotments, if any. The aforesaid _____ shares of Class A Common Stock (the "Initial U.S. Securities") to be purchased by the U.S. Underwriters and all or any part of the _____ shares of Class A Common Stock subject to the option described in Section

2(b) hereof (the "U.S. Option Securities") are hereinafter called, collectively, the "U.S. Securities".

It is understood that the Company and the Selling Stockholders are concurrently entering into an agreement dated the date hereof (the "International Purchase Agreement") providing for the sale by the Selling Stockholders of an aggregate of _____ shares of Class A Common Stock (the "Initial International Securities") through arrangements with certain underwriters outside the United States and Canada (the "International Managers") for which Merrill Lynch International and Goldman Sachs International are acting as lead managers (the "Lead Managers") and the grant by the Selling Stockholders to the International Managers, acting severally and not jointly, of an option to purchase all or any part of the International Managers' pro rata portion of up to _____ additional shares of Class A Common Stock solely to cover overallotments, if any (the "International Option Securities" and, together with the U.S. Option Securities, the "Option Securities"). The Initial International Securities and the International Option Securities are hereinafter called the "International Securities". It is understood that the Selling Stockholders are not obligated to sell and the U.S. Underwriters are not obligated to purchase, any Initial U.S. Securities unless all of the Initial International Securities are contemporaneously purchased by the International Managers.

The U.S. Underwriters and the International Managers are hereinafter collectively called the "Underwriters", the Initial U.S. Securities and the Initial International Securities are hereinafter collectively called the "Initial Securities", and the U.S. Securities, and the International Securities are hereinafter collectively called the "Securities".

The Underwriters will concurrently enter into an Intersyndicate Agreement of even date herewith (the "Intersyndicate Agreement") providing for the coordination of certain transactions among the Underwriters under the direction of Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (in such capacity, the "Global Coordinator").

The Company and the Selling Stockholders understand that the U.S. Underwriters propose to make a public offering of the U.S. Securities as soon as the U.S. Representatives deem advisable after this Agreement has been executed and delivered.

The Company, the Selling Stockholders and the Underwriters agree that up to _____shares of the Securities to be purchased by the Underwriters (the "Reserved Securities") shall be reserved for sale by the Underwriters to certain eligible employees and persons having business relationships with the Company, as part of the distribution of the Securities by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the National Association of Securities Dealers, Inc. and all other applicable laws, rules and regulations. To the extent that such Reserved Securities are not orally confirmed for purchase by such eligible employees and persons having business relationships with the Company by the end of the first business day after the date of this Agreement, such Reserved Securities may be offered to the public as part of the public offering contemplated hereby.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-___) covering the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus or prospectuses. Promptly after execution and delivery of this Agreement, the Company will either (i) prepare and file a prospectus in accordance with the provisions of

Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and paragraph (b) of Rule 424 ("Rule 424(b)") of the 1933 Act Regulations or (ii) if the Company has elected to rely upon Rule 434 ("Rule 434") of the 1933 Act Regulations, prepare and file a term sheet (a "Term Sheet") in accordance with the provisions of Rule 434 and Rule 424(b). Two forms of prospectus are to be used in connection with the offering and sale of the Securities: one relating to the U.S. Securities (the "Form of U.S. Prospectus") and one relating to the International Securities (the "Form of International Prospectus"). The Form of International Prospectus is identical to the Form of U.S. Prospectus, except for the front cover and back cover pages and the information under the caption "Underwriting" and the inclusion in the Form of International Prospectus of a section under the caption "United States Federal Tax Considerations for Non-U.S. Holders." The information included in any such prospectus or in any such Term Sheet, as the case may be, that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective (a) pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information" or (b) pursuant to paragraph (d) of Rule 434 is referred to as "Rule 434 Information." Each Form of U.S. Prospectus and Form of International Prospectus used before such registration statement became effective, and any prospectus that omitted, as applicable, the Rule 430A Information or the Rule 434 Information, that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." Such registration statement, including the exhibits thereto and schedules thereto at the time it became effective and including the Rule 430A Information and the Rule 434 Information, as applicable, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "Rule 462(b) Registration Statement," and after such filing the term "Registration Statement" shall include the Rule 462(b) Registration Statement. The final Form of U.S. Prospectus and the final Form of International Prospectus in the forms first furnished to the Underwriters for use in connection with the offering of the Securities are herein called the "U.S. Prospectus" and the "International Prospectus," respectively, and collectively, the "Prospectuses." If Rule 434 is relied on, the terms "U.S. Prospectus" and "International Prospectus" shall refer to the preliminary U.S. Prospectus dated January __, 1998 and preliminary International Prospectus dated January __, 1998, respectively, each together with the applicable Term Sheet and all references in this Agreement to the date of such Prospectuses shall mean the date of the applicable Term Sheet. For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the U.S. Prospectus, the International Prospectus or any Term Sheet or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to each U.S. Underwriter as of the date hereof, as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b), hereof and agrees with each U.S. Underwriter, as follows:

(i) Compliance with Registration Requirements. Each of the Registration Statement and any Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no

proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any U.S. Option Securities are purchased, at the Date of Delivery), the Registration Statement, the Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus, any preliminary prospectus and any supplement thereto or prospectus wrapper prepared in connection therewith, at their respective times of issuance and at the Closing Time, complied and will comply in all material respects with any applicable laws of regulations of foreign jurisdictions in which the Propsectus and such preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the offer of sale of Reserved Securities. Neither of the Prospectuses nor any amendments or supplements thereto (including any prospectus wrapper), at the time the Prospectuses or any amendments or supplements thereto were issued and at the Closing Time (and, if any U.S. Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit 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. If Rule 434 is used, the Company will comply with the requirements of Rule 434 and the Prospectuses shall not be "materially different", as such term is used in Rule 434, from the prospectuses included in the Registration Statement at the time it became effective. The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or the U.S. Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any U.S. Underwriter through the U.S. Representatives expressly for use in the Registration Statement or the U.S. Prospectus.

Each preliminary prospectus and the prospectuses filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and each preliminary prospectus and the Prospectuses delivered to the Underwriters for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Independent Accountants. The accountants who certified the financial statements and supporting schedules included in the Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iii) Financial Statements. The financial statements included in the Registration Statement and the Prospectuses, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated

Subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated Subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules included in the Registration Statement present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Prospectuses present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement. The pro forma financial statements and the related notes thereto included in the Registration Statement and the Prospectuses present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(iv) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Registration Statement and the Prospectuses, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(v) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the state of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectuses and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vi) Good Standing of Subsidiaries. Each "subsidiary" of the Company (each a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectuses and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the Registration Statement, all of the issued and outstanding capital stock of each such

Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only Subsidiaries of the Company are the Subsidiaries listed on Exhibit 21 to the Registration Statement. The only "significant subsidiaries" of the Company (as such term is defined in Rule 1-02 of Regulation S-X) are WESCO Distribution, Inc., a Delaware Corporation, CDW Realco, Inc., a Delaware Corporation and WESCO Distribution-Canada, Inc., an Ontario Corporation.

(vii) Capitalization. The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectuses in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Prospectuses or pursuant to the exercise of convertible securities or options referred to in the Prospectuses). The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(viii) Authorization of Agreement. This Agreement and the International Purchase Agreement have been duly authorized, executed and delivered by the Company.

(ix) Authorization and Description of Securities. The Securities to be purchased by the U.S. Underwriters and the International Managers from the Selling Stockholders have been duly authorized for issuance and sale to the U.S. Underwriters pursuant to this Agreement and the International Managers pursuant to the International Purchase Agreement, respectively, and, when delivered by the Selling Stockholders pursuant to this Agreement and the International Purchase Agreement, respectively, against payment of the consideration set forth herein and the International Purchase Agreement, respectively, will have been validly issued, fully paid and non-assessable; the Class A Common Stock conforms to all statements relating thereto contained in the Prospectuses and such description conforms to the rights set forth in the instruments defining the same; no holder of the Securities will be subject to personal liability by reason of being such a holder; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company.

(x) Absence of Defaults and Conflicts. Neither the Company nor any of its Subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any Subsidiary is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement and the International Purchase Agreement and the consummation of the transactions contemplated in this Agreement, the International Purchase Agreement and in the Registration Statement and compliance

by the Company with its obligations under this Agreement and the International Purchase Agreement have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any Subsidiary pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any Subsidiary or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any Subsidiary or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any Subsidiary.

(xi) Absence of Labor Dispute. No labor dispute with the employees
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of the Company or any Subsidiary exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any Subsidiary's principal suppliers, manufacturers, customers or contractors, which, in either case, may reasonably be expected to result in a Material Adverse Effect.

(xii) Absence of Proceedings. There is no action, suit, proceeding,
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inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any Subsidiary, which is required to be disclosed in the Registration Statement (other than as disclosed therein), or which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in this Agreement and the International Purchase Agreement or the performance by the Company of its obligations hereunder or thereunder; the aggregate of all pending legal or governmental proceedings to which the Company or any Subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xiii) Accuracy of Exhibits. There are no contracts or documents
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which are required to be described in the Registration Statement or the Prospectuses or to be filed as exhibits thereto which have not been so described and filed as required.

(xiv) Possession of Intellectual Property. The Company and its
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Subsidiaries own or possess, or can acquire on reasonable terms, adequate 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, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its Subsidiaries has received any notice or is otherwise

aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(xv) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities under this Agreement and the International Purchase Agreement or the consummation of the transactions contemplated by this Agreement and the International Purchase Agreement, except (i) such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations and state securities or blue sky laws and (ii) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities are offered.

(xvi) Possession of Licenses and Permits. The Company and its Subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; the Company and its Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of its Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xvii) Title to Property. The Company and its Subsidiaries have good and marketable title to all real property owned by the Company and its Subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (a) are described in the Prospectuses or (b) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its Subsidiaries; and all of the leases and subleases material to the business of the Company and its Subsidiaries, considered as one enterprise, and under which the Company or any of its Subsidiaries holds properties described in the Prospectuses, are in full force and effect, and neither the Company nor any Subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any Subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xviii) Investment Company Act. The Company is not, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Prospectuses will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(xix) Environmental Laws. Except as described in the Registration Statement and except as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its Subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its Subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xx) Registration Rights. There are no persons with registration rights or other similar rights to have any debt or equity securities registered pursuant to the Registration Statement (except for rights which have been waived by such person) or otherwise registered by the Company under the 1933 Act (except as disclosed in the Registration Statement).

(xxi) Stabilization or Manipulation. Neither the Company nor any of its officers, directors or controlling persons has taken, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Securities.

(xxii) Accounting Controls. The Company and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with

the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxiii) Tax Returns. The Company and its Subsidiaries have filed all federal, state, local and foreign tax returns that are required to have been filed by them pursuant to applicable foreign, federal, state, local or other law or have duly requested extensions thereof, except insofar as the failure to file such returns or request such extensions would not reasonably be expected to result in a Material Adverse Effect, and has paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company and its Subsidiaries, except for such taxes or assessments, if any, as are being contested in good faith and as to which adequate reserves have been provided or where the failure to pay would not reasonably be expected to result in a Material Adverse Effect. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability of the Company and each Subsidiary for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not reasonably be expected to result in a Material Adverse Effect.

(b) Representations and Warranties by the Selling Stockholders. Each Selling Stockholder, severally and not jointly, represents and warrants to each U.S. Underwriter as of the date hereof, as of the Closing Time, and, if such Selling Stockholder is selling Option Securities on a Date of Delivery, as of each such Date of Delivery, and agrees with each U.S. Underwriter, as follows:

(i) Accurate Disclosure. (A) The information furnished in writing by or on behalf of such Selling Stockholder expressly for use in the Registration Statement and any amendments or supplements thereto including any prospectus wrapper does not contain an untrue statement of a material fact with respect to such Selling Stockholder or omit to state a material fact with respect to such Selling Stockholder required to be stated therein or necessary to make the statements regarding the Selling Stockholder therein not misleading; (B) the information furnished in writing by or on behalf of such Selling Stockholder expressly for use in the Prospectus does not include an untrue statement of a material fact with respect to such Selling Stockholder or omit to state a material fact with respect to such Selling Stockholder necessary in order to make the statements regarding the Selling Stockholder therein, in the light of the circumstances under which they were made, not misleading; and (C) such Selling Stockholder is not prompted to sell the Class A Common Stock to be sold by such Selling Stockholder hereunder by any information concerning the Company or any Subsidiary of the Company which is not set forth in the Prospectuses.

(ii) Authorization of Agreements. Such Selling Stockholder has the full right, power and authority to enter into this Agreement and a Power of Attorney and Custody Agreement (any of such agreements, a "Power of Attorney and Custody Agreement") with [ ], as custodian (the "Custodian"), and the attorneys-in-fact named therein (each, an "Attorney-in-Fact"), and to sell, transfer and deliver the Securities to be sold by such Selling Stockholder hereunder. The arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are irrevocable. The execution and delivery of this Agreement and the Power of Attorney and Custody Agreement and the

sale and delivery of the Securities to be sold by such Selling Stockholder and the consummation of the transactions contemplated herein and compliance by such Selling Stockholder with its obligations hereunder have been duly authorized by such Selling Stockholder and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any tax, lien, charge or encumbrance upon the Securities to be sold by such Selling Stockholder or any property or assets of such Selling Stockholder pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, license, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder may be bound, or to which any of the property or assets of such Selling Stockholder is subject (earnings, business affairs or business prospects of such Selling Stockholder, whether or not arising in the ordinary course of business), nor will such action result in any violation of the provisions of the charter or by-laws or other organizational instrument of such Selling Stockholder, if applicable, or any applicable treaty, law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over such Selling Stockholder or any of its properties.

(iii) Valid Title. Such Selling Stockholder has on the date hereof and will at the Closing Time and on the Date of Delivery have valid title to the Securities to be sold by such Selling Stockholder hereunder, free and clear of any security interest, mortgage, pledge, lien, charge, claim, equity or encumbrance of any kind, other than pursuant to this Agreement; and upon delivery of such Securities and payment of the purchase price therefor as herein contemplated, assuming each such Underwriter has no notice of any adverse claim, each of the Underwriters will receive valid title to the Securities purchased by it from such Selling Stockholder, free and clear of any security interest, mortgage, pledge, lien, charge, claim, equity or encumbrance of any kind.

(iv) Due Execution of Power of Attorney and Custody Agreement. Such Selling Stockholder has duly executed and delivered a Power of Attorney and Custody Agreement; the Custodian is authorized by the Selling Stockholder to deliver the Securities to be sold by such Selling Stockholder hereunder and to accept payment therefor; and each Attorney-in-Fact named in the Power of Attorney and Custody Agreement executed by such Selling Stockholder is authorized by such Selling Stockholder to execute and deliver this Agreement and the certificate referred to in Section 5(e) of this Agreement or that may be required pursuant to Sections 5(m) or 5(n) of this Agreement on behalf of such Selling Stockholder, to sell, assign and transfer to the U.S. Underwriters the Securities to be sold by such Selling Stockholder hereunder, to determine the purchase price to be paid by the U.S. Underwriters to such Selling Stockholder, as provided in Section 2(a) hereof, to authorize the delivery of the Securities to be sold by such Selling Stockholder hereunder, to accept payment therefor, and otherwise to act on behalf of such Selling Stockholder in connection with this Agreement.

(v) Absence of Manipulation. Such Selling Stockholder has not taken, and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or

manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(vi) Absence of Further Requirements. No filing with, or consent, approval, authorization, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, is necessary or required for the performance by the Selling Stockholder of its obligations hereunder or in the Power of Attorney and Custody Agreement, or in connection with the sale and delivery of the Securities being sold by the Selling Stockholder hereunder or the consummation of the transactions contemplated by this Agreement, except (i) such as may have previously been made or obtained or as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws or under the rules of the National Association of Securities Dealers, Inc. and (ii) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities are offered.

(vii) Certificates Suitable for Transfer. Certificates for all of the Securities to be sold by such Selling Stockholder pursuant to this Agreement, in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank with signatures guaranteed, have been placed in custody with the Custodian with irrevocable conditional instructions to deliver such Securities to the U.S. Underwriters pursuant to this Agreement.

(viii) No Association with NASD. Neither such Selling Stockholder nor any of its affiliates (within the meaning of NASD Conduct Rule 2720(b)(1)(a)) directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(q) of the By-laws of the National Association of Securities Dealers, Inc.), of, any member firm of the National Association of Securities Dealers, Inc., other than as described on an appendix to the Power of Attorney and Custody Agreement to which such Selling Stockholder is a party.

(ix) Power and Authority. If such Selling Stockholder is a corporation, partnership or trust, such Selling Stockholder has been duly organized or incorporated and is validly existing as a corporation, partnership or limited partnership in good standing under the laws of its jurisdiction of incorporation or organization, if applicable, and has the power and authority to own its property and to conduct its business and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not result in a material adverse change in the condition (financial or otherwise), earnings, business affairs or business prospects of such Selling Stockholder, whether or not arising in the ordinary course of business, or materially impair its ability to consummate the transactions contemplated hereby.

(x) Lock-Up. During a period beginning on the date hereof and ending of 180 days from the date of the U.S. Purchase Agreement, the undersigned will not, without the prior written consent of Merrill Lynch, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or

otherwise dispose of or transfer any shares of the Company's Class A Common Stock or any securities convertible into or exchangeable or exercisable for Class A Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or file or cause to be filed or request registration pursuant to any registration statement under the Securities Act of 1933, as amended, with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Class A Common Stock, whether any such swap or transaction is to be settled by delivery of Class A Common Stock or other securities, in cash or otherwise.

(xi) Delivery of Forms Necessary for Underwriters' Compliance with the U.S. Tax Laws. In order to document the Underwriters' compliance with the U.S. tax laws with respect to the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at the First Time of Delivery (as hereinafter defined) a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

(c) Officer's Certificates. Any certificate signed by any officer of the Company or any of its Subsidiaries delivered to the Global Coordinator, the U.S. Representatives or to counsel for the U.S. Underwriters shall be deemed a representation and warranty by the Company to each U.S. Underwriter as to the matters covered thereby; and any certificate signed by or on behalf of any Selling Stockholder as such and delivered to the U.S. Representatives or to counsel for the U.S. Underwriters pursuant to the terms of this Agreement shall be deemed a representation and warranty by such Selling Stockholder, as the case may be, to the U.S. Underwriters as to the matters covered thereby.

SECTION 2. Sale and Delivery to U.S. Underwriters; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Selling Stockholders agree to sell to each U.S. Underwriter, severally and not jointly, and each U.S. Underwriter, severally and not jointly, agrees to purchase from the Selling Stockholders, at the price per share set forth in Schedule B, the number of Initial U.S. Securities set forth in Schedule A opposite the name of such U.S. Underwriter, plus any additional number of Initial U.S. Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Selling Stockholders, severally and not jointly, hereby grant an option to the U.S. Underwriters, severally and not jointly, to purchase up to an additional amount of U.S. Option Securities set forth on Schedule A hereto at the price per share set forth in Schedule B, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial U.S. Securities but not payable on the U.S. Option Securities. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial U.S. Securities upon notice by the Global Coordinator to the Company

setting forth the number of U.S. Option Securities as to which the several U.S. Underwriters are then exercising the option and the time and date of payment and delivery for such U.S. Option Securities. Any such time and date of delivery for the U.S. Option Securities (a "Date of Delivery") shall be determined by the Global Coordinator, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the U.S. Option Securities, each of the U.S. Underwriters, acting severally and not jointly, will purchase that proportion of the total number of U.S. Option Securities then being purchased which the number of Initial U.S. Securities set forth in Schedule A opposite the name of such U.S. Underwriter bears to the total number of Initial U.S. Securities, subject in each case to such adjustments as the Global Coordinator in its discretion shall make to eliminate any sales or purchases of fractional shares.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, NY 10004, or at such other place as shall be agreed upon by the Global Coordinator and the Company, at 9:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Global Coordinator and the Company (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the U.S. Option Securities are purchased by the U.S. Underwriters, payment of the purchase price for, and delivery of certificates for, such U.S. Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Global Coordinator and the Company, on each Date of Delivery as specified in the notice from the Global Coordinator to the Company.

Payment shall be made to the Selling Stockholders by wire transfer of immediately available funds to a bank account designated by the Selling Stockholders, against delivery to the U.S. Representatives for the respective accounts of the U.S. Underwriters of certificates for the U.S. Securities to be purchased by them. It is understood that each U.S. Underwriter has authorized the U.S. Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial U.S. Securities and the U.S. Option Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as representative of the U.S. Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial U.S. Securities or the U.S. Option Securities, if any, to be purchased by any U.S. Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such U.S. Underwriter from its obligations hereunder.

(d) Denominations; Registration. Certificates for the Initial U.S. Securities and the U.S. Option Securities, if any, shall be in such denominations and registered in such names as the U.S. Representatives may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial U.S. Securities and the U.S. Option Securities, if any, will be made available for examination and packaging by the U.S. Representatives in The City of New York not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

SECTION 3. Covenants of the Company. The Company covenants with each U.S. Underwriter as follows:

(a) Compliance with Securities Regulations and Commission Requests. The Company, subject to Section 3(b), will comply with the requirements of Rule 430A or Rule 434, as applicable, and will notify the Global Coordinator immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectuses or any amended Prospectuses shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectuses or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Filing of Amendments. The Company will give the Global Coordinator notice of its intention to file or prepare any amendment to the Registration Statement (including any filing under Rule 462(b)), any Term Sheet or any amendment, supplement or revision to either the prospectus included in the Registration Statement at the time it became effective or to the Prospectuses, will furnish the Global Coordinator with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Global Coordinator or counsel for the U.S. Underwriters shall object.

(c) Delivery of Registration. The Company has furnished or Statements will deliver to the U.S. Representatives and counsel for the U.S. Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also deliver to the U.S. Representatives, without charge, a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the U.S. Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the U.S. Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) Delivery of Prospectuses. The Company has delivered to each U.S. Underwriter, without charge, as many copies of each preliminary prospectus as such U.S. Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each U.S. Underwriter, without charge, during the period when the U.S. Prospectus is required to be

delivered under the 1933 Act or the Securities Exchange Act of 1934 (the "1934 Act"), such number of copies of the U.S. Prospectus (as amended or supplemented) as such U.S. Underwriter may reasonably request. The U.S. Prospectus and any amendments or supplements thereto furnished to the U.S. Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) Continued Compliance with Securities Laws. The Company will comply with Securities Laws the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement, the International Purchase Agreement and in the Prospectuses. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the U.S. Underwriters or for the Company, to amend the Registration Statement or amend or supplement any Prospectus in order that the Prospectuses will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement any Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectuses comply with such requirements, and the Company will furnish to the U.S. Underwriters such number of copies of such amendment or supplement as the U.S. Underwriters may reasonably request.

(f) Blue Sky Qualifications. The Company will use its best efforts, in cooperation with the U.S. Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Global Coordinator may designate and to maintain such qualifications in effect for a period of not less than one year from the later of the effective date of the Registration Statement and any Rule 462(b) Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement.

(g) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) Listing. The Company will use its best efforts to effect and maintain the listing of the Class A Common Stock (including the Securities) on the New York Stock Exchange.

(i) Restriction on Sale of Securities. During a period of 180 days Securities from the date of the Prospectuses, the Company will not, without the prior written consent of the Global Coordinator, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any share of Class A Common Stock or any securities convertible into or exercisable or exchangeable for Class A Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Class A Common Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Class A Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder or under the International Purchase Agreement, (B) any shares of Class A Common Stock issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the Prospectuses or (C) any options to purchase Class A Common Stock granted pursuant to existing employee benefit plans of the Company referred to in the Prospectuses.

(j) Reporting Requirements. The Company, during the period when the Prospectuses are required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the rules and regulations of the Commission thereunder.

(k) Compliance with NASD Rules. The Company hereby agrees that it will ensure that the Reserved Securities will be restricted as required by the National Association of Securities Dealers, Inc. (the "NASD") or the NASD rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of this Agreement. The Underwriters will notify the Company as to which persons will need to be so restricted. At the request of the Underwriters, the Company will direct the transfer agent to place a stop transfer restriction upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Reserved Securities, the Company agrees to reimburse the Underwriters for any reasonable expenses (including, without limitation, legal expenses) they incur in connection with such release.

(l) Rule 463. The Company will file with the Commission such information as may be required pursuant to Rule 463 of the 1933 Act Regulations as provided therein.

SECTION 4. Payment of Expenses. (a) Expenses . The Company will pay all
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performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as

originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of this Agreement, any Agreement among Underwriters and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters and the transfer of the Securities between the U.S. Underwriters and the International Managers, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the printing and delivery to the Underwriters of copies of each preliminary prospectus, any Term Sheets and of the Prospectuses and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriters of copies of the Blue Sky Survey and any supplement thereto, (viii) the fees and expenses of any transfer agent or registrar for the Securities and (ix) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the National Association of Securities Dealers, Inc. (the "NASD") of the terms of the sale of the Securities and (x) the fees and expenses incurred in connection with the listing of the Securities on the New York Stock Exchange.

(b) Termination of Agreement. If this Agreement is terminated by the U.S. Representatives in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the U.S. Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the U.S. Underwriters.

SECTION 5. Conditions of U.S. Underwriters' Obligations. The obligations of the hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Stockholders contained in Section 1 hereof or in certificates of any officer of the Company or any Subsidiary of the Company delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) Effectiveness of Registration. The Registration Statement, Statement including any Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the U.S. Underwriters. A prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A) or, if the Company has elected to rely upon Rule 434, a Term Sheet shall have been filed with the Commission in accordance with Rule 424(b).

(b) Opinion of Counsel for Company and the Selling Stockholders. At Closing Time, the U.S. Representatives shall have received the favorable opinions, dated as of Closing Time, of (i) Debevoise & Plimpton, counsel for the Company and (ii)

[Debevoise & Plimpton], counsel for the Selling Stockholders in form and substance satisfactory to counsel for the U.S. Underwriters, together with signed or reproduced copies of such letter for each of the other U.S. Underwriters to the effect set forth in Exhibits A and A-1 hereto and to such further effect as counsel to the U.S. Underwriters may reasonably request. Each of such counsel may state that, insofar as the opinion of such counsel involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company or its Subsidiaries or the Selling Stockholders, as the case may be, and certificates of public officials.

(c) Opinion of Counsel for U.S. Underwriters. At Closing Time, the U.S. Representatives shall have received the favorable opinion, dated as of Closing Time, of Fried, Frank, Harris, Shriver & Jacobson, counsel for the U.S. Underwriters, together with signed or reproduced copies of such letter for each of the other U.S. Underwriters with respect to the matters set forth in clauses (i), (ii), (v), (vi) (solely as to preemptive or other similar rights arising by operation of law or under the charter or by-laws of the Company), (viii) through (x), inclusive, (xii), (xiv) (solely as to the information in the Prospectus under "Description of Capital Stock") and the penultimate paragraph of Exhibit A hereto. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinions of counsel satisfactory to the U.S. Representatives. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its Subsidiaries and certificates of public officials.

(d) Officers' Certificate. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Prospectuses, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the U.S. Representatives shall have received a certificate of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or are contemplated by the Commission.

(e) Selling Stockholders' Certificate. At Closing Time, the Representatives shall have received a certificate of each Selling Stockholder (which may be executed on behalf of each Selling Stockholder by the Attorney-in-Fact or the general partner or a duly authorized executive officer of such Selling Stockholder), dated as of Closing Time, to the effect that (i) the representations and warranties of such Selling Stockholder contained in Section 1(b) hereof are true and correct in all material respects with the same force and effect as though expressly made at and as of the Closing Time and (ii) such Selling

Stockholder has complied in all material respects with all agreements and all conditions on its part to be performed under this Agreement at or prior to the Closing Time.

(f) Accountants' Comfort Letters. At the time of the execution of this Agreement, the U.S. Representatives shall have received from (x) Coopers & Lybrand and (y) Price Waterhouse letters dated such date, in form and substance satisfactory to the U.S. Representatives, together with signed or reproduced copies of such letters for each of the other U.S. Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectuses.

(g) Bring-down Comfort Letter. At Closing Time, the Representatives shall have received from Coopers & Lybrand and Price Waterhouse letters, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (e) of this Section, except that the specified date referred to shall be a date not more than three business days prior to Closing Time.

(h) Approval of Listing. At Closing Time, the Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(i) No Objection. The NASD has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(j) Lock-up Agreements. At the date of this Agreement, the U.S. Representatives shall have received an agreement substantially in the form of Exhibit B hereto signed by the persons listed on Schedule C hereto.

(k) Purchase of Initial International Securities. Contemporaneously with the purchase by the U.S. Underwriters of the Initial U.S. Securities under this Agreement, the International Managers shall have purchased the Initial International Securities under the International Purchase Agreement.

(l) Waiver of Registration Rights. At the Closing Time, the Company shall have received a waiver from all of the other parties to the Registration and Participation Agreement waiving all of such parties' rights to sell securities pursuant to the Offering in a form reasonably acceptable to the Underwriters.

(m) Conditions to Purchase of U.S. Option Securities. In the event that the U.S. Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the U.S. Option Securities, the representations and warranties of the Company and the Selling Stockholders contained herein and the statements in any certificates furnished by the Company or any Subsidiary of the Company hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the U.S. Representatives shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the chief financial or

chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) Selling Stockholder's Certificate. At the Date of Delivery, the U.S. Representatives shall have received a certificate of the Selling Stockholders (which may be executed on behalf of each Selling Stockholder by the general partner or a duly authorized executive officer of such Selling Stockholder), dated as of Date of Delivery, to the effect that (i) the representations and warranties of such Selling Stockholder contained in Section 1(b) hereof are true and correct in all respects with the same force and effect as though expressly made at and as of Date of Delivery and (ii) such Selling Stockholder has complied in all material respects with all agreements and all conditions on their part to be performed under this Agreement at or prior to Date of Delivery.

(iii) Opinion of Counsel for Company and the Selling Stockholders. The favorable opinion of Debevoise & Plimpton, counsel for the Company and the Selling Stockholders, in form and substance satisfactory to counsel for the U.S. Underwriters, dated such Date of Delivery, relating to the U.S. Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iii) Opinion of Counsel for U.S. Underwriters. The favorable opinion of Fried, Frank, Harris, Shriver & Jacobson, a partnership including corporations, counsel for the U.S. Underwriters, dated such Date of Delivery, relating to the U.S. Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(iv) Bring-down Comfort Letter. A letter from Coopers & Lybrand, in form and substance satisfactory to the U.S. Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the U.S. Representatives pursuant to Section 5(f) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(n) Additional Documents. At Closing Time and at each Date of Delivery, counsel for the U.S. Underwriters shall have been furnished with such documents and opinions as they require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the U.S. Representatives and counsel for the U.S. Underwriters.

(o) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the

case of any condition to the purchase of U.S. Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several U.S. Underwriters to purchase the relevant Option Securities, may be terminated by the U.S. Representatives by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of U.S. Underwriters. The Company and each of the Selling Stockholder, jointly and severally, agree to indemnify and hold harmless each U.S. Underwriter and each person, if any, who controls any U.S. Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of (A) the violation of any applicable laws or regulations of foreign jurisdictions where Reserved Securities have been offered and (B) any untrue statement or alleged untrue statement of a material fact included in the supplement or prospectus wrapper material distributed in [ ] in connection with the reservation and sale of the Reserved Securities to [eligible employees and _____ of the Company] or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, when considered in conjunction with the Prospectus or preliminary prospectus, not misleading;

(iii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission or in connection with any violation of the nature referred to in Section 6(a)(ii)(A) hereof; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company; and

(iv) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based

upon any such untrue statement or omission, or any such alleged untrue statement or omission or in connection with any violation of the nature referred to in Section 6(a)(ii)(A) hereof, to the extent that any such expense is not paid under (i), (ii) or (iii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any U.S. Underwriter through the U.S. Representatives expressly for use in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the U.S. Prospectus (or any amendment or supplement thereto);

provided, however, further, that with respect to each Selling Stockholder, (x) the indemnification provision in this paragraph (a) shall be only with respect to the information furnished in writing by or on behalf of such Selling Stockholder expressly for use in the Registration Statement (or any amendment thereto), including Rule 430A Information, if applicable, or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) and (y) such Selling Stockholder's aggregate liability under this Section 6 shall be limited to an amount equal to the net proceeds (after deducting the underwriting discount but before deducting expenses) received by such Selling Stockholder from the sale of Securities pursuant to this Agreement.

(b) Indemnification of Company, Directors and Officers and Selling Stockholders. Each U.S. Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Selling Shareholder and each person, if any, who controls any Selling Stockholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a)[(1)] of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary U.S. prospectus or the U.S. Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such U.S. Underwriter through the U.S. Representatives expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the U.S. Prospectus (or any amendment or supplement thereto).

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by Merrill Lynch, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company or the indemnified Selling Stockholder, as appropriate. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the

indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim 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 any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(iii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) Indemnification for Reserved Securities. In connection with the offer and sale of the Reserved Securities, the Company agrees, promptly upon a request in writing, to indemnify and hold harmless the Underwriters from and against any and all losses, liabilities, claims, damages and expenses incurred by them as a result of the failure of certain eligible employees and persons having business relationships with the Company to pay for and accept delivery of Reserved Securities which, by the end of the first business day following the date of this Agreement, were subject to a properly confirmed agreement to purchase.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the U.S. Underwriters on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholders on the one hand and of the U.S. Underwriters on the other hand in connection with the statements or omissions, or in connection with any violation of the nature referred to in Section 6(a)(ii)(A) hereof, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Selling Stockholders on the one hand and the U.S. Underwriters on the other hand in connection with the offering of the U.S. Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the U.S. Securities pursuant to this Agreement (before deducting expenses) received by the Selling Stockholders and the total underwriting discount received by the U.S. Underwriters, in each case as set forth on the cover of the U.S. Prospectus, or, if Rule 434 is used, the corresponding location on the Term Sheet, bear to the aggregate initial public offering price of the U.S. Securities as set forth on such cover.

The relative fault of the Company and the Selling Stockholders on the one hand and the U.S. Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders or by the U.S. Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or any violation of the nature referred to in Section 6(a)(ii)(A) hereof.

The Company, the Selling Stockholders and the U.S. Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the U.S. 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 above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no U.S. Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the U.S. Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such U.S. Underwriter has otherwise been required to pay by reason of any 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 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls a U.S. Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such U.S. Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The U.S. Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial U.S. Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its Subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any U.S. Underwriter or controlling person, or by or on behalf of the Company, and shall survive delivery of the Securities to the U.S. Underwriters.

SECTION 9. Termination of Agreement.

(a) Termination; General. The U.S. Representatives may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the U.S. Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the U.S. Representatives, impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the New York Stock Exchange, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any other governmental authority, or (iv) if a banking moratorium has been declared by either Federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the U.S. Underwriters. If one or more of the U.S. Underwriters shall fail at Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the U.S. Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting U.S. Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the U.S. Representatives shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of U.S. Securities to be purchased on such date, each of the non-defaulting U.S. Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting U.S. Underwriters, or

(b) if the number of Defaulted Securities exceeds 10% of the number of U.S. Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the U.S. Underwriters to purchase and of the Company to sell the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting U.S. Underwriter.

No action taken pursuant to this Section shall relieve any defaulting U.S. Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the U.S. Underwriters to purchase and the Company to sell the relevant U.S. Option Securities, as the case may be, either the U.S. Representatives or the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used herein, the term "U.S. Underwriter" includes any person substituted for a U.S. Underwriter under this Section 10.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the U.S. Underwriters shall be directed to the U.S. Representatives at North Tower, World Financial Center, New York, New York 10281-1201, attention of Gregory Wright, with a copy to Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York 10004, attention of Valerie Ford Jacob, Esq. and notices to the Company shall be directed to it at Commerce Court, 4 Station Square, Suite 700, Pittsburgh, PA 15219, attention of Jeffrey B. Kramp, with a copy to Debevoise & Plimpton, 875 Third Avenue, New York, New York 10022, attention of George E.B. Maguire, Esq.

SECTION 12. Parties. This Agreement shall each inure to the benefit of and be binding upon the U.S. Underwriters, the Selling Stockholders and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the U.S. Underwriters, the Selling

Stockholders and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the U.S. Underwriters, the Selling Stockholders and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any U.S. Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 14. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the U.S. Underwriters and the Company in accordance with its terms.

Very truly yours,

By _____
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
GOLDMAN, SACHS & CO.
BEAR, STEARNS & CO. INC.
SMITH BARNEY INC.

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Authorized Signatory

By: GOLDMAN, SACHS & CO.

By _____
Authorized Signatory

By: BEAR, STEARNS & CO. INC.

By _____
Authorized Signatory

By: SMITH BARNEY INC.

By _____
Authorized Signatory

For themselves and as U.S. Representatives of the
other U.S. Underwriters named in Schedule A hereto.

EXHIBIT 4.1

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AMENDED AND RESTATED
CREDIT AGREEMENT

among

WESCO DISTRIBUTION, INC.

THE SEVERAL LENDERS
FROM TIME TO TIME PARTIES HERETO, and

BARCLAYS BANK PLC,
as Administrative Agent and
as Collateral Agent

DATED AS OF MARCH 14, 1997

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 14, 1997, among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions from time to time parties to this Agreement (the "Lenders"), BARCLAYS BANK PLC, a banking corporation organized under the laws of the United Kingdom ("Barclays"), as administrative agent for the Lenders hereunder (in such capacity, the "Administrative Agent"), and Barclays, as collateral agent (in such capacity, the "Collateral Agent").

W I T N E S S E T H :

WHEREAS, the Borrower is a company organized by Clayton, Dubilier & Rice, Inc. ("CD&R");

WHEREAS, the Borrower is a wholly owned Subsidiary of CDW Holding Corporation, a Delaware corporation ("Holdings") organized by CD&R;

WHEREAS, the Borrower is a party to the Credit Agreement, dated as of February 24, 1995 (as amended by the First Amendment, dated as of March 29, 1996, and the Second Amendment, dated as of August 5, 1996, the "Existing Credit Agreement") with the banks and other financial institutions party thereto, Barclays, as administrative agent, and Fleet Capital Corporation (as successor to Shawmut Capital Corporation), as collateral agent, and WESCO Distribution-Canada, Inc., an Ontario corporation and a wholly owned Subsidiary of the Borrower (the "Canadian Borrower"), is a party to the Canadian Credit Agreement (as such term is defined in the Existing Credit Agreement, the "Existing Canadian Credit Agreement");

WHEREAS, concurrently with the execution and delivery of this Agreement, the Existing Canadian Agreement is being amended and restated (as so amended and restated

and as further amended, supplemented or otherwise modified from time to time, the "Canadian Credit Agreement");

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated to extend the period during which loans may be made thereunder, increase the aggregate commitments and modify the adjustments to the interest rate margin to be charged on the loans made thereunder;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree that, effective on the Effective Date (as hereinafter defined), the Existing Credit Agreement shall be amended and restated to read in its entirety as follows:

SECTION 1. DEFINITIONS

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

"Accounts": as defined in the Uniform Commercial Code as in effect in the State of New York; and, with respect to the Borrower or any of its Additional Subsidiaries, all such accounts of the Borrower or such Additional Subsidiary, whether now existing or existing in the future, including, without limitation (i) all accounts receivable of the Borrower or such Additional Subsidiary (whether or not specifically listed on schedules furnished to the Administrative Agent), including, without limitation, all accounts created by or arising from all of the Borrower's or such Additional Subsidiary's sales of goods or rendition of services made under any of its trade names, or through any of its divisions, (ii) all rights to any goods represented by any of the foregoing, including returned or repossessed goods, (iii) all reserves and credit balances held by the Borrower or such Additional Subsidiary with respect to any such accounts receivable

or Obligors, (iv) all letters of credit, guarantees or collateral for any of the foregoing and (v) all insurance policies or rights relating to any of the foregoing.

"Acquisition": the collective reference to (i) the acquisition by Holdings of substantially all of the U.S.-based assets of WESCO, the transfer of such assets (other than certain real property) on its behalf by Westinghouse U.S. to the Borrower and the transfer of such real property by Westinghouse U.S. on its behalf to RealCo, in each case pursuant to the Acquisition Agreement and certain of the Collateral Documents (as defined in the Acquisition Agreement) and (ii) the acquisition by the Canadian Borrower of substantially all of the Canadian-based assets of WESCO pursuant to the Canadian Acquisition Agreement and certain of the Collateral Documents (as defined in the Acquisition Agreement).

"Acquisition Agreement": the Acquisition Agreement, dated as of February 15, 1994, between Holdings and Westinghouse U.S., as amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"Acquisition Agreements": the collective reference to the Acquisition Agreement and the Canadian Acquisition Agreement.

"Acquisition Documents": the collective reference to the Acquisition Agreement, the Canadian Acquisition Agreement and each Collateral Agreement (as defined in the Acquisition Agreement) that is not also a First Mortgage Note Document.

"Acquisition Documentation": as defined in subsection 6.1(c) of the Existing Credit Agreement.

"Additional Subsidiary": each Subsidiary of the Borrower other than RealCo and the Canadian Borrower and its Subsidiaries.

"Adjustment Date": the first Business Day following receipt by the Administrative Agent of (a) the financial statements required to be delivered pursuant to subsection 7.1(a), (b) or (c), as the case may be, for the then most recently completed fiscal period or (b) unaudited financial statements which (i) comply with all requirements of subsection 7.1(a) (other than the requirement that such financial statements be reported on by a certified public accountant) and (ii) are certified by a Responsible Officer of the Borrower as being fairly stated in all material respects.

"Administrative Agent": as defined in the preamble hereto.

"Administrative Agents": the collective reference to the Administrative Agent and the Canadian Administrative Agent.

"Affiliate": as to any Person, any other Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 20% or more of the securities having ordinary voting power for the election of directors of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Aggregate Asset Sale Shortfall Amount": as of any date of determination, with respect to all Mixed Asset Sales (or series of related Mixed Asset Sales) consummated on or prior to such date, the difference

between (i) the sum of all Asset Sale Shortfall Amounts in respect of such Mixed Asset Sales (or series of related Mixed Asset Sales) which are determined to be a positive number in accordance with the definition of Asset Sale Shortfall Amount, minus (ii) the sum of the absolute value of all Asset Sale Shortfall
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Amounts in respect of such Mixed Asset Sales (or series of related Mixed Asset Sales) which are determined to be a negative number in accordance with the definition of Asset Sale Shortfall Amount.

"Aggregate Canadian Outstandings": the meaning ascribed to the term
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"Aggregate Outstandings" in the Canadian Credit Agreement.

"Aggregate Majority Lenders": at any time, Lenders and Canadian Lenders
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which, in the aggregate, have Commitments (or, if the Commitments have terminated or expired, Aggregate Outstandings) and Canadian Commitments (or, if the Canadian Commitments have terminated or expired, Aggregate Canadian Outstandings) aggregating at least 51% of the sum of the Commitments of all Lenders (or, if the Commitments have terminated or expired, the Aggregate Outstandings of all Lenders) and the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the Canadian Commitments of all Canadian Lenders (or, if the Canadian Commitments have terminated or expired, the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the Aggregate Canadian Outstandings of all Canadian Lenders), provided
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that at any time after the Commitments, all Letters of Credit and the Canadian Commitments have terminated or expired and the Aggregate Outstandings and the Aggregate Canadian Outstandings have been paid in full, Aggregate Majority Lenders shall mean Lenders which, in the aggregate, have CAF Outstandings aggregating at least 51% of the sum of the CAF Outstandings of all Lenders.

"Aggregate Outstandings": as to any Lender at any time, an amount equal to
the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (b) such Lender's Commitment Percentage of the L/C Obligations then outstanding and (c) such Lender's Commitment Percentage of the Swing Line Loans then outstanding.

"Aggregate Supermajority Lenders": at any time, Lenders and Canadian Lenders which, in the aggregate, have Commitments (or, if the Commitments have terminated or expired, Aggregate Outstandings) and Canadian Commitments (or, if the Canadian Commitments have terminated or expired, Aggregate Canadian Outstandings) aggregating at least 75% of the sum of the Commitments of all Lenders (or, if the Commitments have terminated or expired, the Aggregate Outstandings of all Lenders) and the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the Canadian Commitments of all Canadian Lenders (or, if the Canadian Commitments have terminated or expired, the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the Aggregate Canadian Outstandings of all Canadian Lenders), provided that at any time after the Commitments, all Letters of Credit and the Canadian Commitments have terminated or expired and the Aggregate Outstandings and the Aggregate Canadian Outstandings have been paid in full, Aggregate Supermajority Lenders shall mean Lenders which, in the aggregate, have CAF Outstandings aggregating at least 75% of the CAF Outstandings of all Lenders.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Applicable Margin": for each Type of Loan, the rate per annum set forth under the relevant column heading below, less the Margin Reduction Percentage in effect from time to time, provided that for Base Rate

Loans the Applicable Margin shall not be less than zero:

Base Rate Loans	Eurodollar Loans
0.25%	1.00%

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to open a Letter of Credit.

"Asset Sale": any sale, issuance, conveyance, transfer, lease or other disposition (any of the foregoing, a "Disposition") by the Borrower or any of its Subsidiaries (other than the Canadian Borrower or any of its Subsidiaries), in one or a series of related transactions, of any real or personal, tangible or intangible, property (including, without limitation, Capital Stock, but excluding any sale or issuance of equity securities of any Additional Subsidiary to one or more Permitted Equity Purchasers to the extent such sale or issuance is permitted by this Agreement) of the Borrower or any of its Subsidiaries (other than the Canadian Borrower or any of its Subsidiaries) to any Person other than the Borrower or an Additional Subsidiary.

"Asset Sale Shortfall Amount": with respect to any Mixed Asset Sale or series of related Mixed Asset Sales, the difference between (i) the book value of all Inventory of the Borrower or any Additional Subsidiary and all other Collateral sold or to be sold in connection with such Mixed Asset Sale or series of related Mixed Asset Sales (or, at the option of the Borrower in lieu of such book value, the purchase price allocated to such Inventory and other Collateral by the Borrower or the applicable Additional Subsidiary and the purchaser thereof in good faith and set forth in the related purchase agreement) minus (ii) the Net Cash

Proceeds of such Mixed Asset Sale; the Asset Sale Shortfall Amount with respect to any Mixed Asset Sale or series of related Mixed Asset Sales may be either a positive or a negative number.

"Assignee": as defined in subsection 11.6(c).

"Available Canadian Commitment": the meaning ascribed to the term "Available Commitment" in the Canadian Credit Agreement.

"Available Commitment": as to any Lender at any time, an amount equal to the excess, if any, of (a) the amount of such Lender's Commitment at such time over (b) the sum of (i) the aggregate unpaid principal amount at such time of all Revolving Credit Loans made by such Lender, (ii) an amount equal to such Lender's Commitment Percentage of the aggregate unpaid principal amount at such time of all Swing Line Loans and CAF Advances, and (iii) an amount equal to such Lender's Commitment Percentage of the outstanding L/C Obligations at such time; collectively, as to all the Lenders, the "Available Commitments".

"Barclays": as defined in the preamble hereto.

"Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by Barclays as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Barclays in connection with extensions of credit to debtors); and "Federal Funds Effective Rate" shall mean, for any day, 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 on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Base Rate shall be determined without regard to clause (b) of the first sentence of this definition, until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Base Rate Loans": Loans bearing interest at a rate based upon the Base Rate
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(including, without limitation, the Swing Line Loans).

"Borrower": as defined in the preamble hereto.

"Borrowers": the collective reference to the Borrower and the Canadian
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Borrower.

"Borrower Canadian First Mortgage Note Guarantees": the guarantees included
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on the Canadian First Mortgage Notes and made by the Borrower in favor of the holders of the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with

subsection 8.8 hereof and subsection 9.6 of the Canadian Credit Agreement.

"Borrower Canadian Stock Pledge Agreement": the Stock Pledge Agreement executed and delivered by the Borrower in favor of the Administrative Agent, substantially in the form of Exhibit D to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Guarantee": the meaning ascribed to the term "U.S. Borrower Guarantee" in the Canadian Credit Agreement.

"Borrower Patent Security Agreement": the Patent Security Agreement executed and delivered by the Borrower in favor of the Collateral Agent, substantially in the form of Exhibit E to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower RealCo First Mortgage Note Guarantees": the guarantees included on the RealCo First Mortgage Notes and made by the Borrower in favor of the holders of the RealCo First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"Borrower Security Agreement": the Security Agreement executed and delivered by the Borrower in favor of the Collateral Agent, substantially in the form of Exhibit F to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Stock Pledge Agreement": the Stock Pledge Agreement executed and delivered by the Borrower in favor of the Collateral Agent, substantially in the form of Exhibit G to the Existing Credit Agreement, as

the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Trademark Security Agreement": the Trademark Security Agreement executed and delivered by the Borrower in favor of the Collateral Agent, substantially in the form of Exhibit H to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrowing Base": an amount, calculated on a monthly basis based upon the most recent Monthly Borrowing Base Certificate delivered pursuant to subsection 7.2(c), equal to the sum (without duplication) of (a) 85% of Eligible Accounts plus (b) the lesser of (1) the U.S. Inventory Sublimit Amount and (2) 60% of Eligible Inventory; provided, however, that the Borrowing Base shall be deemed to be infinite in amount at all times during any Borrowing Base Elimination Period. All determinations in connection with the Borrowing Base shall be made by the Borrower and certified to the Collateral Agent by a Responsible Officer of the Borrower; provided, however, that the Collateral Agent shall have the final right to review and adjust any such determination to the extent the Collateral Agent determines, in its reasonable judgment after consultation with the Borrower and the Administrative Agent, that such determination is not in accordance with this Agreement. The Borrower shall from time to time provide such assistance to the Collateral Agent as the Collateral Agent reasonably may request for the purpose of determining compliance by the Borrower with the Borrowing Base.

"Borrowing Base Default": any Default or Event of Default which occurs solely because the Total Aggregate Outstandings exceed the Borrowing Base then in effect.

"Borrowing Base Elimination Period": any period commencing on an Adjustment Date and ending on the Business Day immediately preceding the next succeeding Adjustment Date, provided that (a) the Fixed Charge Coverage Ratio for the four consecutive fiscal quarters of the Borrower reflected in the financial statements delivered by the Borrower hereunder for the period ending immediately prior to the first such Adjustment Date is greater than or equal to 4.00:1 and (b) no Borrowing Base Elimination Period may exist so long as an Event of Default shall have occurred and be continuing.

"Borrowing Date": any Business Day specified in a notice pursuant to subsection 2.3, 2.5(a) or 2.10 as a date on which the Borrower requests the Lenders to make Loans hereunder.

"Business": as defined in subsection 5.18.

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; provided, that when such term is used to describe a day on which a borrowing, payment or interest rate determination is to be made in respect of a Eurodollar Loan or a Eurodollar Rate CAF Advance, such day shall also be a day on which dealings in foreign currencies and exchange between banks may be carried on in London, England.

"CAF": competitive advance facility.

"CAF Advance": each CAF Advance made pursuant to subsection 2.4.

"CAF Advance Availability Period": the period from and including the Effective Date to and including

the date which is 14 days prior to the Termination Date.

"CAF Advance Confirmation": each confirmation by the Borrower of its acceptance of CAF Advance Offers, which confirmation shall be substantially in the form of Exhibit H and shall be delivered to the Agent by facsimile transmission.

"CAF Advance Interest Payment Date": as to each CAF Advance, each interest payment date specified by the Borrower for such CAF Advance in the related CAF Advance Request.

"CAF Advance Maturity Date": as to any CAF Advance, the date specified by the Borrower in its acceptance of a CAF Advance offer pursuant to subsection 2.5(d)(ii) in its acceptance of the related CAF Advance Offer.

"CAF Advance Offer": each offer by a Lender to make CAF Advances pursuant to a CAF Advance Request, which offer shall contain the information specified in Exhibit I and shall be delivered to the Agent by telephone, immediately confirmed by facsimile transmission.

"CAF Advance Request": each request by the Borrower for Lenders to submit bids to make CAF Advances, which request shall contain the information in respect of such requested CAF Advances specified in Exhibit J and shall be delivered to the Agent in writing, by facsimile transmission, or by telephone, immediately confirmed by facsimile transmission.

"CAF Outstandings": as to any Lender at any time, an amount equal to the aggregate then outstanding principal amount of all CAF Advances owing to such Lender.

"Canada-U.S. Transfer": as defined in subsection 2.4(b).

"Canadian Accounts": the meaning ascribed to the term "Accounts" in the Canadian Credit Agreement.

"Canadian Acquisition Agreement": the Asset Acquisition Agreement, dated as of February 28, 1994, between the Canadian Borrower and Westinghouse Canada, as amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"Canadian Administrative Agent": the Bank of Nova Scotia, a Canadian chartered bank.

"Canadian Aggregate Asset Sale Shortfall Amount": the meaning ascribed to the term "Aggregate Asset Sale Shortfall Amount" in the Canadian Credit Agreement.

"Canadian Asset Sale": the meaning ascribed to the term "Asset Sale" in the Canadian Credit Agreement.

"Canadian Borrower": as defined in the recitals hereto.

"Canadian Borrower Security Agreement": the meaning ascribed to the term "Borrower Security Agreement" in the Canadian Credit Agreement.

"Canadian Borrowing Base": the meaning ascribed to the term "Borrowing Base" in the Canadian Credit Agreement.

"Canadian Borrowing Base Default": the meaning ascribed to the term "Borrowing Base Default" in the Canadian Credit Agreement.

"Canadian Cash Collateral Agreement": the Cash Collateral and Security Agreement, dated as of February 28, 1994, between the Canadian Borrower and

Westinghouse Canada, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8 hereof and subsection 9.6 of the Canadian Credit Agreement.

"Canadian Collateral": the meaning ascribed to the term "Collateral" in the Canadian Credit Agreement.

"Canadian Collateral Agent": Barclays.

"Canadian Collateral Covenant Agreement": the meaning ascribed to the term "Collateral Covenant Agreement" in the Canadian Credit Agreement.

"Canadian Commitment": the meaning ascribed to the term "Commitment" under the Canadian Credit Agreement.

"Canadian Commitment Percentage": the meaning ascribed to the term "Commitment Percentage" in the Canadian Credit Agreement.

"Canadian Credit Agreement": as defined in the recitals hereto.

"Canadian Dispositions": the meaning ascribed to the term "Dispositions" in the Canadian Credit Agreement.

"Canadian Dollar Increase Amount": as defined in subsection 2.4(b).

"Canadian Dollar Reduction Amount": as defined in subsection 2.4(b).

"Canadian Dollars" and "C$": dollars in the lawful currency of Canada.

"Canadian Eligible Accounts": the meaning ascribed to the term "Eligible Accounts" in the Canadian Credit Agreement.

"Canadian Eligible Inventory": the meaning ascribed to the term "Eligible Inventory" in the Canadian Credit Agreement.

"Canadian Extensions of Credit": the meaning ascribed to the term "Extensions of Credit" in the Canadian Credit Agreement.

"Canadian First Mortgage Note Documents": the collective reference to the Canadian First Mortgage Notes, the Canadian Mortgages, the Holdings Canadian First Mortgage Note Guarantees, the Borrower Canadian First Mortgage Note Guarantees, the RealCo Canadian First Mortgage Note Guarantees and the Canadian Cash Collateral Agreement.

"Canadian First Mortgage Notes": the First Mortgage Note, dated as of February 28, 1994, originally issued by the Canadian Borrower to Westinghouse Canada and all notes issued in exchange therefor and in exchange for such exchanged notes, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8 hereof and subsection 9.6 of the Canadian Credit Agreement.

"Canadian Inventory": the meaning ascribed to the term "Inventory" in the Canadian Credit Agreement.

"Canadian Issuing Lender": the meaning ascribed to the term "Issuing Lender" in the Canadian Credit Agreement.

"Canadian L/C Obligations": the meaning ascribed to the term "L/C Obligations" in the Canadian Credit Agreement.

"Canadian Lenders": the meaning ascribed to the term "Lenders" in the Canadian Credit Agreement.

"Canadian Letters of Credit": the meaning ascribed to the term "Letters of Credit" in the Canadian Credit Agreement.

"Canadian Loans": the meaning ascribed to the term "Loans" in the Canadian Credit Agreement.

"Canadian Loan Documents: the meaning ascribed to the term "Loan Documents" in the Canadian Credit Agreement.

"Canadian Loan Parties": the meaning ascribed to the term "Loan Parties" in the Canadian Credit Agreement.

"Canadian Mortgaged Property": each parcel of real property owned by the Canadian Borrower and encumbered by a Canadian Mortgage.

"Canadian Mortgages": the collective reference to (i) each of the fee mortgages, each dated as of February 28, 1994, each made by the Canadian Borrower in favor of Westinghouse Canada and (ii) any other mortgage made from time to time by the Canadian Borrower in favor of Westinghouse Canada pursuant to the Canadian First Mortgage Notes, each of such mortgages encumbering one of the Canadian Mortgaged Properties with a first mortgage lien securing the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8 hereof and subsection 9.6 of the Canadian Credit Agreement.

"Canadian Net Cash Proceeds": the meaning ascribed to the term "Net Cash Proceeds" in the Canadian Credit Agreement.

"Canadian Notes": the meaning ascribed to the term "Notes" in the Canadian Credit Agreement.

"Canadian Obligations": as of any date of determination, (i) the aggregate outstanding principal amount of the Canadian Loans, together with all accrued and unpaid interest thereon, (ii) the outstanding Canadian Reimbursement Obligations, together with all accrued and unpaid interest thereon, (iii) the aggregate outstanding Acceptance Reimbursement Obligations (as such term is defined in the Canadian Credit Agreement), (iv) all accrued and unpaid fees payable pursuant to subsections 4.3 and 5.3 of the Canadian Credit Agreement and (v) all other amounts then due and payable under Canadian Credit Agreement or under any of the other Canadian Loan Documents.

"Canadian Secured Parties": the collective reference to the Canadian Administrative Agent, the Canadian Collateral Agent and the Canadian Lenders (including, without limitation, the Canadian Issuing Lender and the Canadian Swing Line Lender).

"Canadian Security Documents": the meaning ascribed to the term "Security Documents" in the Canadian Credit Agreement.

"Canadian Subsidiary Guarantee": the meaning ascribed to the term "Subsidiary Guarantee" in the Canadian Credit Agreement.

"Canadian Swing Line Lender": the meaning ascribed to the term "Swing Line Lender" in the Canadian Credit Agreement.

"Canadian Transfer Commitment Percentage": as to any Common Lender at any time, the percentage of the aggregate Canadian Commitments of all Canadian Lenders then constituted by the Canadian Commitment of such Common Lender (in its capacity as a Canadian Lender

under the Canadian Credit Agreement) or, if such Common Lender is not a Canadian Lender, the Canadian Lender which is a subsidiary or an affiliate of such Common Lender.

"Capital Expenditures": with respect to any Person for any period, the sum of
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the aggregate of all expenditures (whether paid in cash, capitalized as an asset or accrued as a liability) by such Person and its consolidated Subsidiaries during such period which, in accordance with GAAP, are or should be included in "capital expenditures" or similar items reflected in the consolidated statement of cash flows of such Person for such period.

"Capital Stock": any and all shares, interests, participations or other
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equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"Cash Equivalents": (i) with respect to the Borrower, each Additional
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Subsidiary and RealCo, investments in U.S. Dollars consisting of (a) securities issued or fully guaranteed or insured by the United States government or any agency or instrumentality thereof, (b) time deposits, certificates of deposit or bankers' acceptances of (1) any Lender or (2) any commercial bank having capital and surplus in excess of $500,000,000 and the commercial paper of the holding company of which is rated at least A-2 or the equivalent thereof by Standard & Poor's Corporation ("S&P") or at least P-2 or the equivalent thereof by Moody's
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Investors Service, Inc. ("Moody's") (or if at such time neither is issuing
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ratings, then a comparable rating of such other nationally recognized rating agency as shall be approved by the Administrative Agent), and (c) commercial paper rated at least A-2 or the equivalent

thereof by S&P or at least P-2 or the equivalent thereof by Moody's (or if at such time neither is issuing ratings, then a comparable rating of such other nationally recognized rating agency as shall be approved by the Administrative Agent), in each case provided in clauses (i)(a), (b) and (c) above, maturing within twelve months after the date of acquisition; and (ii) with respect to the Canadian Borrower and its Subsidiaries, investments denominated in Canadian Dollars consisting of (a) securities issued or fully guaranteed or insured by the government of Canada or any agency or instrumentality thereof, (b) time deposits, certificates of deposit or bankers' acceptances of (1) any Canadian Lender, (2) any bank listed under Schedule I to the Bank Act (Canada), (3) any other bank having capital and surplus in excess of $500,000,000 and the commercial paper of the holding company of which is rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's (or if at such time neither is issuing ratings, then a comparable rating of such other nationally recognized rating agency as shall be approved by the Administrative Agent), or (4) any Canadian bank the short-term debt or deposit ratings of which have been assigned an investment grade credit rating by CBRS, Inc. or the Dominion Bond Rating Service Limited (or if at such time neither is issuing ratings, then a comparable rating of such other nationally recognized rating agency as shall be approved by the Administrative Agent), and (c) commercial paper rated at least A1 or the equivalent by CBRS, Inc. and R2 (high) or R2 (middle) by the Dominion Bond Rating Service Limited (or if at such time neither is issuing ratings, then a comparable rating of such other nationally recognized rating agency as shall be approved by the Administrative Agent), in each case provided in clauses (ii)(a), (b) and (c) above, maturing within twelve months after the date of acquisition.

"C&D Fund IV": The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership.

"CD&R": as defined in the recitals hereto.

"Change of Control": the occurrence of any one or more of the following events: (i) CD&R, C&D Fund IV and the Affiliates of C&D Fund IV and CD&R shall in the aggregate beneficially own shares of Voting Stock having less than 51% of the total voting power of all outstanding shares of Voting Stock of Holdings; or (ii) any Person or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) other than CD&R, C&D Fund IV and the Affiliates of C&D Fund IV and CD&R shall have acquired (a) beneficial ownership of more than 30% of the outstanding shares of Voting Stock of Holdings or (b) the power (whether or not exercised) to elect a majority of Holdings' directors; or (iii) Holdings shall cease for any reason to own beneficially and of record 100% of the Capital Stock of the Borrower; or (iv) the Borrower shall cease for any reason to own beneficially and of record 100% of the Capital Stock of the Canadian Borrower and of RealCo; or (v) except as permitted by subsection 8.5 or 8.6, the Borrower, directly or indirectly through one or more Additional Subsidiaries, shall cease for any reason to own beneficially and of record at least 80% of the Capital Stock of each Additional Subsidiary; (vi) except as permitted by subsection 9.1 or 9.2 of the Canadian Credit Agreement, the Canadian Borrower, directly or through one or more of its Subsidiaries, shall cease for any reason to own beneficially and of record 100% of the Capital Stock of each Subsidiary of the Canadian Borrower or (vii) during any two year period, individuals who at the beginning of such period constituted Holdings' board of directors (together with any new directors whose election by the board of directors of Holdings was approved by a vote of a majority of the directors of Holdings then still in

office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of Holdings; as used in this paragraph, "Voting Stock" shall mean shares of Capital Stock entitled to vote generally in the election of directors.

"Closing Date": the date on which all the conditions precedent set forth in subsection 6.1 to the Existing Credit Agreement were satisfied or waived.

"Closing Date Exchange Rate": $1.00 equals C$1.39310.

"Co-Agents": each Lender designated as such on the signature pages hereof.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": all assets of the Loan Parties, now owned or hereinafter acquired, upon which a Lien is purported to be created by any Security Document.

"Collateral Agent": Barclays, in its capacity as collateral agent for the Administrative Agent and the Canadian Administrative Agent under each Security Document (other than the Borrower Canadian Stock Pledge Agreement).

"Commercial Letter of Credit": as defined in subsection 3.1.

"Commitment": as to any Lender, its obligation to make Revolving Credit Loans to, and/or participate in Swing Line Loans made to, and/or participate in Letters of Credit issued on behalf of, the Borrower in an aggregate amount not to exceed at any one time

outstanding the amount set forth opposite such Lender's name in Schedule 1 under the heading "Commitment", as such amount may be reduced or increased from time to time as provided in subsection 2.9 and the other applicable provisions hereof; collectively, as to all the Lenders, the "Commitments".

"Commitment Percentage": as to any Lender at any time, the percentage of the aggregate Commitments then constituted by its Commitment (or, if the Commitments have terminated or expired, the percentage which (i) the sum of (a) such Lender's then outstanding Revolving Credit Loans plus (b) such Lender's participating interests in the aggregate L/C Obligations and Swing Line Loans then outstanding then constitutes of (ii) the sum of (a) the aggregate Revolving Credit Loans of all the Lenders then outstanding plus (b) the aggregate L/C Obligations then outstanding plus (c) the aggregate Swing Line Loans then outstanding).

"Commitment Period": the period from and including the Closing Date to but not including the Termination Date, or such earlier date as the Commitments shall terminate as provided herein.

"Common Lender": each Lender which is also a Canadian Lender or the parent or a subsidiary or affiliate thereof.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the Borrower and which is treated as a single employer under Section 414 of the Code.

"Consolidated Adjusted EBITDA": of any Person, for any period, the difference between (i) Consolidated EBITDA of such Person for such period, minus (ii) Capital Expenditures (excluding any expenses incurred

in connection with normal replacement and maintenance programs properly charged to current operations and excluding the amount of any Net Cash Proceeds of Dispositions of assets pursuant to subsection 8.6(g) which are reinvested in the business of the Borrower or an Additional Subsidiary and the amount of any Canadian Net Cash Proceeds of Canadian Dispositions of assets pursuant to subsection 9.2(g) of the Canadian Credit Agreement which are reinvested in the business of the Canadian Borrower or any of its Subsidiaries) paid in cash during such period.

"Consolidated EBITDA": of any Person, for any period, the Consolidated Net Income of such Person for such period, adjusted to exclude the following items of income or expense to the extent that such items are included in the calculation of Consolidated Net Income: (a) Consolidated Interest Expense, (b) any non-cash interest expense and any other non-cash expenses and charges, (c) total income tax expense, (d) depreciation expense, (e) the expense associated with amortization of intangible and other assets, (f) non-cash provisions for reserves for discontinued operations, (g) any extraordinary, unusual or non-recurring gains or losses or charges or credits and (h) any gains or losses associated with the sale or write-up or write-down of assets.

"Consolidated Funded Indebtedness": of the Borrower and its consolidated Subsidiaries, at the date of determination thereof, (i) all Indebtedness of the Borrower hereunder and of the Canadian Borrower under the Canadian Credit Agreement (in each case, regardless of when such Indebtedness matures) and (ii) all other Indebtedness of the Borrower and its consolidated Subsidiaries (other than Indebtedness referred to in clause (e) of the definition thereof), determined on a consolidated basis in accordance with GAAP, which by its terms matures more than one year after such date, and any such Indebtedness maturing within one year from

such date which is renewable or extendable at the option of the obligor to a date more than one year from such date; provided that Indebtedness of the
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Borrower and its consolidated Subsidiaries in respect of the First Mortgage Notes shall be excluded from the calculation of Consolidated Funded Indebtedness of the Borrower and its consolidated Subsidiaries.

"Consolidated Interest Expense": of any Person, for any period, cash interest
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expense of such Person for such period on its Indebtedness determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income": of any Person, for any period, net income of such
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Person for such period, determined on a consolidated basis in accordance with GAAP, provided that, for purposes of determining Consolidated Net Income of the
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Borrower and its consolidated Subsidiaries for any period, all Dividends for such period shall be deducted therefrom as an expense.

"Consolidated Net Worth": of any Person, at the date of determination, the
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sum of (a) all items which in conformity with GAAP would be classified as preferred stock (provided that such preferred stock (i) has no mandatory
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redemptions prior to the Termination Date and (ii) was issued and is outstanding on terms and conditions reasonably satisfactory to the Administrative Agent), and common stockholders' equity on a consolidated balance sheet of such Person at such date plus (b) to the extent that such items would be deducted in the
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calculation of Consolidated Net Income of such Person, (i) amortization of good will and other intangible assets during the period commencing on the Closing Date to and including the date of determination and (ii) the non-cash portion of any write-down of Inventory during the period from the Closing Date to and including August 31, 1995; provided that, in calculating Consolidated Net
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Worth, (x) the effect of

any translation gains or losses attributable to fluctuations in currency exchange rates and (y) the effect of any write-up in the book value of inventory, fixed assets and intangible assets resulting from, and the depreciation, amortization and write-off of fixed assets and intangible assets pertaining to, adjustments required or permitted by Accounting Principles Board Opinion Nos. 16 and 17, shall be excluded.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Credit Documents": the collective reference to the Loan Documents and the Canadian Loan Documents.

"Credit Parties": the collective reference to the Loan Parties and the Canadian Loan Parties.

"Current Exchange Rate": as at any date of determination, the average of the bid/ask spot rates specified on the WRLD screen of Reuters Information Services Inc. at 10:00 A.M., New York City time, on such date, with respect to the purchase and sale of Canadian Dollars for U.S. Dollars.

"DCBU Supply Agreement": the WESCO Distributor Agreement, dated as of January 31, 1994, between Westinghouse U.S. and Eaton and assigned (with the consent of Eaton) by Westinghouse U.S. to the Borrower on February 28, 1994, as the same may be amended, supplemented or otherwise modified from time to time.

"Default": any of the events specified in Section 9 prior to the satisfaction of any requirement for the giving of notice, the lapse of time, or both, or any other condition.

"Defaulted Receivable": any Account of the Borrower or any of its Additional Subsidiaries which:

(i) has been or should have been charged-off as not creditworthy in conformity with the accounting policies of the Borrower as in effect on the Closing Date; or

(ii) is owed by an account debtor described in clause (l) of the definition of Eligible Accounts.

"Depositary Account": as defined in subsection 7.11.

"Depositary Bank": as defined in subsection 7.11.

"Dispositions": as defined in the definition of Asset Sale.

"Dividends": for any period, all dividends and other distributions paid by the Borrower to Holdings in cash during such period, other than (i) the payment permitted by subsection 8.7(g) and (ii) dividends and other distributions permitted by subsection 8.7(d) (but only to the extent such dividends or distributions are made in respect of repurchases by Holdings of its common stock or options, warrants or other rights to purchase its common stock from Permitted Equity Purchasers referred to in clauses (i) and (ii) of the definition thereof) which are paid by the Borrower to or on the behalf of Holdings and used by Holdings for the purposes described in the immediately preceding parenthetical.

"Dollars", "U.S. Dollars" and "$": dollars in lawful currency of the United States of America.

"Eaton": Eaton Corporation, an Ohio corporation.

"EECORP": EESCO Equity Corporation, a Delaware corporation and the owner of
the outstanding common stock of EESCO.

"EESCO": EESCO Inc., a Delaware corporation.

"EESCO Acquisition": the acquisition by the Borrower of substantially all of the assets of EESCO relating to its electrical products distribution business pursuant to the EESCO Acquisition Agreement.

"EESCO Acquisition Agreement": an Asset Purchase Agreement in the form attached to the commitment letter, dated March 19, 1996, between the Borrower and Stamford EEC Acquisition Corp., as in effect on March 29, 1996 without giving effect to any amendments or other modifications thereof.

"Effective Date": as defined in subsection 6.1.

"Eligible Accounts": at any time, an amount equal to the aggregate outstanding balance of all Accounts of the Borrower and its Additional Subsidiaries payable in Dollars as of such time, provided that, unless otherwise approved in writing by the Collateral Agent, no Account shall be deemed to be an Eligible Account if:

(a) either (i) the Account is unpaid more than 60 days after the original statement due date (including, without limitation, the aggregate credit balance determined on an Account by Account basis more than 60 days old) or (ii) the Account is unpaid more than 120 days after the date on which an invoice therefor has been sent to the Obligor in respect of such Account;

(b) the Obligor has been obligated in respect of a Defaulted Receivable at any time during the immediately preceding 12-month period,

unless the payment of Accounts from such Obligor is secured in a manner satisfactory to the Collateral Agent or, if the Account from such Obligor arises subsequent to a decree or order for relief with respect to such Obligor under any bankruptcy or insolvency laws (or other similar laws), as now or hereafter in effect, the Collateral Agent shall have determined that the timely payment and collection of such Account will not be impaired;

(c) it is payable by an Obligor (or any known Subsidiary or Affiliate thereof) and 50% or more, in face amount, of all Accounts payable by such Obligor (and its known Affiliates) are ineligible pursuant to (a) above;

(d) it is payable by an Obligor (or any known Subsidiary or Affiliate thereof) and all Accounts payable by such Obligor (and its known Subsidiaries and Affiliates) exceed 10% of all Eligible Accounts; provided that Accounts of such an Obligor (and its known Subsidiaries and Affiliates) shall only be deemed ineligible pursuant to this clause (d) to the extent of such excess;

(e) it arises out of a sale or an administrative charge made by the Borrower or any Additional Subsidiary to the Canadian Borrower or any Affiliate (other than Westinghouse or any division, Subsidiary or Affiliate of Westinghouse) or Subsidiary of the Borrower or the Canadian Borrower;

(f) the sale is to an Obligor located outside (i) any of the fifty states constituting the United States of America, (ii) the District of Columbia, (iii) Puerto Rico and (iv) Guam if the Obligor located in Guam is either the United

States of America (or any department, agency or instrumentality thereof) or the Guam Power Authority (or any successor thereto);

(g) the Account is the result of a charge-back or a reinvoice of a disputed Account, the disposition of which has not been resolved, or the Account is a Defaulted Receivable;

(h) the Account has been or should have been charged off as not creditworthy in conformity with the accounting policies of the Borrower as in effect on the Closing Date;

(i) it is an Account which may be set-off or charged against any security deposit, progress payment or other similar advance or deposit made by or for the benefit of the applicable Obligor; provided that any Account deemed
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ineligible pursuant to this clause (i) shall only be ineligible to the extent of such set-off or charge against such security deposit, progress payment or other similar advance or deposit;

(j) the sale to the Obligor giving rise to the Account is on a bill-and-hold basis, guaranteed sale, sale-and-return, sale on approval or consignment basis or made pursuant to any other written agreement providing for repurchase or return, provided, however, that no Account shall be excluded
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pursuant to this clause (j) solely as a result of the customary quality warranties or the general right to return goods provided by the Borrower or any Additional Subsidiary to its customers; provided, further, that, with respect to
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Accounts arising from sales to an Obligor on a bill-and-hold basis, if such Obligor has requested that the goods subject to such sales be held by the Borrower or an Additional Subsidiary and has nonetheless agreed to make payment on such

Accounts, such Accounts shall not be considered ineligible pursuant to this clause (j); provided, further, that the amount of Accounts included as
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Eligible Accounts pursuant to the foregoing proviso, when aggregated with the U.S. Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the Canadian Dollar amount of Canadian Accounts included as Canadian Eligible Accounts pursuant to the corresponding proviso to clause (j) of the definition of Eligible Accounts contained in the Canadian Credit Agreement, shall not exceed $2,500,000;

(k) (i) the Obligor has disputed its liability on, or the Obligor has made any claim or defense with respect to, such Account or any other account due from such Obligor to the Borrower, the Canadian Borrower or any of their respective Subsidiaries, which has not been resolved or (ii) the Account otherwise is, or is reasonably expected to become, subject to any right of set-off by the Obligor; provided that any Account deemed ineligible pursuant to
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this clause (k) shall only be ineligible to the extent of the amount owed by the Borrower, the Canadian Borrower or any of their respective Subsidiaries to the Obligor, the amount of such dispute, claim or defense, or the maximum amount at any time of such right of set-off, as applicable; provided, further, that
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routine adjustments to an Account common in the industry in which the Borrower, the Canadian Borrower or any of their respective Subsidiaries conduct business and common to such businesses, such as for volume or quantity differences or returned goods, will be deemed not to constitute a dispute, claim, defense or setoff;

(l) a proceeding under any bankruptcy or insolvency laws (or any similar laws) has occurred

and is continuing with respect to the Obligor, unless the payment of Accounts from such Obligor is secured in a manner satisfactory to the Collateral Agent or, if the Account from such Obligor arises subsequent to a decree or order for relief with respect to such Obligor under any bankruptcy or insolvency laws (or any similar laws), as now or hereafter in effect, the Collateral Agent shall have determined that the timely payment and collection of such Account will not be impaired;

(m) Accounts the Obligor in respect of which is the United States of America or any department, agency or instrumentality thereof; provided that
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Accounts otherwise ineligible pursuant to this clause (m) shall only be ineligible to the extent that the aggregate amount of all such Accounts is in excess of $6,000,000; and provided further that amounts in excess of $6,000,000
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in respect of such Accounts shall nonetheless be considered eligible to the extent that the Borrower or the applicable Additional Subsidiary duly assigns its rights to payment of such Accounts to the Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. (S) 3727 et seq.);

(n) (i) except to the extent set forth in the second and third provisos to clause (j) above, the goods giving rise to such Account have not been delivered to, and are not in-transit to, the Obligor or (ii) the services giving rise to such Account have not been performed or (iii) the Account otherwise does not represent a final sale or transfer of title to the Obligor;

(o) the Account (or the sale giving rise thereto) does not comply in all material respects with all applicable legal requirements, including, where applicable, the Federal Consumer Credit

Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board of Governors of the Federal Reserve System, in each case as amended;

(p) the Account is subject to any material restrictions on the transfer, assignability or sale thereof, enforceable against the assignee, except as described in clause (m) above;

(q) the Administrative Agent does not have a valid and perfected first priority security interest in such Account or the Account does not otherwise conform in all material respects to the representations and warranties contained in this Agreement or any of the Security Documents;

(r) any portion of an Account to the extent such portion is for interest or finance charges accrued on past due balances of any Accounts;

(s) to the extent the Account represents an amount of billed receivables resulting from the shipping and invoicing of finished product which will not be subsequently collected because payment has already been received on account of progress payment billing (as such progress billings may be reduced by adjustment thereto);

(t) to the extent an Account is to be reduced as a result of pending price decreases relating to the agreement giving rise to such Account, such reduction of such Account; provided that an Account otherwise ineligible
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pursuant to this clause (t) shall not be considered ineligible to the extent that the pending price decrease consists of a discount for early payment which is not then determinable or a credit for volume purchases which is not then determinable; or

(u) Accounts classified as "Legal Accounts" on the books of the Borrower or an Additional Subsidiary in conformity with the accounting policies of the Borrower as in effect of the Closing Date.

"Eligible Inventory": all Inventory of the Borrower and its Additional Subsidiaries that consists of finished goods or spare parts available for sale to customers to the extent not excluded pursuant to clauses (a) through (g) below. In determining the amount to be so included, the amount of such Inventory shall be valued at the lower of average cost or market value on a basis consistent with the Borrower's or the relevant Additional Subsidiary's accounting practice as in effect on the Closing Date less reserves taken, if any, on account of physical inventory adjustments (in respect of aged Inventory, excess Inventory or otherwise) as recorded in the Borrower's or the relevant Additional Subsidiary's accounting records and goods in transit from third parties that are not excluded pursuant to clauses (a) through (g) below. Unless otherwise approved in writing by the Collateral Agent, no Inventory shall be deemed Eligible Inventory of the Borrower or any of its Additional Subsidiaries if:

(a) the Inventory is not owned solely by the Borrower or an Additional Subsidiary or the Borrower or an Additional Subsidiary does not have good, valid and marketable title to such Inventory;

(b) the Inventory is (i) not located at property that is owned or leased by the Borrower, an Additional Subsidiary or RealCo and (ii) subject to a Lien other than Liens pursuant to the Security Documents, Liens arising by operation of law (appropriate reserves for which have been reasonably established by the Borrower or an

Additional Subsidiary) and Liens for normal and customary warehousing and transportation charges (appropriate reserves for which have been reasonably established by the Borrower or an Additional Subsidiary);

(c) the Inventory is not subject to a perfected first priority Lien in favor of the Collateral Agent or the Administrative Agent except for Liens arising by operation of law (appropriate reserves for which have been reasonably established by the Borrower or an Additional Subsidiary) and, with respect to Eligible Inventory located at sites described in clause (b) above, for Liens for normal and customary warehousing and transportation charges (appropriate reserves for which have been reasonably established by the Borrower or an Additional Subsidiary);

(d) the Inventory is not located in (i) any of the fifty states constituting the United States of America, (ii) the District of Columbia or (iii) Puerto Rico;

(e) the Inventory does not conform in all material respects to the representations and warranties contained in this Agreement or any of the Security Documents;

(f) Specialized Inventory (other than New Inventory) of a particular stock keeping unit to the extent that the number of such stock keeping units held by the Borrower or an Additional Subsidiary on any date of determination exceeds the number of such stock keeping units sold by WESCO, the Borrower or an Additional Subsidiary during the 12 consecutive fiscal month period immediately preceding such date of determination; provided that in no event shall the value
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of all

Inventory included as Eligible Inventory pursuant to this clause (f), when aggregated with the U.S. Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the value of the Canadian Inventory included as Canadian Eligible Inventory pursuant to the corresponding proviso to clause (f) of the definition of Eligible Inventory in the Canadian Credit Agreement, exceed at any time $5,000,000 in the aggregate; or

(g) Inventory (other than Specialized Inventory and New Inventory) of a particular stock keeping unit to the extent that the number of such stock keeping units held by the Borrower or an Additional Subsidiary on any date of determination exceeds (i) for any date of determination during the period from the Closing Date to May 31, 1995, two times, and (ii) thereafter, one times, the
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number of such stock keeping units sold by WESCO, the Borrower or an Additional Subsidiary during the 12 consecutive fiscal month period immediately preceding such date of determination; provided that in no event shall the value of all
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Inventory included as Eligible Inventory pursuant to subclause (i) of this clause (g), when aggregated with the U.S. Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the value of all Inventory included as Canadian Eligible Inventory pursuant to subclause (i) of clause (g) of the definition of Eligible Inventory in the Canadian Credit Agreement, exceed in the aggregate at any time the sum of (x) $8,500,000 and (y) the value of such Inventory (and the U.S. Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the value of such Canadian Inventory) that would have been included as Eligible Inventory (or Canadian Eligible Inventory) pursuant to subclause (i) of this clause (g) (or

subclause (i) of clause (g) of the definition of Eligible Inventory in the Canadian Credit Agreement) had the references in such subclauses to the number "two" been a reference to the number "one".

"Environmental Costs": any and all costs or expenses (including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses), of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way relating to any violation of, noncompliance with or liability under any Environmental Laws or any orders, requirements, demands, or investigations of any person related to any Environmental Laws. Environmental Costs include any and all of the foregoing, without regard to whether they arise out of or are related to any past, pending or threatened proceeding of any kind.

"Environmental Laws": any and all applicable foreign, Federal, state, territorial, provincial, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Equity Interest Purchase Price": with respect to any repurchase by Holdings of any Westinghouse Equity Interests, an amount equal to the sum of the aggregate consideration, whether cash, securities, property or any other consideration paid or delivered by Holdings to Westinghouse U.S. in respect of such repurchase.

"Equity Investment": as defined in subsection 6.1(d).

"Equity Investors": C&D Fund IV and certain members of the management of the
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Borrower.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar
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Loan, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of such Board) maintained by a member bank of such System.

"Eurodollar Base Rate": with respect to each day during each Interest Period
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pertaining to a Eurodollar Loan, the rate per annum determined by the Administrative Agent to be the arithmetic mean (rounded to the nearest 1/100th of 1%) of the offered rates for U.S. dollar deposits with a term comparable to the applicable Interest Period that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page (as defined below) at approximately 11:00 a.m., London time, on the second full Business Day preceding the first day of such Interest Period; provided, however, that if there shall at any time no
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longer exist a Telerate British Bankers Assoc. Interest Settlement Rates Page, "Eurodollar Base Rate" shall mean, with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the rate at which Barclays is offered Dollar deposits at or about 10:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar and foreign currency and exchange

operations in respect of its Eurodollar Loans are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of its Eurodollar Loan to be outstanding during such Interest Period. "Telerate
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British Bankers Assoc. Interest Settlement Rates Page" shall mean the display
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designated as Page 3750 on the Telerate System Incorporated Service (or such other page as may replace such page on such service for the purpose of displaying the rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market).

"Eurodollar CAF Advance": any CAF Advance made pursuant to a Eurodollar Rate
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CAF Advance Request.

"Eurodollar Loans": Revolving Credit Loans the rate of interest applicable to
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which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period
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pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Rate CAF Advance Request": any CAF Advance Request requesting the
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Lenders to offer to make CAF Advances at an interest rate equal to the Eurodollar Rate plus (or minus) a margin.

"Event of Default": any of the events specified in Section 9, provided that
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any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

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

"Exchange Rate": with respect to an amount in a currency other than U.S. Dollars, an amount in U.S. Dollars equivalent to such amount calculated at a rate of exchange quoted by Barclays on the Effective Date (at the hour on the Effective Date at which Barclays customarily makes such determination) to prime banks in New York for the spot purchase in the New York foreign exchange market of such other currency with U.S. Dollars.

"Existing Canadian Credit Agreement": as defined in the recitals hereto.

"Existing Credit Agreement": as defined in the recitals hereto.

"Extension of Credit": as to any Lender, the making of a Loan by such Lender or the issuance of, or participation in, a Letter of Credit by such Lender.

"Facility Fee Rate": 0.50% per annum less the Margin Reduction Percentage in effect from time to time.

"Financial Statement Delivery Default": any Default which occurs solely as a result of a failure by the Borrower to deliver the financial statements required to be delivered under subsection 7.1(a), (b) or (c) (as applicable).

"Financing Lease": any lease of property, real or personal, the obligations of the lessee in respect of which are required in accordance with GAAP to be capitalized on a balance sheet of the lessee.

"First Mortgage Note Documentation": as defined in subsection 6.1(d).

"First Mortgage Note Documents": the collective reference to the Canadian First Mortgage Note Documents and the RealCo First Mortgage Note Documents.

"First Mortgage Notes": the collective reference to the Canadian First Mortgage Notes and the RealCo First Mortgage Notes.

"Fixed Charge Coverage Ratio": for any period, the ratio of Consolidated Adjusted EBITDA of the Borrower and its consolidated Subsidiaries for such period to Consolidated Interest Expense of the Borrower and its consolidated Subsidiaries for such period.

"Fixed Rate CAF Advance": any CAF Advance made pursuant to a Fixed Rate CAF Advance Request.

"Fixed Rate CAF Advance Request": any CAF Advance Request requesting the Lenders to offer to make CAF Advances at a fixed rate (as opposed to a rate composed of the Eurodollar Rate plus (or minus) a margin).

"Foreign Subsidiary": any Subsidiary of the Borrower which is not organized under the laws of the United States or any state thereof or the District of Columbia.

"Former Plan": any employee benefit plan in respect of which the Borrower or a Commonly Controlled Entity could incur liability because of Section 4069 or Section 4212(c) of ERISA.

"GAAP": with respect to the covenants contained in subsection 8.1 and all defined terms relating thereto, generally accepted accounting principles in the United States of America in effect on the date hereof and, for all other purposes under this Agreement, generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority": any nation or government, any state, province or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantees": the collective reference to the Holdings Guarantee and each Subsidiary Guarantee.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any such obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee

Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantor": each Person party to a Guarantee.

"Holdings": as defined in the recitals hereto.

"Holdings Canadian First Mortgage Note Guarantees": the guarantees included on the Canadian First Mortgage Notes and made by Holdings in favor of the holders of the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8. hereof and subsection 9.6 of the Canadian Credit Agreement.

"Holdings Guarantee": the Guarantee executed and delivered by Holdings in favor of the Collateral Agent, substantially in the form of Exhibit I to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Holdings RealCo First Mortgage Note Guarantees": the guarantees included on the RealCo First Mortgage Notes and made by Holdings in favor of the holders of the RealCo First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"Holdings Stock Pledge Agreement": the Stock Pledge Agreement executed and
delivered by Holdings in favor of the Collateral Agent, substantially in the form of Exhibit J to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Indebtedness": of any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (c) all obligations of such Person under Financing Leases, (d) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (e) all obligations of such Person in respect of interest rate protection agreements, interest rate futures, interest rate options, interest rate caps and any other interest rate hedge arrangements and (f) all indebtedness or obligations of the types referred to in the preceding clauses (a) through (e) secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": as defined in subsection 5.9.

"Interest Payment Date": (a) as to any Base Rate Loan, the last day of each March, June, September and

December to occur while such Loan is outstanding, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any Eurodollar Loan having an Interest Period longer than three months, (x) each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and (y) the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan:

(i) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and

(ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(1) if any Interest Period pertaining to a Eurodollar Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding 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 immediately preceding Business Day;

(2) any Interest Period that would otherwise extend beyond the Termination Date shall end on the Termination Date; and

(3) any Interest Period pertaining to a Eurodollar Loan 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 a calendar month.

"Interest Rate Agreement": any interest rate protection agreement, interest rate future, interest rate option, interest rate cap or other interest rate hedge arrangement with a financial institution reasonably acceptable to the Administrative Agent, to or under which the Borrower or any Subsidiary thereof is a party or a beneficiary on the Closing Date or becomes a party or a beneficiary after the Closing Date.

"Interest Rate Caps": the collective reference to the following interest rate cap transactions: (i) the interest rate cap entered into between the Borrower and Mellon Bank, N.A. on March 28, 1994 having a notional amount of U.S.$22,500,000, effective for a two year period commencing on March 31, 1994 and providing for quarterly payments to the Borrower in the event that interest accrued on such notional amount at the London interbank offered rate ("Libor") exceeds interest accrued on such notional amount at 5.375% per annum, such interest rate cap being evidenced by the Ceiling Rate Interest Credit Agreement #1, dated as of March 28, 1994, between the Borrower and Mellon Bank, (ii) the interest rate cap entered into between the Borrower and Mellon Bank, N.A. on March 28, 1994 having a notional amount of U.S.$22,500,000, effective for a two year period commencing on March 31, 1994 and providing for quarterly payments to the Borrower in the event

that interest accrued on such notional amount at Libor exceeds interest accrued on such notional amount at 5.375% per annum, such interest rate cap being evidenced by the Ceiling Rate Interest Credit Agreement #2, dated as of March 28, 1994, between the Borrower and Mellon Bank, N.A., (iii) the interest rate cap entered into between the Borrower and Continental Bank N.A. on March 21, 1994 having a notional amount of U.S.$22,500,000, effective for a two year period commencing on March 25, 1994 and providing for quarterly payments to the Borrower in the event that interest accrued on such notional amount at Libor exceeds interest accrued on such notional amount at 5.4375% per annum, such interest rate cap being evidenced by the Rate Cap Transaction Agreement, dated as of March 21, 1994, between the Borrower and Continental Bank N.A., together the related Confirmation, dated as of March 21, 1994 between the Borrower and Continental Bank N.A., (iv) the interest rate cap entered into between the Borrower and Barclays Bank PLC on March 21, 1994 having a notional amount of U.S.$22,500,000, effective for a two year period commencing on March 25, 1994 and providing for quarterly payments to the Borrower in the event that interest accrued on such notional amount at Libor exceeds interest accrued on such notional amount at 5.4375% per annum, such interest rate cap being evidenced by the 1992 ISDA Master Agreement, dated as of March __, 1994, between the Borrower and Barclays Bank PLC, together the related Confirmation, dated as of March 22, 1994 between the Borrower and Barclays Bank PLC and (v) the interest rate cap entered into between the Borrower and The First National Bank of Chicago, N.B.D. on March 1, 1996 having a notional amount of U.S.$80,000,000, effective for a two year period commencing on March 1, 1996 and providing for quarterly payments to the Borrower in the event that interest accrued in such notional amount at Libor exceeds interest accrued on such notional amount at 6.7500% per annum.

"Inventory": as defined in the Uniform Commercial Code as in effect in the State of New York; and, with respect to the Borrower or any Additional Subsidiary, all such inventory of the Borrower or such Additional Subsidiary, including, without limitation: (i) all finished goods, parts, components, assemblies, supplies, labor, burden and materials used or consumed in its business; (ii) all goods, wares and merchandise, finished or unfinished, held for sale; and (iii) all goods returned to or repossessed by the Borrower or such Additional Subsidiary.

"Investments": as defined in subsection 8.10.

"Issuing Lender": Barclays, in its capacity as issuer of any Letter of Credit.

"Landlord's Waiver": a Landlord's Waiver, substantially in the form of Exhibit C.

"L/C Commission Rate": 1.00% per annum, less the Margin Reduction Percentage in effect from time to time.

"L/C Commitment": $35,000,000.

"L/C Fee Payment Date": with respect to any Letter of Credit, the last day of each March, June, September and December occurring after the date of issuance thereof and prior to the expiration thereof.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to subsection 3.5(a).

"L/C Participants": the collective reference to all the Lenders other than the Issuing Lender.

"Lender": as defined in the preamble hereto.

"Lending Parties": the collective reference to the Lenders and the Canadian Lenders; individually, a "Lending Party".

"Letters of Credit": as defined in subsection 3.1(a).

"Lien": any mortgage, pledge, hypothecation, assignment, security deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any Financing Lease having substantially the same economic effect as any of the foregoing).

"Loan Documents": this Agreement, the Notes, the Applications, the Guarantees and the Security Documents.

"Loan Parties": the Borrower, Holdings, the Canadian Borrower, RealCo and each Subsidiary of the Borrower which is or becomes a party to a Loan Document; individually, a "Loan Party".

"Loans": the collective reference to the Revolving Credit Loans, the CAF Advances and the Swing Line Loans.

"Majority Canadian Lenders": the meaning ascribed to the term "Majority Lenders" in the Canadian Credit Agreement.

"Majority Lenders": at any time, Lenders which, in the aggregate, have Commitments (or, if the Commitments have terminated or expired, Aggregate Outstandings) aggregating at least 51% of the

Commitments of all Lenders (or, if the Commitments have terminated or expired, the Aggregate Outstandings of all Lenders), provided that at any time after the Commitments and all Letters of Credit have terminated or expired, and the Aggregate Outstandings of all Lenders have been repaid, Majority Lenders shall be Lenders which, in the aggregate, have CAF Outstandings aggregating at least 51% of the sum of the CAF Outstandings of all Lenders.

"Management Subscription Agreements": one or more stock subscription or stock option agreements which have been or may be entered into between Holdings, the Borrower or any Additional Subsidiary and one or more Permitted Equity Purchasers, with respect to the issuance to such Permitted Equity Purchasers of common stock of Holdings or an Additional Subsidiary or options, warrants or other rights in respect of common stock of Holdings or an Additional Subsidiary, any agreements entered into from time to time with transferees of any such stock, options, warrants or other rights in connection with the sale, transfer or reissuance thereof, and any assumptions of any of the foregoing by third parties.

"Margin Adjustment Period": each period commencing on an Adjustment Date and ending on the Business Day immediately preceding the next succeeding Adjustment Date.

"Margin Reduction Percentage": (a) during the period from and including the Closing Date to but excluding the Adjustment Date which occurs concurrently with the delivery by the Borrower pursuant to subsection 7.1(b) or (c) (as applicable) of its financial statements for the quarterly period ended June 30, 1995, zero and (b) during each Margin Adjustment Period which commences on or after the Adjustment Date referred to in clause (a) above and in respect of which the

Fixed Charge Coverage Ratio for the four consecutive fiscal quarters of the Borrower immediately preceding the commencement of such Margin Adjustment Period (determined by reference to the certificates delivered pursuant to subsection 7.2(b) concurrently with the financial statements delivered under subsection 7.1(a), (b) or (c) (as applicable), or the Annual Unaudited Financial Statements (as defined below in this definition), as the case may be, with respect to such four consecutive fiscal quarters) is (i) less than 3.00:1, zero, (ii) less than 3.50:1 but greater than or equal to 3.00:1, 0.125% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.125% (when used in the definition of Facility Fee Rate), (iii) less than 4.00:1 but greater than or equal to 3.50:1, 0.375% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.125% (when used in the definition of Facility Fee Rate), (iv) less than 4.50:1 but greater than or equal to 4.00:1, 0.5625% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.1875% (when used in the definition of Facility Fee Rate), (v) less than 5.00:1 but greater than or equal to 4.50:1, 0.65% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.25% (when used in the definition of Facility Fee Rate), (vi) greater than or equal to 5.00:1, 0.725% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.275% (when used in the definition of Facility Fee Rate) provided that:

(x) notwithstanding the foregoing, during any period from and including the date on which an Event of Default has occurred to but excluding the date on which such Event of Default is no longer continuing, the Margin Reduction Percentage shall be zero;

(y) if the Borrower delivers to the Administrative Agent any financial statements referred to in clause (b) of the definition of Adjustment Date (each, an "Annual Unaudited Financial Statement") and thereafter the financial
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fstatements delivered pursuant to subsection 7.1(a) in respect of the period covered by such Annual Unaudited Financial Statement demonstrates a Fixed Charge Coverage Ratio for such period which differs from that demonstrated by such Annual Unaudited Financial Statement, any change in the Margin Reduction Percentage occurring as a result of such difference shall be given retroactive effect to the first Business Day after delivery of such Annual Unaudited Financial Statement; and

(z) if any Financial Statement Delivery Default becomes an Event of Default, the Margin Reduction Percentage (if greater than zero) that was in effect for the period commencing on the date such Financial Statement Delivery Default occurred to the date such Financial Statement Delivery Default became an Event of Default shall be retroactively adjusted to zero for such period and shall remain zero until the first Business Day following receipt by the Administrative Agent of the financial statements the failure to deliver which gave rise to such Financial Statement Delivery Default, which date shall constitute an Adjustment Date and upon which date the Margin Adjustment Percentage shall be determined in accordance with the other provisions of this definition.

If payments are made hereunder on the basis of a Margin Reduction Percentage that is retroactively adjusted as a result of the occurrence of any of the events described in clauses (x), (y) or (z) of the proviso to the immediately preceding sentence, the Lenders and the Borrower shall make such payments to the Administrative

Agent (which shall credit the account of the Borrower or allocate such payments among the Lenders in accordance with their respective interests in the payments theretofore made hereunder, as the case may be, on the basis of the Margin Reduction Percentage that was so retroactively adjusted) as may be necessary to give effect to such adjustment, such payments to be calculated by the Administrative Agent (which shall notify the Borrower and the Lenders thereof) and to be made as soon as practicable (but in any event no later than two Business Days after such notice is given by the Administrative Agent) and to include interest at the applicable Federal Funds Effective Rate for the period from the date to which the Margin Reduction Percentage has been retroactively adjusted to the date of the applicable payment on any amounts required to be paid as a result of such retroactive adjustment.

"Master Lease Agreement": the Master Lease, dated as of February 28, 1994, between the Borrower and RealCo, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"Master Lease Documentation": as defined in subsection 6.1(e).

"Material Adverse Effect": a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of (i) this Agreement or any of the Notes or the rights and remedies of the Administrative Agent or the Lenders hereunder or thereunder or (ii) the Canadian Credit Agreement or the rights and remedies of the Canadian Administrative Agent or the Canadian Lenders thereunder or (c) the validity or enforceability of any of the other Credit Documents in the event that such material adverse effect materially impairs the value or the benefit of the Collateral or

Canadian Collateral or the rights and remedies of the Collateral Agent, the Administrative Agents or the Lending Parties thereunder.

"Material Environmental Amount": any amount payable by the Borrower and/or its Subsidiaries (not subject to payment or reimbursement by Westinghouse pursuant to the Acquisition Agreement or the Canadian Acquisition Agreement) in respect of or under any Environmental Law for remedial costs, compliance costs, compensatory damages, punitive damages, fines, penalties or any combination thereof, that has a Material Adverse Effect or that is in excess of $5,000,000.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under or which may give rise to liability under any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Mixed Asset Sale": any Disposition constituting a "Mixed Asset Sale" under and as defined in the RealCo First Mortgage Notes.

"Monthly Borrowing Base Certificate": as defined in subsection 7.2(c).

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": with respect to any Asset Sale (including any Asset Sale that constitutes a sale and leaseback transaction permitted under subsection 8.12), any sale or issuance of equity securities of

Holdings (but excluding any sale or issuance of equity securities of Holdings to one or more Permitted Equity Purchasers to the extent such sale or issuance is permitted by the Holdings Guarantee) or any incurrence by Holdings or any of its Subsidiaries (other than the Canadian Borrower or any of its Subsidiaries) of any Indebtedness for borrowed money (including, without limitation, any Subordinated Indebtedness permitted by subsection 8.2(i) but excluding any other Indebtedness permitted by subsection 8.2), an amount equal to the gross cash proceeds of such Asset Sale, issuance or incurrence, net of the following amounts (but only to the extent such amounts are paid or incurred by Holdings, the Borrower, an Additional Subsidiary or RealCo): (i) reasonable attorneys' fees, accountants' fees, brokerage, consultant and other customary fees, underwriting commissions and other reasonable fees and expenses actually incurred in connection with such Asset Sale, issuance or incurrence, (ii) taxes paid or reasonably estimated to be payable as a result thereof, after taking into account all available deductions and credits in connection with such Asset Sale, (iii) appropriate amounts to be provided by the Borrower or any of its Subsidiaries (other than the Canadian Borrower or any of its Subsidiaries) as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Borrower or such Subsidiary, as the case may be, after such Asset Sale, and (iv) in the case of a sale or sale and leaseback of or involving an asset subject to a Lien securing (a) any Indebtedness (other than the RealCo First Mortgage Notes), payments made and installment payments required to be made to repay such Indebtedness, including payments in respect of principal, interest and prepayment premiums and penalties or (b) the RealCo First Mortgage Notes, the Net Proceeds Allocable to Payee and any Reserved Amounts (as each such term is defined in the RealCo First Mortgage Notes) to the extent such Reserved

Amounts are not paid to the Borrower, with respect to such Asset Sale.

"New Inventory": Inventory of a particular stock keeping unit which has been sold or offered for sale by the Borrower or any Additional Subsidiary for a period of only fifteen months or less.

"Non-Excluded Taxes": as defined in subsection 4.12.

"Notes": the collective reference to the Revolving Credit Notes and the Swing Line Notes.

"Obligations": as of any date of determination, (i) the aggregate outstanding principal amount of the Loans, together with all accrued and unpaid interest thereon, (ii) the outstanding Reimbursement Obligations, together with all accrued and unpaid interest thereon, (iii) all accrued and unpaid fees payable pursuant to subsections 3.3 and 4.5 and (iv) all other amounts then due and payable hereunder or under any of the other Loan Documents.

"Obligor": any purchaser of goods or services or other Person obligated to make payment to the Borrower or any Additional Subsidiary in respect of a purchase of such goods or services.

"Participants": as defined in subsection 11.6(b).

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Permitted Equity Purchasers": (i) any director, officer, employee or manager of, or consultant to, Holdings or any of its Subsidiaries or CD&R, (ii) any director, senior executive or other person with similar responsibilities of a corporation or other entity in

which an entity managed or sponsored by CD&R has made a substantial equity investment (or, in the case of clauses (i) and (ii) above, trusts for the benefit of any such person and/or relatives of any such person), (iii) any Person engaged in the same, a substantially similar or a related line of business to that engaged in by the Borrower or any of its Subsidiaries or (iv) any substantial customer of, supplier of goods to, or manufacturer of goods sold by, the Borrower or any of its Subsidiaries.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": any employee benefit plan which is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA.

"Properties": as defined in subsection 5.18.

"RealCo": CDW Realco, Inc., a Delaware corporation and a wholly owned Subsidiary of the Borrower.

"RealCo Canadian First Mortgage Note Guarantees": the guarantees made by RealCo in favor of the holders of the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8 hereof and subsection 9.6 of the Canadian Credit Agreement.

"RealCo Cash Collateral Agreement": the Cash Collateral and Security Agreement, dated as of February 28, 1994, between RealCo and Westinghouse U.S., as the same may be amended, supplemented or

otherwise modified from time to time in accordance with subsection 8.8.

"RealCo First Mortgage Notes": the First Mortgage Note, dated as of February 28, 1994, originally issued by Holdings to Westinghouse U.S., the obligations in respect of which were assumed by the Borrower at the direction of Holdings and then by RealCo at the direction of Holdings and the Borrower on February 28, 1994, and all notes issued in exchange therefor and in exchange for such exchanged notes, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"RealCo First Mortgage Note Documents": the collective reference to the RealCo First Mortgage Notes, the RealCo Mortgages, the Holdings RealCo First Mortgage Note Guarantees, the Borrower RealCo First Mortgage Note Guarantees, the RealCo Cash Collateral Agreement, the Master Lease Agreement and the landlord's waiver executed by RealCo and Westinghouse U.S. with respect to the Master Lease Agreement.

"RealCo Landlord Waiver": the Landlord's Letter, dated as of February 24, 1995, made by RealCo (in its capacity as lessor under the Master Lease Agreement) and Westinghouse U.S. (on behalf of the holders of the RealCo First Mortgage Notes) in favor of the Borrower.

"RealCo Mortgaged Property": each parcel of real property or leasehold interest in real property owned or held by RealCo and encumbered by a RealCo Mortgage.

"RealCo Mortgages": the collective reference to (i) each of the fee and leasehold mortgages, each dated as of February 28, 1994, each made by RealCo in favor of Westinghouse U.S. and (ii) any other mortgage made from time to time by RealCo in favor of Westinghouse U.S. pursuant to the RealCo First Mortgage Notes, each of such mortgages encumbering one of the RealCo

Mortgaged Properties with a first mortgage lien securing the RealCo First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"Refunded Swing Line Loans": as defined in subsection 2.5(c).

"Register": as defined in subsection 11.6(d).

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

"Reimbursement Obligations": the obligation of the Borrower to reimburse the Issuing Lender pursuant to subsection 3.5(a) for amounts drawn under Letters of Credit.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Replacement Pension Plan": the Single Employer Plan covering the hourly-rate employees of Allison Engine Company, Inc., as amended from time to time.

"Reportable Event": any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .13, .14, .16, .18, .19 or .20 of PBGC Reg. (S) 2615 or any successor regulation thereto.

"Requirement of Law": as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or

binding upon such Person or any of its material property or to which such Person or any of its material property is subject.

"Responsible Officer": as to any Person, any of the following officers of such Person: (i) the chief executive officer or the president of such Person and, with respect to financial matters, the chief financial officer, the treasurer or the controller of such Person, (ii) any vice president of such Person or, with respect to financial matters, any assistant treasurer or assistant controller of such Person, who has been designated in writing to the Administrative Agent as a Responsible Officer by such chief executive officer or president of such Person or, with respect to financial matters, by such chief financial officer of such Person and (iii) with respect to subsection 7.7 and without limiting the foregoing, the general counsel of such Person; the Borrower shall ensure that at least one vice president is designated to the Administrative Agent as a Responsible Officer by the chief executive officer or president of the Borrower pursuant to the foregoing clause (ii) from time to time.

"Revolving Credit Loans": as defined in subsection 2.1.

"Revolving Credit Note": as defined in subsection 2.2.

"Securities Act": the Securities Act of 1933, as amended.

"Security Agreements": the collective reference to the Borrower Security Agreement, each Subsidiary Security Agreement, the Borrower Trademark Security Agreement, each Subsidiary Trademark Security Agreement, the Borrower Patent Security Agreement and each Subsidiary Patent Security Agreement.

"Security Documents": the collective reference to the Security Agreements and the Stock Pledge Agreements.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Solvent" and "Solvency": with respect to any Person on a particular date, the condition that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its existing debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person has an unreasonably small amount of capital.

"Specialized Inventory": Inventory not customarily offered by the Borrower or an Additional Subsidiary for general sale to its customers and which has been manufactured in accordance with specifications provided to the Borrower or such Additional Subsidiary by or on behalf of a particular customer which render such Inventory unsuitable for general sale to customers.

"Standby Letter of Credit": as defined in subsection 3.1.

"Stock Pledge Agreements": the collective reference to the Borrower Stock Pledge Agreement, the

Borrower Canadian Stock Pledge Agreement, the Holdings Stock Pledge Agreement and each Subsidiary Stock Pledge Agreement.

"Subordinated Indebtedness": any unsecured Indebtedness of the Borrower or an Additional Subsidiary permitted by subsection 8.2(i) or (j); provided that, with respect to any such Indebtedness permitted by subsection 8.2(i)(A), (i) no part of the principal of such Indebtedness is required to be paid (whether by way of mandatory sinking fund, mandatory redemption, mandatory prepayment or otherwise) prior to the seventh anniversary of the issuance thereof or such earlier date as may be approved in writing by the Aggregate Majority Lenders; (ii) the payment of the principal of and interest on such Indebtedness and other obligations of the Borrower or such Additional Subsidiary in respect of which are subordinated to the prior payment in full of (a) the principal of and interest (including post-petition interest) on the Notes and all other obligations and liabilities of the Borrower to the Administrative Agent and the Lenders hereunder (or, in the case of any such Indebtedness in respect of which an Additional Subsidiary is the obligor, subordinated to such Additional Subsidiary's obligations under the Subsidiary Guarantee) and (b) the Borrower's obligations under the Borrower Guarantee, in each case on terms and conditions approved in writing by the Aggregate Majority Lenders; (iii) the interest rate, and covenant and default provisions applicable to such Indebtedness are approved in writing by the Aggregate Majority Lenders and (iv) all other material terms and conditions of such Indebtedness are reasonably satisfactory in form and substance to the Administrative Agents (as evidenced by their prior written approval thereof).

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power

(other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantee": the Guarantee executed and delivered by each Additional Subsidiary in favor of the Collateral Agent, substantially in the form of Exhibit G to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Patent Security Agreement": each Patent Security Agreement executed and delivered or to be executed and delivered by an Additional Subsidiary in favor of the Collateral Agent, substantially in the form of the Borrower Patent Security Agreement (with such modifications and changes thereto as may be agreed by the Borrower and the Collateral Agent), as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Pledge Agreement": each Pledge Agreement executed and delivered or to be executed and delivered by any Additional Subsidiary that owns any Capital Stock of any other Additional Subsidiary in favor of the Collateral Agent, substantially in the form of the Borrower Pledge Agreement (with such modifications and changes thereto as may be agreed by the Borrower and the Collateral Agent), as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Security Agreement": each Security Agreement executed and
delivered or to be executed and delivered by an Additional Subsidiary in favor of the Collateral Agent, substantially in the form of the Borrower Security Agreement (with such modifications and changes thereto as may be agreed by the Borrower and the Collateral Agent), as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Trademark Security Agreement": each Trademark Security Agreement executed and delivered or to be executed and delivered by an Additional Subsidiary in favor of the Collateral Agent, substantially in the form of the Borrower Trademark Security Agreement (with such modifications and changes thereto as may be agreed by the Borrower and the Collateral Agent), as the same may be amended, supplemented or otherwise modified from time to time.

"Swing Line Commitment": the Swing Line Lender's obligation to make Swing Line Loans pursuant to subsection 2.10.

"Swing Line Lender": Barclays, in its capacity as provider of the Swing Line Loans.

"Swing Line Loans": as defined in subsection 2.10(a).

"Swing Line Note": as defined in subsection 2.10(b).

"Termination Date": February 28, 2000.

"Total Aggregate Outstandings": an amount equal to the sum of the Aggregate Outstandings of all Lenders and the CAF Outstandings of all Lenders.

"Tranche": the collective reference to Eurodollar Loans the then current Interest Periods with respect to

all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Transferee": as defined in subsection 11.6(f).

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"Underfunding": an excess of all accrued benefits under a Plan (based on those assumptions used to fund such Plan), determined as of the most recent annual valuation date, over the value of the assets of such Plan allocable to such accrued benefits.

"Uniform Customs": the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"U.S.-Canada Transfer": as defined in subsection 2.4(b).

"U.S. Dollar Increase Amount": as defined in subsection 2.4(b).

"U.S. Dollar Reduction Amount": as defined in subsection 2.4(b).

"U.S. Inventory Sublimit Amount": at any date of determination, an amount equal to 45% of the Commitments of all Lenders then in effect.

"U.S. Prepayment Percentage": as of any date of determination, the percentage of the sum of the aggregate Commitments and the U.S. Dollar equivalent (determined on the basis of the then Current Exchange Rate) of the aggregate Canadian Commitments which is constituted by the aggregate Commitments.

"U.S. Tax Compliance Certificate": as defined in subsection 4.12.

"U.S. Transfer Commitment Percentage": as to any Common Lender or any Canadian Lender at any time, the percentage of the aggregate Commitments of all Common Lenders then constituted by the Commitment of (i) in the case of a Common Lender or a Canadian Lender which is a Common Lender, such Common Lender or (ii) in the case of a Canadian Lender which is not a Common Lender, the Common Lender which is the parent or a subsidiary or affiliate of such Canadian Lender.

"WESCO": an unincorporated division of Westinghouse U.S. that carried on business under the names of "Westinghouse Electric Supply Company", "WESCO", and at certain branch locations, under the names of "Caribe Industrial and Electric Supplier", "Electra" and "Superior Electric", together with an unincorporated division of Westinghouse Canada, that carried on business under the name of "WESCO".

"Westinghouse": the collective reference to Westinghouse U.S. and Westinghouse Canada.

"Westinghouse Canada": Westinghouse Canada, Inc., a Canadian corporation and a wholly owned Subsidiary of Westinghouse U.S.

"Westinghouse Equity Interests": the collective reference to (i) the options to purchase 100,000 shares of the common stock of Holdings issued to Westinghouse U.S. pursuant to the Stock Subscription, Stock Option and Stockholders Agreement, dated February 28, 1994 between Holdings, Westinghouse U.S. and The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership (the "Subscription Agreement") and (ii) the 100,000 shares of common stock of Holdings purchased by Westinghouse U.S. pursuant to the Subscription Agreement.

"Westinghouse U.S.": Westinghouse Electric Corporation, a Pennsylvania corporation.

1.2 Other Definitional Provisions. Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

2. As used herein and in the Notes and any other Loan Document, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to the Borrower and its Subsidiaries not defined in subsection 1.1 and accounting terms partly defined in subsection 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

3. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

4. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

A. Commitments. a. Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans ("Revolving Credit Loans") to the Borrower from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Commitment Percentage of the sum of the then outstanding L/C Obligations and the then outstanding Swing Line Loans and CAF Advances, does not exceed the lesser of (i) the amount of such Lender's

Commitment and (ii) such Lender's Commitment Percentage of the Borrowing Base then in effect. During the Commitment Period the Borrower may use the Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Revolving Credit Loans may from time to time be (i) Eurodollar Loans, (ii) Base Rate Loans or (iii) a combination thereof, as determined by the Borrower and notified to the Administrative Agent in accordance with subsections 2.3 and 4.2, provided that no Revolving Credit Loan shall be made as a
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Eurodollar Loan after the day that is one month prior to the Termination Date.

2.2 Revolving Credit Notes. The Revolving Credit Loans made by each
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Lender shall be evidenced by a promissory note of the Borrower, substantially in the form of Exhibit A-1, with appropriate insertions as to payee, date and principal amount (each, as amended, supplemented, replaced or otherwise modified from time to time, a "Revolving Credit Note"), payable to the order of such
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Lender and representing the obligation of the Borrower to pay an amount equal to the lesser of (a) the amount set forth opposite such Lender's name in Schedule 1 under the heading "Commitment" and (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by such Lender. Each Lender is hereby authorized to record the date, Type and amount of each Revolving Credit Loan made by such Lender, each continuation thereof, each conversion of all or a portion thereof to another Type, the date and amount of each payment or prepayment of principal thereof and, in the case of Eurodollar Loans, the length of each Interest Period and Eurodollar Rate with respect thereto, on its internal books and records and/or on the schedule annexed to and constituting a part of its Revolving Credit Note, and any such recordation on such schedule shall constitute prima
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facie evidence of the accuracy of the information so recorded, provided that the
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failure by any Lender to make any such recordation or any error in any such recordation

shall not affect the obligations of the Borrower under this Agreement or the Revolving Credit Notes. Each Revolving Credit Note shall (x) be dated the Effective Date, (y) be stated to mature on the Termination Date and (z) provide for the payment of interest in accordance with subsection 4.1.

2.3 Procedure for Revolving Credit Borrowing. The Borrower may borrow under the Commitments during the Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to (a) 12:00 Noon, New York City time, at least three Business Days prior to the requested Borrowing Date, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans, or (b) 10:00 A.M., New York City time, on the requested Borrowing Date, otherwise), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, Base Rate Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Periods therefor. Each borrowing under the Commitments (other than a borrowing made pursuant to subsection 2.9(c)) shall be in an amount equal to (x) in the case of Base Rate Loans, except any Base Rate Loan to be used solely to pay a like amount of outstanding Reimbursement Obligations or Swing Line Loans, $100,000 or a whole multiple of $100,000 in excess thereof (or, if the then Available Commitments are less than $100,000, such lesser amount) and (y) in the case of Eurodollar Loans, $2,000,000 or a whole multiple of $500,000 in excess thereof. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make the amount of its pro rata share of each borrowing of Revolving Credit Loans available to

the Administrative Agent for the account of the Borrower at the office of the Administrative Agent specified in subsection 11.2 prior to 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower in Dollars and in funds immediately available to the Administrative Agent. Except as otherwise provided in subsections 2.9(c) and 3.5(c), such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

2.4 CAF Advances. Subject to the terms and conditions of this Agreement, the Borrower may borrow CAF Advances from time to time on any Business Day during the CAF Advance Availability Period. CAF Advances may be borrowed in amounts such that the aggregate amount of Loans and L/C Obligations outstanding at any time shall not exceed the aggregate amount of the Commitments at such time. Within the limits and on the conditions hereinafter set forth with respect to CAF Advances, the Borrower from time to time may borrow, repay and reborrow CAF Advances.

2.5 Procedure for CAF Advance Borrowing. The Borrower shall request CAF Advances by delivering a CAF Advance Request to the Agent, not later than 12:00 Noon (New York City time) four Business Days prior to the proposed Borrowing Date (in the case of a Eurodollar Rate CAF Advance Request), and not later than 10:00 A.M. (New York City time) one Business Day prior to the proposed Borrowing Date (in the case of a Fixed Rate CAF Advance Request). Each CAF Advance Request in respect of any Borrowing Date may solicit bids for CAF Advances on such Borrowing Date in an aggregate principal amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof and having not more than three alternative CAF Advance Maturity Dates. The CAF Advance Maturity Date for each CAF Advance shall be the date set forth therefor in the relevant CAF Advance Request, which date shall be (i) not less than 14 days nor more than 180 days after the Borrowing Date therefor, in the case of a Fixed Rate CAF Advance, (ii) one, two, three or six months after the Borrowing Date therefor, in the case of a Eurodollar CAF Advance and (iii) not later than the Termination Date, in the case of any CAF Advance. The Agent

shall notify each Lender promptly by facsimile transmission of the contents of each CAF Advance Request received by the Agent.

(b) In the case of a Eurodollar Rate CAF Advance Request, upon receipt of notice from the Agent of the contents of such CAF Advance Request, each Lender may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at the applicable Eurodollar Rate plus (or minus) a margin determined by such Lender in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Agent, before 9:30 A.M. (New York City time) on the day that is three Business Days before the proposed Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date and the aggregate maximum amount of CAF Advances for all CAF Advance Maturity Dates which such Lender would be willing to make (which amounts may, subject to subsection 2.4, exceed such Lender's Commitment); and

(ii) the margin above or below the applicable Eurodollar Rate at which such Lender is willing to make each such CAF Advance.

The Agent shall advise the Borrower as promptly as practicable on the date which is three Business Days before the proposed Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Agent, in its capacity as a Lender, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Borrower of the contents of its CAF Advance Offer before 9:15 A.M. (New York City time) on the date which is three Business Days before the proposed Borrowing Date.

(c) In the case of a Fixed Rate CAF Advance Request, upon receipt of notice from the Agent of the contents of such CAF Advance Request, each Lender may elect,

in its sole discretion, to offer irrevocably to make one or more CAF Advances at a rate of interest determined by such Lender in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Agent before 9:30 A.M. (New York City time) on the proposed Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date, and the aggregate maximum amount for all CAF Advance Maturity Dates, which such Lender would be willing to make (which amounts may, subject to subsection 2.4, exceed such Lender's Commitment); and

(ii) the rate of interest at which such Lender is willing to make each such CAF Advance.

The Agent shall advise the Borrower as promptly as practicable on the proposed Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Agent, in its capacity as a Lender, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Borrower of the contents of its CAF Advance Offer before 9:15 A.M. (New York City time) on the proposed Borrowing Date.

(d) Before 11:30 A.M. (New York City time) three Business Days before the proposed Borrowing Date (in the case of CAF Advances requested by a Eurodollar Rate CAF Advance Request) and before 10:30 A.M. (New York City time) on the proposed Borrowing Date (in the case of CAF Advances requested by a Fixed Rate CAF Advance Request), the Borrower, in its absolute discretion, shall:

(i) cancel such CAF Advance Request by giving the Agent telephone notice to that effect, or

(ii) by giving telephone notice to the Agent (immediately confirmed by delivery to the Agent of a CAF Advance Confirmation by facsimile transmission) (A)

subject to the provisions of subsection 2.5(e), accept one or more of the offers made by any Lender or Lenders pursuant to subsection 2.5(b) or subsection 2.5(c), as the case may be, and (B) reject any remaining offers made by Lenders pursuant to subsection 2.5(b) or subsection 2.5(c), as the case may be.

(e) The Borrower's acceptance of CAF Advances in response to any CAF Advance Offers shall be subject to the following limitations:

(i) the amount of CAF Advances accepted for each CAF Advance Maturity Date specified by any Lender in its CAF Advance Offer shall not exceed the maximum amount for such CAF Advance Maturity Date specified in such CAF Advance Offer;

(ii) the aggregate amount of CAF Advances accepted for all CAF Advance Maturity Dates specified by any Lender in its CAF Advance Offer shall not exceed the aggregate maximum amount specified in such CAF Advance Offer for all such CAF Advance Maturity Dates;

(iii) the Borrower may not accept offers for CAF Advances for any CAF Advance Maturity Date in an aggregate principal amount in excess of the maximum principal amount requested in the related CAF Advance Request; and

(iv) if the Borrower accepts any of such offers, it must accept offers based solely upon pricing for each relevant CAF Advance Maturity Date and upon no other criteria whatsoever, and if two or more Lenders submit offers for any CAF Advance Maturity Date at identical pricing and the Borrower accepts any of such offers but does not wish to (or, by reason of the limitations set forth in subsection 2.4, cannot) borrow the total amount offered by such Lenders with such identical pricing, the Borrower shall accept offers from all of such Lenders in amounts allocated among

them pro rata according to the amounts offered by such Lenders (with appropriate
rounding, in the sole discretion of the Borrower, to assure that each accepted
CAF Advance is an integral multiple of $1,000,000); provided that if the number
of Lenders that submit offers for any CAF Advance Maturity Date at identical
pricing is such that, after the Borrower accepts such offers pro rata in
accordance with the foregoing provisions of this paragraph, the CAF Advance to
be made by any such Lender would be less than $5,000,000 principal amount, the
number of such Lenders shall be reduced by the Agent by lot until the CAF
Advances to be made by each such remaining Lender would be in a principal amount
of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(f) If the Borrower notifies the Agent that a CAF Advance Request is
cancelled pursuant to subsection 2.5(d)(i), the Agent shall give prompt
telephone notice thereof to the Lenders.

(g) If the Borrower accepts pursuant to subsection 2.5(d)(ii) one or more
of the offers made by any Lender or Lenders, the Agent promptly shall notify
each Lender which has made such an offer of the aggregate amount of such CAF
Advances to be made on such Borrowing Date for each CAF Advance Maturity Date
and the acceptance or rejection of any offers to make such CAF Advances made by
such Lender. Before 12:00 Noon (New York City time) on the Borrowing Date
specified in the applicable CAF Advance Request, each Lender whose CAF Advance
Offer has been accepted shall make available to the Administrative Agent at its
office set forth in subsection 11.2 the amount of CAF Advances to be made by
such Lender, in immediately available funds. The Administrative Agent will make
such funds available to the Borrower as soon as practicable on such date at such
office of the Administrative Agent. As soon as practicable after each Borrowing
Date, the Agent shall notify each Lender of the aggregate amount of CAF Advances
advanced on such

Borrowing Date and the respective CAF Advance Maturity Dates thereof.

2.6 CAF Advance Payments. (a) The Borrower shall pay to the Administrative Agent, for the account of each Lender which has made a CAF Advance, on the applicable CAF Advance Maturity Date the then unpaid principal amount of such CAF Advance. The Borrower shall not have the right to prepay any principal amount of any CAF Advance without the consent of the Lender to which such CAF Advance is owed.

(b) The Borrower shall pay interest on the unpaid principal amount of each CAF Advance from the Borrowing Date to applicable CAF Advance Maturity Date at the rate of interest specified in the CAF Advance Offer accepted by the Borrower in connection with such CAF Advance (calculated on the basis of a 360-day year for actual days elapsed), payable on each applicable CAF Advance Interest Payment Date.

(c) If any principal of, or interest on, any CAF Advance shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such CAF Advance shall, without limiting any rights of any Lender under this Agreement, bear interest from the date on which such payment was due at a rate per annum which is 2% above the rate which would otherwise be applicable to such CAF Advance until the stated CAF Advance Maturity Date of such CAF Advance, and for each day thereafter at a rate per annum which is 2% above the ABR, in each case until paid in full (as well after as before judgment). Interest accruing pursuant to this paragraph (c) shall be payable from time to time on demand.

2.7 Evidence of Debt. The Borrower unconditionally promises to pay to the Administrative Agent, for the account of each Lender that makes a CAF Advance, on the CAF Advance Maturity Date with respect thereto, the principal amount of such CAF Advance. The Borrower further unconditionally promises to pay interest on each such CAF Advance for the

period from and including the Borrowing Date of such CAF Advance on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, subsection 2.6(b). Each Lender shall maintain in accordance with its usual practice appropriate records evidencing indebtedness of the Borrower to such Lender resulting from each CAF Advance of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time in respect of such CAF Advance. The Administrative Agent shall maintain the Register pursuant to subsection 11.6(d), and a record therein for each Lender, in which shall be recorded (i) the amount of each CAF Advance made by such Lender, the CAF Advance Maturity Date thereof, the interest rate applicable thereto and each CAF Advance Interest Payment Date applicable thereto, and (ii) the amount of any sum received by the Administrative Agent hereunder from the Borrower on account of such CAF Advance. The entries made in the Register and the records of each Lender maintained pursuant to this subsection 2.7 shall, to the extent permitted by applicable law, be prima facie evidence of the
existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such record, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the CAF Advances made by such Lender in accordance with the terms of this Agreement.

2.8 Certain Restrictions. A CAF Advance Request may request offers for CAF Advances to be made on not more than one Borrowing Date and to mature on not more than three CAF Advance Maturity Dates. No CAF Advance Request may be submitted earlier than five Business Days after submission of any other CAF Advance Request.

2.9 Termination or Reduction of Commitments; Transfers of the Commitments and the Canadian Commitments. (a) The Borrower shall have the right, upon not less than

three Business Days' notice to the Administrative Agent, to terminate the Commitments or, from time to time, to reduce the amount of the Commitments; provided that no such termination or reduction shall be permitted if, after
giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the aggregate principal amount of the Loans then outstanding, when added to the then outstanding L/C Obligations would exceed the Commitments then in effect. Any such reduction shall be in an amount equal to $5,000,000 or a whole multiple of $500,000 in excess thereof and shall reduce permanently the Commitments then in effect.

(b) From time to time prior to August 31, 1995, but on no more than two (2) occasions, the Borrowers shall have the right, upon not less than five (5) Business Days' prior written notice (a "Transfer Notice") to the Administrative
Agent and the Canadian Administrative Agent, to transfer (i) a portion (which shall not exceed the aggregate Available Commitments of all Common Lenders immediately before giving effect to the applicable transfer) of the Commitments to the Canadian Commitments (a "U.S.-Canada Transfer") or (ii) all or a portion
(which shall not exceed the aggregate Available Canadian Commitments of all Canadian Lenders immediately before giving effect to the applicable transfer) of the Canadian Commitments to the Commitments (a "Canada-U.S. Transfer"); provided
that (i) after giving effect to any U.S.-Canada Transfer, the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the aggregate Canadian Commitments of all Canadian Lenders does not exceed U.S. $50,000,000, (ii) after giving effect to any Canada-U.S. Transfer, the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the aggregate Canadian Commitments of all Canadian Lenders does not fall below U.S. $5,000,000 unless the entire Canadian Commitments of all Canadian Lenders are transferred to the Commitments, in which case the rights of the Borrower under this subsection 2.9(b) shall thereafter terminate, (iii) no Default or Event of Default (other than a Canadian Borrowing Base Default in the case of a U.S.-Canada Transfer or a Borrowing Base Default in the

case of a Canada-U.S. Transfer) shall have occurred and be continuing immediately before giving effect to any such transfer and (iv) no Default or Event of Default shall have occurred and be continuing immediately after giving effect to any such transfer. Each Transfer Notice shall specify (i) the effective date of the proposed commitment transfer (the "Transfer Effective Date"), (ii) in the case of a U.S.-Canada Transfer, the aggregate amount in U.S. Dollars (the "U.S. Dollar Reduction Amount") to be transferred from the Commitments to the Canadian Commitments and the Canadian Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of such amount (the "Canadian Dollar Increase Amount"), (iii) in the case of a Canada-U.S. Transfer, the aggregate amount in Canadian Dollars (the "Canadian Dollar Reduction Amount") to be transferred from the Canadian Commitments to the Commitments and the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of such amount (the "U.S. Dollar Increase Amount") and (iv) the aggregate amount and Type of Loans to be borrowed from the Lenders on the Transfer Effective Date in accordance with subsections 2.3 and 2.9(c). Upon receipt of any Transfer Notice, the Administrative Agent shall promptly notify each Lender thereof, which notice shall specify (i) in the case of a Common Lender, any change in such Common Lender's Commitment which occurs pursuant to this subsection 2.9(b) as a result of the U.S.-Canada Transfer or Canada-U.S. Transfer specified in such Transfer Notice and (ii) in the case of each Lender, the aggregate principal amount of the Revolving Credit Loan to be made by such Lender and the aggregate principal amount (and accrued interest thereon) of the Revolving Credit Loans of such Lender to be prepaid, in each case pursuant to subsection 2.9(c) as a result of the U.S.-Canada Transfer or Canada-U.S. Transfer specified in such Transfer Notice. The Administrative Agent shall provide a copy of such notice to the Borrower. On the Transfer Effective Date with respect to any U.S.-Canada Transfer, (i) the Commitment of each Common Lender shall be reduced by an amount equal to such Common Lender's U.S. Transfer

Commitment Percentage of the U.S. Dollar Reduction Amount specified in the Transfer Notice delivered in respect of such U.S.-Canada Transfer and (ii) as provided in the Canadian Credit Agreement, the Canadian Commitment of each Canadian Lender shall be increased by an amount equal to such Canadian Lender's U.S. Transfer Commitment Percentage of the Canadian Dollar Increase Amount specified in such Transfer Notice. On the Transfer Effective Date with respect to any Canada-U.S. Transfer, (i) as provided in the Canadian Credit Agreement, the Canadian Commitment of each Canadian Lender shall be reduced by an amount equal to such Canadian Lender's Canadian Commitment Percentage of the Canadian Dollar Reduction Amount specified in the Transfer Notice delivered in respect of such Canada-U.S. Transfer and (ii) the Commitment of each Common Lender shall be increased by an amount equal to such Common Lender's Canadian Transfer Commitment Percentage of the U.S. Dollar Increase Amount specified in such Transfer Notice. On each Transfer Effective Date, each Common Lender shall surrender its outstanding Revolving Credit Note to the Administrative Agent, and the Borrower shall execute and deliver to the Administrative Agent (in exchange for the outstanding Revolving Credit Note of each Common Lender) a new Revolving Credit Note to the order of such Common Lender reflecting the change in such Common Lender's Commitment pursuant to this subsection 2.9(b) on such Transfer Effective Date and otherwise conforming to the requirements of this Agreement.

(c) On each Transfer Effective Date, (i) each Lender shall, without regard to the restrictions contained in the first sentence of subsection 2.1(a), make a Revolving Credit Loan (which shall be a Base Rate Loan unless specified otherwise in the applicable Transfer Notice) to the Borrower in an amount equal to the product of (A) that percentage which such Lender's Commitment will constitute of the aggregate Commitments of all Lenders after giving effect to the U.S.-Canada Transfer or the Canada-U.S. Transfer occurring on such Transfer Effective Date, multiplied by (B) the aggregate principal amount of all
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Revolving Credit Loans outstanding immediately prior to such transfer, the proceeds

of which Revolving Credit Loans shall be made available to the Administrative Agent by each Lender on such Transfer Effective Date in accordance with the penultimate sentence of subsection 2.3 and applied by the Administrative Agent on such Transfer Effective Date to the prepayment in full of the principal of the Revolving Credit Loans outstanding immediately prior to such transfer and (ii) the Borrower shall pay to the Administrative Agent for the account of the Lenders all accrued and unpaid interest on the Revolving Credit Loans prepaid pursuant to this subsection 2.9(c) to such Transfer Effective Date. In addition, upon receipt of notice from any Lender, the Borrower will pay to such Lender all amounts due from the Borrower pursuant to subsection 4.13 as a consequence of any prepayment of a Revolving Credit Loan pursuant to this subsection 2.9(c).

J. Swing Line Commitments. (a)(i) Subject to the terms and conditions hereof, the Swing Line Lender agrees to make swing line loans (individually, a "Swing Line Loan"; collectively, the "Swing Line Loans") to the Borrower from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed $10,000,000, provided that at no time may the sum of the then outstanding Loans and L/C Obligations exceed the lesser of (x) the Commitments and (y) the Borrowing Base then in effect. Amounts borrowed by the Borrower under this subsection 2.10 may be repaid and, through but excluding the Termination Date, reborrowed. All Swing Line Loans shall be made as Base Rate Loans and shall not be entitled to be converted into Eurodollar Loans. The Borrower shall give the Swing Line Lender irrevocable notice (which notice must be received by the Swing Line Lender prior to 12:00 Noon, New York City time) on the requested Borrowing Date specifying the amount of the requested Swing Line Loan. The proceeds of the Swing Line Loan will be made available by the Swing Line Lender to the Borrower at the office of the Swing Line Lender by crediting the account of the Borrower at such office with such proceeds in Dollars.

(ii) Provided that the conditions precedent contained in subsection 6.2 to its obligation to make a Swing Line Loan have been satisfied and that there is sufficient availability under the Swing Line Commitment, on each Interest Payment Date, the Swing Line Lender shall, on behalf of the Borrower (which hereby irrevocably authorizes and directs the Swing Line Lender to act on its behalf), make a Swing Line Loan to the Borrower in an amount equal to the amount of interest due and payable on such Interest Payment Date pursuant to subsection 4.1. The proceeds of such Swing Line Loan shall be made available by the Swing Line Lender to the Administrative Agent and applied by the Administrative Agent to the payment of such interest on such Interest Payment Date; the Swing Line Lender shall notify the Borrower as soon as reasonably practicable of the amount of each such Swing Line Loan.

(b) The Swing Line Loans shall be evidenced by a promissory note of the Borrower substantially in the form of Exhibit A-2, with appropriate insertions (as the same may be amended, supplemented, replaced or otherwise modified from time to time, the "Swing Line Note"), payable to the order of the Swing Line
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Lender and representing the obligation of the Borrower to pay the amount of the Swing Line Commitment or, if less, the unpaid principal amount of the Swing Line Loans, with interest thereon as prescribed in subsection 4.1. The Swing Line Lender is hereby authorized to record the Borrowing Date, the amount of each Swing Line Loan and the date and amount of each payment or prepayment of principal thereof, on its internal books and records and/or on the schedule annexed to and constituting a part of the Swing Line Note and any such recordation on such schedule shall constitute prima facie evidence of the
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accuracy of the information so recorded, provided that the failure by the
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Swing Line Lender to make any such recordation or any error in any such recordation shall not affect the obligations of the Borrower under this Agreement or the Swing Line Note. The Swing Line Note shall (a) be dated the Closing Date, (b) be stated to mature on the Termination Date and (c) provide

for the payment of interest in accordance with subsection 4.1.

(c) The Swing Line Lender, at any time in its sole and absolute discretion may, and, at any time when Swing Line Loans are outstanding for more than seven Business Days, the Swing Line Lender shall, on behalf of the Borrower (which hereby irrevocably directs and authorizes the Swing Line Lender to act on its behalf), request each Lender to make a Revolving Credit Loan in an amount equal to such Lender's Commitment Percentage of the principal amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date such notice is given; provided that the provisions of this subsection shall not affect the Borrower's obligations to prepay Swing Line Loans in accordance with the provisions of subsection 4.4(d). Unless the Commitments shall have expired or terminated (in which event the procedures of paragraph (d) of this subsection 2.10 shall apply), each Lender will make the proceeds of the Revolving Credit Loan made by it pursuant to the immediately preceding sentence available to the Administrative Agent for the account of the Swing Line Lender at the office of the Administrative Agent prior to 12:00 Noon, New York City time, in funds immediately available on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the Refunded Swing Line Loans.

(d) If the Commitments shall expire or terminate at any time while Swing Line Loans are outstanding, each Lender shall, at the option of the Swing Line Lender exercised reasonably, either (i) notwithstanding the expiration or termination of the Commitments, make a Revolving Credit Loan or (ii) purchase an undivided participating interest in such Swing Line Loans, in either case in an amount equal to such Lender's Commitment Percentage determined on the date of, and immediately prior to, expiration or termination of the Commitments of the aggregate principal amount of such Swing Line Loans. Each Lender will make the proceeds of any Revolving Credit Loan

made by it pursuant to the immediately preceding sentence available to the Administrative Agent for the account of the Swing Line Lender at the office of the Administrative Agent prior to 12:00 Noon, New York City time, in funds immediately available on the Business Day next succeeding the date on which the Commitments expire or terminate. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the Swing Line Loans outstanding on the date of termination or expiration of the Commitments. In the event that the Lenders purchase undivided participating interests pursuant to the first sentence of this paragraph (d), each Lender shall immediately transfer to the Swing Line Lender, in immediately available funds, the amount of its participation and upon receipt thereof the Swing Line Lender will deliver to any such Lender that so requests a confirmation of such Lender's undivided participating interest in the Swing Line Loans dated the date of receipt of such funds and in such amount.

(e) Whenever, at any time after the Swing Line Lender has received from any Lender such Lender's participating interest in a Swing Line Loan, the Swing Line Lender receives any payment on account thereof, the Swing Line Lender will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that in the event that such payment received by the
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Swing Line Lender is required to be returned, such Lender will return to the Swing Line Lender any portion thereof previously distributed by the Swing Line Lender to it.

SECTION 3. LETTERS OF CREDIT

3.1. L/C Commitment. (a) Subject to the terms and conditions hereof, the
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Issuing Lender, in reliance on the agreements of the other Lenders set forth in subsection 3.4(a), agrees to issue letters of credit ("Letters of
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Credit") for the account of the Borrower on any Business Day during the
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Commitment Period in such form as may be approved from time to time by the
Issuing Lender; provided that the Issuing Lender shall have no obligation to
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issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C
Obligations would exceed the L/C Commitment or (ii) the Total Aggregate
Outstandings would exceed the lesser of (x) the aggregate Commitments and (y)
the Borrowing Base then in effect. Each Letter of Credit shall (i) be
denominated in Dollars and shall be either (x) a standby letter of credit
issued to support obligations of the Borrower or any of its Additional
Subsidiaries, contingent or otherwise, which finance the working capital and
business needs of the Borrower and its Additional Subsidiaries incurred in the
ordinary course of business (the "Standby Letters of Credit"), or (y) a
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commercial letter of credit in respect of the purchase of goods or services by
the Borrower or any of its Additional Subsidiaries in the ordinary course of
business (the "Commercial Letters of Credit"), (ii) expire no later than five
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Business Days prior to the Termination Date, and (iii) expire no later than 365
days after its date of issuance.

       (b) Each Letter of Credit shall be subject to the Uniform Customs and, to
the extent not inconsistent therewith, the laws of the State of New York.

       (c) The Issuing Lender shall not at any time be obligated to issue any
Letter of Credit hereunder if such issuance would conflict with, or cause the
Issuing Lender or any L/C Participant to exceed any limits imposed by, any
applicable Requirement of Law.

       3.2 Procedure for Issuance of Letters of Credit. The Borrower may from
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time to time request that the Issuing Lender issue a Letter of Credit by
delivering to the Issuing Lender, at its address for notices specified herein,
an Application therefor, completed to the reasonable satisfaction of the Issuing
Lender, and such other certificates, documents and other papers and information
as

the Issuing Lender may reasonably request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof.

3.3 Fees, Commissions and Other Charges. The Borrower shall pay to the Administrative Agent, for the account of the Issuing Lender and the L/C Participants, a letter of credit commission with respect to each Letter of Credit, for the period from and including the date of issuance of such Letter of Credit to the expiration date of such Letter of Credit, computed at the L/C Commission Rate, calculated on the basis of a 365- (or 366-, as the case may be) day year, on the aggregate amount available to be drawn under such Letter of Credit, payable quarterly in arrears on each L/C Fee Payment Date to occur during such period and on the expiration date of such Letter of Credit. Such commissions shall be payable to the Lenders to be shared ratably among them in accordance with their respective Commitment Percentages. In addition, the Borrower shall pay to the Administrative Agent, for the account of the Issuing Bank, a fronting fee with respect to each Letter of Credit, for the period from and including the date of issuance of such Letter of Credit to the expiration date of such Letter of Credit, computed at a rate of 1/8 of 1% per annum, calculated on the basis of a 365- (or 366-, as the case may be) day year, on the product of (i) the aggregate of the Commitment Percentages of the L/C Participants multiplied by (ii) the aggregate amount available to be drawn under such

Letter of Credit, payable quarterly in arrears on each L/C Fee Payment Date to occur during such period and on the expiration date of such Letter of Credit. Such fees and commissions shall be nonrefundable.

(b) In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, effecting payment under, amending or otherwise administering any Letter of Credit.

(c) The Administrative Agent shall, promptly following its receipt thereof, distribute to the Issuing Lender and the L/C Participants all fees and commissions received by the Administrative Agent for their respective accounts pursuant to this subsection.

3.4 L/C Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Commitment Percentage (as in effect from time to time) in the Issuing Lender's obligations and rights under each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with subsection 3.5(a), such L/C Participant shall pay to the Issuing Lender at the Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Commitment Percentage (in effect on the date of such demand) of the amount of such draft, or any part thereof, which is not so reimbursed, such payment to be made by such L/C Participant on the date

(which shall be a Business Day) a demand therefor is made by the Issuing Lender (if such demand is made prior to 12:00 P.M., New York City time on such date) or on the next Business Day (if such demand is made after 12:00 P.M., New York City time on such date).

(b) If any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to subsection 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand an amount equal to the product of such amount, times the daily average Federal Funds Effective Rate, as quoted by the Issuing Lender, during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to subsection 3.4(a) is not in fact made available to the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to Base Rate Loans hereunder. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata
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share of such payment in accordance with subsection 3.4 (a), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of Collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the

Issuing Lender will, if such payment is received prior to 12:00 Noon, New York City time, on a Business Day, distribute to such L/C Participant its pro rata share thereof prior to the end of such Business Day and otherwise the Issuing Lender will distribute such payment on the next succeeding Business Day; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. (a) The Borrower agrees to reimburse the Issuing Lender, upon receipt of notice from the Issuing Lender of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Lender, for the amount of such draft so paid and any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Except as and to the extent otherwise provided in subsection 3.5(c), each such payment shall be made to the Issuing Lender, at its address for notices specified herein in Dollars and in immediately available funds, on the date on which the Borrower receives such notice, if received prior to 11:00 A.M., New York City time, on a Business Day and otherwise on the next succeeding Business Day.

(b) Interest shall be payable on any and all amounts payable under subsection 3.5(a) and remaining unpaid by the Borrower (i) from the date the draft presented under the affected Letter of Credit is paid to the earlier of the third Business Day after the date on which the Borrower is required to pay such amounts pursuant to subsection 3.5(a) and the date on which the Borrower pays all such amounts at the rate which would then be payable on any outstanding Base Rate Loans and (ii) thereafter until payment in full at the rate which would be payable on any outstanding Base Rate Loans which were then overdue.

(c) By 12:00 P.M., New York City time, on the first Business Day after each date on which a draft is presented under any Letter of Credit and paid by the Issuing Lender, the Administrative Agent shall, on behalf of the Borrower (which hereby irrevocably directs and authorizes the Administrative Agent to act on its behalf), request (in accordance with the applicable provisions of subsection 2.3) each Lender to make a Revolving Credit Loan (which shall be a Base Rate Loan) in an amount equal to such Lender's Commitment Percentage of the amount of such draft so paid. Each Lender agrees to make each Revolving Credit Loan so requested available to the Administrative Agent in accordance with subsection 2.3, provided that the conditions precedent contained in subsections
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2.1 and 6.2 to its obligation to make such Revolving Credit Loan have been satisfied. The proceeds of such Revolving Credit Loans shall be made available by the Administrative Agent to the Issuing Lender and applied to the payment (whether or not then due) of the obligations of the Borrower under subsection 3.5(a)(i); upon such payment, the Borrower shall be deemed to have satisfied such obligations to the extent of such payment. The Issuing Lender shall notify the Administrative Agent and the Borrower as soon as reasonably practicable of each drawing made under a Letter of Credit and the aggregate principal amount of the Revolving Credit Loans made under this subsection 3.5(c) in respect thereof.

(3.6) Obligations Absolute. (a) The Borrower's obligations under this
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Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Lender or any beneficiary of a Letter of Credit, provided, that this paragraph shall not relieve the Issuing
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Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct.

(b) The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under subsection 3.5(a) shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee, provided that this paragraph
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shall not relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct.

(c) The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions caused by the Issuing Lender's gross negligence or willful misconduct.

(d) The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for
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payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any

Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit, provided, that
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this paragraph shall not relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct.

3.8 Application. To the extent that any provision of any Application
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related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

SECTION 4. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT

4.1 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall
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bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin in effect for such day.

(b) Each Base Rate Loan shall bear interest for each day that it is outstanding at a rate per annum equal to the Base Rate for such day plus the Applicable Margin in effect for such day.

(c) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon or (iii) any facility fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum which is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of

this subsection plus 2% or (y) in the case of overdue interest, facility fee or other amount, the rate described in paragraph (b) of this subsection plus 2%, in each case from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this subsection shall be payable from time to time on demand.

(e) It is the intention of the parties hereto to comply strictly with applicable usury laws; accordingly, it is stipulated and agreed that the aggregate of all amounts which constitute interest under applicable usury laws, whether contracted for, charged, taken, reserved, or received, in connection with the indebtedness evidenced by this Agreement or the Notes, or any other document relating or referring hereto or thereto, now or hereafter existing, shall never exceed under any circumstance whatsoever the maximum amount of interest allowed by applicable usury laws.

4.2 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert outstanding Revolving Credit Loans from Eurodollar Loans to Base Rate Loans by giving the Administrative Agent at least one Business Day's prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert outstanding Revolving Credit Loans from Base Rate Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. All or any part of outstanding Eurodollar Loans and Base Rate Loans may be converted as provided herein, provided that (i) no Revolving Credit Loan

may be converted into a Eurodollar Loan when any Default or Event of Default (other than a Default or Event of Default under Section 9(l) which occurs solely as a result of a Canadian Borrowing Base Default) has occurred and is continuing and the Administrative Agent has given notice to the Borrower that no such conversions may be made and (ii) no Revolving Credit Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Termination Date.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving notice to the Administrative Agent, of the length of the next Interest Period to be applicable to such Loans, determined in accordance with the applicable provisions of the term "Interest Period" set forth in subsection 1.1, provided
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that no Eurodollar Loan may be continued as such (i) when any Default or Event of Default (other than a Default or Event of Default under Section 9(1) which occurs solely as a result of a Canadian Borrowing Base Default) has occurred and is continuing and the Administrative Agent has given notice to the Borrower that no such continuations may be made or (ii) after the date that is one month prior to the Termination Date, and provided, further, that if the Borrower shall fail
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to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to Base Rate Loans on the last day of such then expiring Interest Period.

4.3 Minimum Amounts of Tranches. All borrowings, conversions and
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continuations of Revolving Credit Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Tranche shall be equal to $2,000,000 or a whole multiple of $500,000 in excess thereof and so that

there shall not be more than 10 Tranches at any one time outstanding.

4.4 Optional and Mandatory Prepayments. (a) The Borrower may at any time and from time to time prepay the Revolving Credit Loans and the Swing Line Loans, in whole or in part, without premium or penalty (other than amounts required to be paid pursuant to subsection 4.13 in connection with such prepayment), upon at least three Business Days' irrevocable notice to the Administrative Agent (in the case of Eurodollar Loans) and at least one Business Day's irrevocable notice to the Administrative Agent (in the case of Base Rate Loans), specifying the date and amount of prepayment and whether the prepayment is (i) of Revolving Credit Loans or Swing Line Loans, or a combination thereof, and (ii) of Eurodollar Loans, Base Rate Loans or a combination thereof, and, in each case if a combination thereof, the amount allocable to each. Upon the receipt of any such notice the Administrative Agent shall promptly notify each affected Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with any amounts payable pursuant to subsection 4.13 and accrued interest to such date on the amount prepaid. Unless specified otherwise in such notice, partial prepayments of the Loans pursuant to this subsection 4.4(a) shall be applied first, to pay Swing Line Loans then outstanding and second, to pay Revolving Credit Loans then outstanding. Partial prepayments of the Revolving Credit Loans shall be in an aggregate principal amount of $2,500,000 or a whole multiple of $500,000 in excess thereof.

(b) If, at any time during the Commitment Period, the Total Aggregate Outstandings of all Lenders exceed the lesser of (i) the Borrowing Base then in effect and (ii) the aggregate Commitments then in effect (whether as result of a reduction in the Commitments pursuant to subsection 2.9(b), subsection 4.4(c) or otherwise), the Borrower shall, without notice or demand, immediately (in the case of clause (ii) above) or within three Business Days (in the case of clause

(i) above), repay the Revolving Credit Loans and the Swing Line Loans and any then outstanding Reimbursement Obligations in an aggregate principal amount equal to such excess, together with interest accrued to the date of such payment and any amounts payable under subsection 4.13. Such payments shall be applied first to pay Swing Line Loans then outstanding, second to pay any Reimbursement Obligations then outstanding and third to pay Revolving Credit Loans then outstanding. To the extent that after giving effect to any repayment of the Loans and the Reimbursement Obligations required by the preceding sentence, the Total Aggregate Outstandings of all Lenders exceed the lesser of (i) the Borrowing Base then in effect and (ii) the aggregate Commitments then in effect, the Borrower shall, without notice or demand, immediately cash collateralize first the then outstanding L/C Obligations and second the then outstanding CAF Advances, in an aggregate amount equal to such excess upon terms reasonably satisfactory to the Administrative Agent.

(c) (i) Unless otherwise agreed in writing by the Aggregate Majority Lenders, if at any time Holdings or any of its Subsidiaries (other than the Canadian Borrower or any of its Subsidiaries) shall (A) incur Indebtedness for borrowed money (including, without limitation, any Subordinated Indebtedness permitted by subsection 8.2(i) but excluding any other Indebtedness permitted by subsection 8.2) pursuant to a public offering or private placement or otherwise or (B) sell or issue shares of its Capital Stock (except for shares of Capital Stock of Holdings or an Additional Subsidiary issued or sold to one or more Permitted Equity Purchasers to the extent such sale or issuance is permitted pursuant to this Agreement and the Holdings Guarantee), then the Commitments shall be permanently reduced by an amount equal to (1) 100% of the Net Cash Proceeds thereof (in the case of clause (A) above) or (2) the U.S. Prepayment Percentage (as in effect on the date of such sale or issuance) of 66-2/3% of the Net Cash Proceeds thereof (in the case of clause (B) above), with

such reductions to be effective on the date of receipt of any such Net Cash Proceeds.

(ii) Unless otherwise agreed in writing by the Majority Lenders, if at any time the Borrower or any of its Subsidiaries (other than the Canadian Borrower or any of its Subsidiaries) shall make an Asset Sale pursuant to subsection 8.6(g), the Borrower shall repay the Revolving Credit Loans and the Swing Line Loans and any then outstanding Reimbursement Obligations in an aggregate amount equal to 100% of the Net Cash Proceeds thereof, together with accrued interest on such Loans and Reimbursement Obligations to the date of such payment and any amounts payable under subsection 4.13, such payments to be made promptly upon the receipt of such Net Cash Proceeds and to be applied to the Extensions of Credit in the same order as that specified in subsection 4.4(b).

(d) The Borrower shall prepay all Swing Line Loans then outstanding simultaneously with each borrowing of Revolving Credit Loans, and may prepay (without premium or penalty) any outstanding Swing Line Loans upon at least one Business Day's notice to the Administrative Agent.

(e) Except as otherwise specified by the Borrower in a notice to the Administrative Agent pursuant to subsection 4.4(a), prepayments of Revolving Credit Loans pursuant to this subsection 4.4 shall be applied first to Base Rate Loans then outstanding and thereafter to Eurodollar Loans then outstanding.

4.5 Facility Fees; Agency Fees; Other Fees. (a) The Borrower agrees to pay
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to the Administrative Agent for the account of each Lender, a facility fee for the period from and including the Closing Date to but excluding the Termination Date (or such earlier date as the Commitments shall terminate as provided herein), computed at the Facility Fee Rate on the average daily amount of the Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last

day of each March, June, September and December and on the Termination Date or such earlier date as the Commitments shall terminate as provided herein, commencing on the first such date to occur after the date hereof.

(b) The Borrower shall pay (without duplication of any fee payable under subsection 4.5(a)) to the Administrative Agent and the Collateral Agent, for their respective accounts, the other fees required to be paid pursuant to the Agency Fee Letter, dated February 24, 1995, between the Administrative Agent, the Collateral Agent and the Borrower, in each case in the amounts and on the dates set forth therein.

(c) The Borrower shall pay to the Administrative Agent fees related to the operation of the CAF in such amounts upon which they shall mutually agree.

4.6 Computation of Interest and Fees. (a) Interest based on the Eurodollar Rate shall be calculated on the basis of a 360-day year for the actual days elapsed; and facility fees and interest (other than interest based upon the Eurodollar Rate) shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower,

deliver to the Borrower a statement showing in reasonable detail the calculations used by the Administrative Agent in determining any interest rate pursuant to subsection 4.1, excluding any Eurodollar Base Rate which is based upon the Telerate British Bankers Assoc. Interest Settlement Rates Page and any Base Rate which is based upon the Prime Rate.

4.7 Inability to Determine Interest Rate. If prior to the first day of any Interest Period, the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans and (y) any Loans that were to have been converted on the first day of such Interest Period to or continued as Eurodollar Loans shall be converted to or continued as Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Base Rate Loans to Eurodollar Loans.

4.8 Pro Rata Treatment and Payments. (a) Except as provided in subsection 2.9(b) and (c), each borrowing of Loans (other than Swing Line Loans and CAF Advances) by the Borrower from the Lenders hereunder shall be made, each payment by the Borrower on account of any facility fee hereunder shall be allocated by the Administrative Agent, and any reduction of the Commitments of the Lenders shall be allocated by the Administrative Agent, pro rata according to the relevant Commitment Percentages of the Lenders. Except as provided in subsection 2.9(c), each payment (including each prepayment) by the Borrower on account of principal of and interest on any Revolving Credit Loans shall be allocated by the Administrative Agent pro rata according to

the respective outstanding principal amounts of such Revolving Credit Loans then held by the Lenders. All payments (including prepayments) to be made by the Borrower hereunder and under any Notes, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 1:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders holding such Notes, at the Administrative Agent's office specified in subsection 11.2, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to such Lenders, if any such payment is received prior to 12:00 Noon, New York City time, on a Business Day, in like funds as received prior to the end of such Business Day, and otherwise the Administrative Agent shall distribute such payment to such Lenders on the next succeeding Business Day. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day (and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension) unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day.

(b) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the

Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate per annum equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, (x) the Administrative Agent shall notify the Borrower of the failure of such Lender to make such amount available to the Administrative Agent and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans hereunder, on demand, from the Borrower and (y) the Borrower may, without waiving any rights it may have against such Lender, borrow a like amount on an unsecured basis from any commercial bank for a period ending on the date upon which such Lender does in fact make such borrowing available, provided that (i) at the time such borrowing is made and at all times
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while such amount is outstanding the Borrower would be permitted to borrow such amount pursuant to subsection 2.1 of this Agreement and (ii) the commercial bank from whom such borrowing is made waives in a written agreement reasonably satisfactory to the Administrative Agent any right of set-off it may have against the Collateral.

4.9 Borrowing Base Compliance. The Collateral Agent or another financial
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institution satisfactory to the Collateral Agent (including any Affiliate of the Collateral Agent) shall, from time to time during the Commitment Period (except during any Borrowing Base Elimination Period), review and confirm the information set forth in each Monthly Borrowing Base Certificate delivered by the Borrower in order to determine whether, at such time, the Borrower is in

compliance with the requirements in respect of the Borrowing Base under this Agreement, and the Borrower shall reimburse the Collateral Agent for its reasonable out-of-pocket expenses (excluding fees) in respect thereof. If the Borrower is not in compliance with such requirements, the Collateral Agent shall promptly notify the Borrower, the Administrative Agent and the Lenders of such noncompliance, and the Borrower shall make all mandatory prepayments required pursuant to subsection 4.4(b).

4.10 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the date hereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) such Lender shall as soon as reasonably practicable thereafter give written notice of such circumstances to the Borrower and the Administrative Agent (which notice shall be withdrawn whenever such circumstances no longer exist), (b) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be cancelled, and, until such time as it shall no longer be unlawful for such Lender to make or maintain Eurodollar Loans, such Lender shall then have a commitment only to make a Base Rate Loan when a Eurodollar Loan is requested and (c) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Eurodollar Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to subsection 4.13.

4.11 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any

Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the date hereof (or, if later, the date on which such Lender becomes a Lender):

(i) shall subject such Lender to any tax of any kind whatsoever with respect to this Agreement, any Note, any Letter of Credit, any Application, any CAF Advance or any Eurodollar Loans made by it or its obligation to make Eurodollar Loans, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by subsection 4.12 (including Non-Excluded Taxes imposed solely by reason of any failure of such Lender to comply with its obligations under subsection 4.12(b)) and changes in rate of tax on the overall net income, or franchise tax (imposed in lieu of such net income tax), of such Lender or its applicable lending office, branch, or any affiliate thereof);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans, maintaining Eurodollar Rate CAF Advances or issuing or participating in Letters of Credit or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice to the

Borrower from such Lender, through the Administrative Agent, in accordance herewith, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable, provided that, in any such case, the Borrower
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may elect to convert the Eurodollar Loans or Eurodollar Rate CAF Advances made by such Lender hereunder to Base Rate Loans by giving the Administrative Agent at least one Business Day's notice of such election, in which case the Borrower shall promptly pay to such Lender, upon demand, without duplication, such amounts, if any, as may be required pursuant to subsection 4.13. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection, it shall as soon as reasonably practicable thereafter provide notice thereof to the Borrower, through the Administrative Agent, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority, in each case, made subsequent to the date hereof (or, if later, the date on which such Lender becomes a Lender), does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of

its obligations hereunder or under any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within ten Business Days after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor certifying (x) that one of the events described in this paragraph (b) has occurred and describing in reasonable detail the nature of such event, (y) as to the reduction of the rate of return on capital resulting from such event and (z) as to the additional amount or amounts demanded by such Lender and a reasonably detailed explanation of the calculation thereof, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

4.12 Taxes. (a) Except as provided below in this subsection, all payments
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made by the Borrower under this Agreement, the Notes and the CAF Advances shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding in the case of each Lender or its applicable lending office, or any branch or affiliate thereof (i) net income taxes, franchise taxes, branch taxes or taxes on the overall capital or net worth of any Lender or its applicable lending office, or any branch or affiliate thereof imposed by any jurisdiction under the laws of which such Lender, applicable lending office, branch or affiliate is organized or is located, or in which its principal executive office is located, or any nation within which such jurisdiction is located or any political subdivision thereof and (ii) any such taxes or other tax, levy, impost, duty, charge, fee, deduction or withholding imposed by reason of any connection between the jurisdiction imposing such tax and such Lender, applicable lending office, branch or affiliate other than a

connection arising solely from such Lender having executed, delivered or performed its obligations, or received payment under or enforced, this Agreement or the Notes. If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be

withheld from any amounts payable to the Administrative Agent or any Lender hereunder or under the Notes the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes, including Non-Excluded Taxes on the amount of such increase), interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes, provided, however, that the Borrower shall be

entitled to deduct and withhold any Non-Excluded Taxes and shall not be required to increase any such amounts payable to any Lender that is not organized under the laws of the United States of America or a state thereof if such Lender fails to comply with the requirements of paragraph (b) of this subsection. Whenever any Non-Excluded Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure. The agreements in this subsection shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder.

(b) Each Lender that is not incorporated under the laws of the United States of America or a state thereof shall:

(X) (i) on or before the date of any payment by the Borrower under this Agreement or the Notes to such Lender, deliver to the Borrower and the Administrative Agent (A) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, or successor applicable form or documentation, as the case may be, certifying that it is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes and (B) an Internal Revenue Service Form W-8 or W-9, or successor applicable form or documentation, as the case may be, certifying that it is entitled to an exemption from United States backup withholding tax;

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower; and

(iii) obtain such extensions of time for filing and complete such forms or certifications as may reasonably be requested by the Borrower or the Administrative Agent; or

(Y) in the case of any such Lender that is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (i) represent to the Borrower (for the benefit of the Borrower and the Administrative Agent) that it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (ii) agree to furnish to the Borrower on or before the date of any payment by the Borrower, with a copy to the Administrative Agent, (A) a certificate substantially in the form of Exhibit B hereto (any such certificate a "U.S. Tax Compliance Certificate" and (B) two
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accurate and complete original signed copies of Internal Revenue Service Form W-8, or successor applicable form or documentation certifying

to such Lender's legal entitlement at the date of such certificate to an exemption from U.S. withholding tax under the provisions of Section 881(c) of the Code with respect to payments to be made under this Agreement (and to deliver to the Borrower and the Administrative Agent two further copies of such form on or before the date it expires or becomes obsolete and after the occurrence of any event requiring a change in the most recently provided form or documentation and, if necessary, obtain any extensions of time reasonably requested by the Borrower or the Administrative Agent for filing and completing such forms), and (iii) agree, to the extent legally entitled to do so, upon reasonable request by the Borrower, to provide to the Borrower (for the benefit of the Borrower and the Administrative Agent) such other forms or documentation as may be reasonably required in order to establish the legal entitlement of such Lender to an exemption from withholding with respect to payments under this Agreement;

unless in any such case any change in treaty, law or regulation has occurred after the date such Person becomes a Lender hereunder which renders all such forms or documentation inapplicable or which would prevent such Lender from duly completing and delivering any such form or documentation with respect to it and such Lender so advises the Borrower and the Administrative Agent. Each Person that shall become a Lender or a Participant pursuant to subsection 11.6 shall, upon the effectiveness of the related transfer, be required to provide all of the forms, documentation, certifications and statements required pursuant to this subsection, provided that in the case of a Participant the obligations of
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such Participant pursuant to this subsection (b) shall be determined as if the Participant were a Lender except that such Participant shall furnish all such required forms, certifications and statements to the Lender from which the related participation shall have been purchased.

4.13 Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur (other than through such Lender's gross negligence or willful misconduct) as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any payment of a Eurodollar Loan after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a payment of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so paid, or not so borrowed, converted or continued, for the period from the date of such payment or of such failure to borrow, convert or continue to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Eurodollar Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder.

4.14 Certain Rules Relating to the Payment of Additional Amounts. (a) Upon the request, and at the expense, of the Borrower, each Lender to which the Borrower is required to pay any additional amount pursuant to subsection 4.11 or 4.12, and any Participant in respect of whose participation such payment is required, shall reasonably afford the Borrower the opportunity to contest,

and reasonably cooperate with the Borrower in contesting, the imposition of any Non-Excluded Tax giving rise to such payment; provided that (i) such Lender shall not be required to afford the Borrower the opportunity to so contest unless the Borrower shall have confirmed in writing to such Lender its obligation to pay such amounts pursuant to this Agreement and (ii) the Borrower shall reimburse such Lender for its reasonable attorneys' and accountants' fees and disbursements incurred in so cooperating with the Borrower in contesting the imposition of such Non-Excluded Tax.

(b) If a Lender changes its applicable lending office (other than pursuant to paragraph (c) below) and the effect of the change, as of the date of the change, would be to cause the Borrower to become obligated to pay any additional amount under subsection 4.11 or 4.12, the Borrower shall not be obligated to pay such additional amount.

(c) If a condition or an event occurs which would, or would upon the passage of time or giving of notice, result in the payment of any additional amount to any Lender by the Borrower pursuant to subsection 4.11 or 4.12, such Lender shall as soon as reasonably practicable thereafter notify the Borrower and the Administrative Agent and shall take such steps as may reasonably be available to it and acceptable to the Borrower to mitigate the effects of such condition or event (which shall include efforts to rebook the Loans held by such Lender at another lending office, or through another branch or an affiliate, of such Lender); provided that such Lender shall not be required to take any step that, in its reasonable judgment, would be materially disadvantageous to its business or operations or would require it to incur additional costs (unless the Borrower agrees to reimburse such Lender for all such reasonable and actual additional costs).

(d) If (and for so long as) the Borrower shall become obligated to pay additional amounts pursuant to subsection 4.11 or 4.12 and any affected Lender shall not

have promptly taken the steps necessary to avoid the need for payments under subsection 4.11 or 4.12, the Borrower shall have the right, upon payment in full of all amounts then due from it under subsections 4.11 and 4.12, (i) with the assistance of the Administrative Agent, to seek one or more substitute Lenders reasonably satisfactory to the Administrative Agent and the Borrower to purchase in accordance with the provisions of subsection 11.6(c) the affected Loan, in whole or in part, at an aggregate price no less than the principal amount of such Loan or part thereof being purchased plus accrued and unpaid interest thereon to the date of purchase and all fees and other amounts owing to the affected Lender hereunder (or under the other Loan Documents) and accrued to the date of the purchase (but without payment to the affected Lender of any premium or penalty) and to assume the obligations of the affected Lender under this Agreement and the other Loan Documents, or (ii) after the Borrower has made a good faith effort to seek a substitute Lender in accordance with clause (i) above and provided that no Default or Event of Default has occurred and is continuing, upon at least three Business Days' irrevocable notice to the Administrative Agent and the affected Lender, to terminate the entire Commitment of the affected Lender and to repay the affected Loan, together with accrued and unpaid interest thereon to date of repayment, any amounts payable under subsection 4.13 in connection with such repayment and all fees and other amounts accrued to the date of repayment and owing to the affected Lender hereunder (or under the other Loan Documents) (but without payment to the affected Lender of any premium or penalty). In the case of the substitution of a Lender, the Borrower, the Administrative Agent, the affected Lender, and any substitute Lender shall execute and deliver an appropriately completed Assignment and Acceptance pursuant to subsection 11.6(c) to effect the assignment of rights to, and the assumption of obligations by, the substitute Lender.

(e) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to receive any

additional amounts pursuant to subsection 4.11 or 4.12 unless such Lender represents to the Borrower that, at the time of any request by such Lender that such amounts be paid, it is the policy or general practice of such Lender to demand such compensation for comparable costs or deductions, if any, in similar circumstances, if any, under comparable provisions of other credit agreements for comparable customers.

(f) The obligations of the Borrower and a Lender or Participant under this subsection 4.14 shall survive the termination of this Agreement and the payment of the Notes and all amounts payable.

SECTION 5. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Collateral Agent and each Lender to enter into and perform their respective obligations under this Agreement, and to induce each Lender to make the initial Extension of Credit requested to be made by it on the Effective Date, the Borrower hereby represents and warrants, on the Effective Date and on each date on which an Extension of Credit is made thereafter, to the Administrative Agent, the Collateral Agent and each Lender that:

5.1 Financial Condition. The consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 1995 and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, reported on by Coopers & Lybrand, copies of which have heretofore been furnished to each Lender, are complete and correct and present fairly the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of their operations and their consolidated cash flows for the fiscal year then ended. The unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 1996 and the related unaudited consolidated

statements of income and of cash flows for the twelve-month period ended on such date, certified by a Responsible Officer, copies of which have heretofore been furnished to each Lender, are complete and correct and present fairly the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of their operations and their consolidated cash flows for the twelve-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants or Responsible Officer, as the case may be, and as disclosed therein).

5.2 No Change; Solvent. Since December 31, 1996, there has been no development or event which has had or would be reasonably expected to have a Material Adverse Effect. Except as permitted under this Agreement, no dividends or other distributions have been declared, paid or made upon the Capital Stock of the Borrower, the Canadian Borrower or RealCo nor has any of the Capital Stock of the Borrower, the Canadian Borrower or RealCo been redeemed, retired, purchased or otherwise acquired for value by the Borrower or any of its Subsidiaries. As of the Closing Date, each of the Borrower and the Canadian Borrower is Solvent.

5.3 Corporate Existence; Compliance with Law. Each of Holdings, the Borrower, the Canadian Borrower, RealCo and their respective Subsidiaries (a) is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged except to the extent that the failure to have such legal right would not be reasonably expected to have a Material Adverse Effect, (c) is duly qualified as a foreign or extra-provincial corporation and in good standing

under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, other than in such jurisdictions where the failure to be so qualified and in good standing would not be reasonably expected to have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate, be reasonably expected to have a Material Adverse Effect.

5.4 Corporate Power; Authorization; Enforceable Obligations. (a) The
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Borrower has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement, the Notes and the Applications and to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of the Borrower in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents to which the Borrower is a party, except (i) for consents, authorizations, notices and filings described in Schedule 5.4, all of which have been obtained or made, (ii) for filings to perfect the Liens created by the Security Documents and (iii) filings pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. (S) 3727 et seq.) in respect of Accounts of the Borrower the Obligor of which is the United States of America or any department, agency or instrumentality thereof. This Agreement and each other Loan Document to which the Borrower is a party has been duly executed and delivered on behalf of the Borrower. This Agreement and each other Loan Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency,

reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) Each Loan Party (other than the Borrower and RealCo) has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of any such Loan Party in connection with the execution, delivery, performance, validity or enforceability of the Loan Documents to which it is a party, except (i) for consents, authorizations, notices and filings described in Schedule 5.4, all of which have been obtained or made, (ii) for filings to perfect the Liens created by the Security Documents, and (iii) filings pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. (S) 3727 et seq.) in respect of Accounts of such Loan Party the Obligor of which is the United States of America or any department, agency or instrumentality thereof. Each Loan Document to which any such Loan Party is a party has been duly executed and delivered on behalf of each such Loan Party. Each Loan Document to which any such Loan Party is a party when executed and delivered by such Loan Party will constitute a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

5.5 No Legal Bar. The execution, delivery and performance of the Credit Documents by each Credit Party (other than RealCo), the borrowings hereunder and under the

Canadian Credit Agreement and the use of the proceeds thereof and the creation and perfection of the Liens contemplated by the Security Documents and the Canadian Security Documents (a) will not violate any Requirement of Law or Contractual Obligation of any such Credit Party in any respect that would reasonably be expected to have a Material Adverse Effect and (b) will not result in, or require, the creation or imposition of any Lien (other than the Liens created by the Security Documents and the Canadian Security Documents) on any of its or their respective properties or revenues pursuant to any such Requirement of Law or material Contractual Obligation.

5.6 No Material Litigation. No litigation, investigation or proceeding of
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or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower and the Canadian Borrower, threatened by or against any Credit Party or against any properties or revenues of any Credit Party (a) with respect to any of the Credit Documents or any of the transactions contemplated thereby, (b) which, taking into account any indemnification by Westinghouse pursuant to the Acquisition Agreement or the Canadian Acquisition Agreement, would be reasonably expected to have a Material Adverse Effect or (c) as of the Closing Date, with respect to the Acquisition.

5.7 No Default. No Credit Party is in default under or with respect to
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any of its Contractual Obligations in any respect which would be reasonably expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

5.8 Ownership of Property; Liens. Each Credit Party has good record and
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marketable title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, except for any failure to have such title or such leasehold interest that would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect and except for the name and mark "WESCO",

which is the subject of subsection 5.9; and none of such property is subject to any Lien, except for Liens permitted by subsection 8.3.

5.9 Intellectual Property. Each Credit Party owns, or has the legal right to use, all trademarks, tradenames, copyrights, technology, know-how and processes necessary for the conduct of its business as currently conducted, (except for the name and mark "WESCO") (the "Intellectual Property") except for those the failure to own or have such legal right to use would not be reasonably expected to have a Material Adverse Effect. The Credit Parties confirm that the Borrower and its Subsidiaries use the name and mark "WESCO" in connection with the conduct of the business and own the common law rights associated therewith as a result of such use. Except as provided on Schedule 5.9, no claim has been asserted and is pending by any Person challenging or questioning the use of, or the validity or effectiveness of, any such Intellectual Property or, to the knowledge of the Credit Parties, the name and mark "WESCO", nor does any Credit Party know of any such claim, and the use of such Intellectual Property or, to the knowledge of the Credit Parties, the use of the name and mark "WESCO" by the Borrower and its Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that (i) are subject to indemnification by Westinghouse pursuant to the Acquisition Agreements or (ii) would not be reasonably expected to have a Material Adverse Effect.

5.10 No Burdensome Restrictions. No Requirement of Law applicable to, or Contractual Obligation of, any Credit Party would be reasonably expected to have a Material Adverse Effect.

5.11 Taxes. Each Credit Party has filed or caused to be filed all United States federal income tax returns and all other material tax returns which are required to be filed by it and has paid (a) all taxes shown to be due and payable on said returns or (b) all taxes shown to be due and

payable on any assessments of which it has received notice made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any (i) taxes, fees or other charges with respect to which the failure to pay, in the aggregate, would not have a Material Adverse Effect or (ii) taxes, fees or other charges the amount or validity of which are currently being contested in good faith by appropriate proceedings diligently conducted and with respect to which reserves in conformity with GAAP have been provided on the books of the applicable Credit Party); and no tax Lien has been filed, and, to the knowledge of the Borrower and the Canadian Borrower, no claim is being asserted, with respect to any such tax, fee or other charge other than real property taxes that are not yet delinquent.

5.12 Federal Regulations. No part of the proceeds of any Loans will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U.

5.13 ERISA. During the five year period prior to each date as of which this representation is made, or deemed made, with respect to any Plan, (or, with respect to (vi) or (viii) below, as of the date such representation is made or deemed made), none of the following events or conditions, either individually or in the aggregate, has resulted or is reasonably likely to result in a liability to the Borrower or any of its Subsidiaries which would be reasonably expected to have a Material Adverse Effect: (i) a Reportable Event; (ii) an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section

302 of ERISA); (iii) any material noncompliance with the applicable provisions of ERISA or the Code; (iv) a termination of a Single Employer Plan (other than a standard termination pursuant to Section 4041(b) of ERISA); (v) a Lien in favor of the PBGC or a Plan; (vi) Underfunding with respect to any Single Employer Plan; (vii) a complete or partial withdrawal from any Multiemployer Plan by the Borrower or any Commonly Controlled Entity; (viii) any liability of the Borrower or any Commonly Controlled Entity under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the annual valuation date most closely preceding the date on which this representation is made or deemed made; (ix) the Reorganization or Insolvency of any Multiemployer Plan; (x) the excess of the present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the aggregate liability of the Borrower or any of its Subsidiaries for post-retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) over the assets under all such Plans; and (xi) an event or condition with respect to which the Borrower or any Commonly Controlled Entity could incur any liability in respect of a Former Plan.

5.14 Collateral. Except with regard to Liens on Equipment constituting
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Fixtures, any reserved rights of the United States government as required under law, Liens upon Trademarks and Trademark Licenses and Patents and Patent Licenses, which Liens, to the extent not otherwise perfected by the filing of financing statements under the Uniform Commercial Code in accordance with the Security Documents, would, or in the case of Trademark Licenses and Patent Licenses may, be perfected upon filing and acceptance thereof in the United States Patent and Trademark Office, Liens on uncertificated securities, Liens on Collateral the perfection of which requires filings in or other actions under the laws of jurisdictions outside of the United States of America, any State, territory or dependency thereof or

the District of Columbia, and Liens on Contracts or Accounts on which the United States of America or any department, agency, or instrumentality thereof is the obligor, and except for the claims of creditors of Persons receiving goods included as Collateral for "sale or return" within the meaning of Section 2-326 of the Uniform Commercial Code of the applicable jurisdiction, upon filing of the financing statements delivered to the Administrative Agent by the Borrower on the Closing Date in the jurisdictions listed on Schedule 6.1(j) (which financing statements are in proper form for filing in such jurisdictions) (and the recording of the Borrower Patent Security Agreement and the Borrower Trademark Security Agreement as set forth therein, and the making of filings in any other jurisdiction as may be necessary under any Requirement of Law after the Closing Date) and the delivery to, and continuing possession by, the Administrative Agent of all Instruments, Chattel Paper and Documents a security interest in which is perfected by possession, the Liens created pursuant to each Security Document, when executed and delivered, will constitute valid Liens on and, to the extent provided therein, perfected security interests in the collateral referred to in such Security Document (but as to the Copyrights and the Copyright Licenses and accounts arising therefrom, only to the extent the Uniform Commercial Code of the relevant jurisdiction, from time to time in effect, is applicable) in favor of the Collateral Agent for the ratable benefit of the Lenders, which Liens will be prior to all other Liens of all other Persons, except for Liens permitted pursuant to the Loan Documents (including, without limitation, those permitted to exist pursuant to subsection 8.3), and which Liens are enforceable as such as against all other Persons (except (i) with respect to Trademarks, Trademark Licenses, Patents and Patent Licenses, to the extent that the recording of an assignment or other transfer of title thereto to the Collateral Agent in the United States Patent and Trademark Office may be necessary for such enforceability and (ii) with respect to goods only, buyers in the ordinary course of business to the extent provided in Section 9-307(1) of the Uniform Commercial Code as from time

to time in effect in the applicable jurisdiction), except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). Notwithstanding any other provision of this Agreement, capitalized terms which are used in this subsection 5.14 and not defined in this Agreement are so used as defined in the Borrower Security Agreement.

5.15 Investment Company Act; Other Regulations. The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. The Borrower is not subject to regulation under any Federal or State statute or regulation which limits its ability to incur Indebtedness as contemplated hereby.

5.16 Subsidiaries. Schedule 5.16 sets forth all the Subsidiaries of the Borrower as of the Closing Date, the jurisdiction of their incorporation and the ownership interest of the Borrower therein. The Borrower is, and at all times will be, the sole Subsidiary of Holdings. RealCo has no Subsidiaries. No Person other than the Borrower, Additional Subsidiaries and Permitted Equity Purchasers owns any Capital Stock of any Additional Subsidiary.

5.17 Purpose of Loans. The proceeds of the Loans shall be used by the Borrower to finance the working capital and business requirements of the Borrower and its Subsidiaries.

5.18 Environmental Matters.

(a) To the knowledge of the Borrower and the Canadian Borrower, the facilities and properties owned or operated by the Credit Parties (or any one or more of them) (the "Properties") and all operations at the Properties are in compliance with all applicable

Environmental Laws, and there is no violation of any Environmental Law with respect to the Properties or the business operated by the Borrower or any of its Subsidiaries (the "Business"), and there are no conditions relating to the
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Business or Properties that would be reasonably likely to give rise to liability under any applicable Environmental Law, except for any failure so to comply or violation or condition, or any aggregation thereof, that would not be reasonably expected to result in the payment of a Material Environmental Amount.

b. To the knowledge of the Borrower and the Canadian Borrower, the Properties do not contain, and have not previously contained, any Materials of Environmental Concern at, on or under the Properties in amounts or concentrations that constitute or constituted a violation of, or could reasonably give rise to liability under, Environmental Laws except insofar as the presence of any Materials of Environmental Concern is not reasonably expected to result in the payment of a Material Environmental Amount.

c. To the knowledge of the Borrower and the Canadian Borrower, no Credit Party has received any written or verbal notice of, or inquiry from any Governmental Authority concerning, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the Business, nor does the Borrower or the Canadian Borrower have knowledge or reason to believe that any such notice will be received or is being threatened, except insofar as such notice or threatened notice, or any aggregation thereof, does not involve a matter or matters that is or are reasonably expected to result in the payment of a Material Environmental Amount.

(d) To the knowledge of the Borrower and the Canadian Borrower, Materials of Environmental Concern have not been transported or disposed of from the Properties, or generated, treated, stored or disposed of by or on behalf of WESCO, the Borrower or any of its Subsidiaries at, on or under any of the Properties or any other location in violation of, or in a manner that would be reasonably expected to give rise to liability under, any applicable Environmental Law, except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, is not reasonably expected to result in the payment of a Material Environmental Amount.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower and the Canadian Borrower, threatened, under any Environmental Law to which any Credit Party is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Borrower, any of its Subsidiaries, the Properties or the Business, except insofar as such proceeding, action, decree, order or other requirement, or any aggregation thereof, is not reasonably expected to result in the payment of a Material Environmental Amount.

(f) To the knowledge of the Borrower and the Canadian Borrower, since February 28, 1991, there has been no release or, to the knowledge of the Borrower and the Canadian Borrower, threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations (including, without limitation, disposal) of the Credit Parties in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that would be

reasonably expected to give rise to liability under Environmental Laws, except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, is not reasonably expected to result in the payment of a Material Environmental Amount.

5.19 Certain Documents. On the Closing Date, the Borrower delivered to the Administrative Agent (and each Lender requesting the same) and the Canadian Administrative Agent (and each Canadian Lender requesting the same) complete and correct copies of the Acquisition Documentation, the First Mortgage Note Documentation, the Master Lease Documentation and the RealCo Landlord Waiver. The RealCo Mortgages are in substantially the form of the form of the RealCo Mortgage delivered by the Borrower to the Administrative Agent and the Canadian Administrative Agent on the Closing Date, and the Canadian Mortgages are in substantially the form of the form of Canadian Mortgage delivered by the Borrower to the Administrative Agent and the Canadian Administrative Agent on the Closing Date.

5.20 Acquisition Documents; First Mortgage Note Documents. (a) Each Credit Party has the corporate power and authority to make, deliver and perform the Acquisition Documents and the First Mortgage Note Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of the Acquisition Documents and the First Mort Note Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of any Credit Party in connection with the execution, delivery or performance by such Credit Party of the Acquisition Documents and the First Mortgage Note Documents, except for consents, authorizations, notices, filings and other actions described in the Acquisition Documents or the First Mortgage Note Documents, as the case may be. Each Acquisition Document and each First Mortgage Note Document has been duly executed

and delivered on behalf of each Credit Party party thereto. Each Acquisition Document and each First Mortgage Note Document constitutes a legal, valid and binding obligation of each Credit Party party thereto enforceable against each such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) The execution, delivery and performance of the Acquisition Documents and the First Mortgage Note Documents by each Credit Party party thereto will not violate any Requirement of Law or Contractual Obligation of any such Credit Party in any respect that would be reasonably expected to have a Material Adverse Effect.

(c) Each Acquisition Document and First Mortgage Note Document is full force and effect and neither the Borrower, any other Credit Party nor, to the best of the Borrower's knowledge, any other Person party thereto has defaulted in the performance of its obligations hereunder.

5.21 Master Lease Agreement; RealCo Landlord Waiver. (a) Each of the
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Borrower and RealCo have the corporate power and authority to make, deliver and perform the Master Lease Agreement and, in the case of RealCo, the RealCo Landlord Waiver and have taken all necessary corporate action to authorize the execution, delivery and performance of the Master Lease Agreement and, in the case of RealCo, the RealCo Landlord Waiver. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of the Borrower or RealCo in connection with the execution, delivery or performance by the Borrower or RealCo of the Master Lease Agreement and, in the case of RealCo, the RealCo Landlord Waiver. Each of the Master Lease Agreement and, in the case of RealCo, the RealCo Landlord Waiver has

been duly executed and delivered on behalf of the Borrower and RealCo. Each of the Master Lease Agreement and, in the case of RealCo, the RealCo Landlord Waiver constitutes a legal, valid and binding obligation of the Borrower and RealCo enforceable against each such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) The execution, delivery and performance of the Master Lease Agreement and, in the case of RealCo, the RealCo Landlord Waiver by the Borrower and RealCo will not violate any Requirement of Law or Contractual Obligation of the Borrower or RealCo in any respect that would be reasonably expected to have a Material Adverse Effect.

(c) The Master Lease Agreement and the RealCo Landlord Waiver are in full force and effect and neither the Borrower, RealCo nor, to the best of the Borrower's knowledge, any other Person party thereto has defaulted in the performance of its obligations thereunder.

5.22 No Default. Immediately prior to the occurrence of the Effective Date, no Default or Event of Default (as defined in each of the Existing Credit Agreement and the Existing Canadian Credit Agreement) has occurred and is continuing.

SECTION 6. CONDITIONS PRECEDENT

6.1 Conditions to Effectiveness. This Agreement shall become effective on the date (the "Effective Date") upon which each of the following conditions shall be satisfied: (i) the execution of this Agreement by all of the parties hereto (including, without limitation, the Guarantors' signature lines which are set forth at the foot

of this Agreement), (ii) the occurrence of the "Effective Date" under and as defined in subsection 7.1 of the Canadian Credit Agreement and (iii) the first date upon which each of the conditions precedent set forth in this subsection 6.1 are satisfied:

(a) Revolving Credit Notes. The Administrative Agent shall have received on behalf of each Lender a new Revolving Credit Note duly executed and delivered by the Borrower in exchange for the existing Revolving Credit Note payable to such Lender, which existing Revolving Credit Note shall be returned to the Borrower.

(b) Legal Opinions. The Administrative Agent shall have received, with a copy for each Lender, the executed legal opinions of (A) Debevoise & Plimpton, special counsel to the Borrower and the other Credit Parties, substantially in the form of Exhibit D-1 and (B) the Secretary of the Borrower, substantially in the form of Exhibit D-2.

(c) Corporate Proceedings of the Borrower. The Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors of the Borrower authorizing the execution, delivery and performance of this Agreement, the Revolving Credit Notes to be delivered pursuant to clause (a) of this subsection 6.1 and the other related documents to which it is or will be a party, certified by the Secretary or an Assistant Secretary of the Borrower as of the Effective Date, which certificate shall be in form and substance reasonably satisfactory to the Administrative Agent and shall state that the resolutions thereby certified have not been amended, modified (except as any later such resolution may modify any earlier such resolution), revoked or rescinded.

(d) Incumbency Certificates of the Borrower. The Administrative Agent shall have received, with a copy for each Lender, a certificate of a Responsible Officer of the Borrower, dated the Effective Date, as to the incumbency and signature of the officers of the Borrower executing this Agreement and any related document, reasonably satisfactory in form and substance to the Administrative Agent.

(e) Fee. The Borrower shall have paid to the Administrative Agent, for the ratable account of each Lender in accordance with their respective Commitment Percentages, a fee, payable in U.S. Dollars, in an amount equal to 0.025% of the sum of (i) the aggregate Commitments of all Lenders under the Credit Agreement, as amended hereby and (ii) the U.S. Dollar equivalent (determined on the basis of the Exchange Rate) of the Canadian Commitment of all Canadian Lenders under the Canadian Credit Agreement.

(f) Prepayment of Loans. The Borrower shall have prepaid in full all of the Loans outstanding under the Existing Credit Agreement as well as any unpaid and accrued interest thereon and all amounts of fees payable pursuant to subsection 4.5 of the Existing Credit Agreement.

(g) Fleet Resignation Letter. The Administrative Agent shall have received a duly executed copy of a letter from Fleet Capital Corporation, substantially in the form of Exhibit K, with respect to its resignation as Collateral Agent.

6.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any Extension of Credit requested to be made by it on any date (including, without limitation, the initial Extension of Credit and each Swing Line Loan) is subject to the satisfaction or waiver of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party (other than RealCo) pursuant to this Agreement or any other Loan Document (or in any amendment, modification or supplement hereto or thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any such Loan Party pursuant to this Agreement or any other Loan Document shall, except to the extent that they relate to a particular date, be true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default (other than a Default or an Event of Default under Section 9(l) which occurs solely as a result of the occurrence of a Canadian Borrowing Base Default) shall have occurred and be continuing on such date or after giving effect to the Extensions of Credit requested to be made on such date.

(c) Borrowing Base. After giving effect to the Extensions of Credit requested to be made on such date, the Total Aggregate Outstandings shall not exceed the lesser of (i) the Borrowing Base then in effect and (ii) the aggregate Commitments.

Each Extension of Credit made to (or on behalf of) the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such Extension of Credit that the conditions contained in this subsection 6.2 have been satisfied.

SECTION 7. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, from and after the Closing Date and so long as the Commitments or the Canadian Commitments remain in effect, and thereafter until payment in full of all Obligations and all Canadian

Obligations and termination or expiration of all Letters of Credit and Canadian Letters of Credit, the Borrower shall and (except in the case of subsections 7.1, 7.2, 7.7 and 7.10) shall cause each of its Subsidiaries to:

7.1 Financial Statements. Furnish to each Lender:

(a) as soon as available, but in any event not later than 90 days after the end of each fiscal year of each of Holdings and the Canadian Borrower, (i) a copy of the consolidated balance sheet of Holdings and its consolidated Subsidiaries (other than Realco) and (ii) a copy of the unaudited consolidated balance sheet of the Canadian Borrower and its consolidated Subsidiaries (if any), in each case as at the end of each such year and together with copies of the related consolidated statements of operations, changes in common stockholders' equity and cash flows for each such year, setting forth in the case of such balance sheets as at the end of the 1995 fiscal year of Holdings and the Canadian Borrower and in the case of such balance sheets and statements of operations, changes in common stockholders' equity and cash flows for the 1996 and subsequent fiscal years of Holdings and the Canadian Borrower, in each case in comparative form the figures for the previous year, and in the case of (i) above such consolidated financial statements to be reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Coopers & Lybrand or other independent certified public accountants of nationally recognized standing and such financial statements to be certified by a Responsible Officer of Holdings or the Canadian Borrower, as the case may be, as being fairly stated in all material respects;

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of

Holdings, a copy of the unaudited consolidated and consolidating balance sheet of Holdings and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated and consolidating statements of operations, changes in common stockholders' equity and cash flows of Holdings and its consolidated Subsidiaries for such quarter and the portion of the fiscal year through the end of such quarter, setting forth, (x) in the case of each such consolidated and consolidating balance sheet as of the end of the second fiscal quarter of 1995 and thereafter, in comparative form the budgeted figures (as adjusted consistent with past practice) for the relevant period and the figures as at the end of the previous fiscal year and (y) in the case of each such consolidated and consolidating statements of operations and cash flows for the second fiscal quarter of 1995 and thereafter, in comparative form the budgeted figures (as adjusted consistent with past practice) for the relevant period and the figures for the corresponding period of the previous fiscal year, certified by a Responsible Officer of Holdings as being fairly stated in all material respects (subject to normal year-end audit and other adjustments and except for the absence of notes);

(c) as soon as available, but in any event not later than 30 days after the end of each fiscal month of each fiscal year of Holdings, a copy of the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as of the end of such month and the related unaudited consolidated statement of operations, the sales figures with respect to which shall be broken down between Holdings, each Additional Subsidiary and the Canadian Borrower, setting forth with respect to months ending after March 1, 1995, in the case of such consolidated balance sheets, in comparative

form the figures as at the end of the previous fiscal year and, in the case of such consolidated statements of operations, in comparative form the figures for the corresponding fiscal month of the previous year, certified by a Responsible Officer of Holdings as being fairly stated in all material respects (subject to normal year-end audit and other adjustments and except for the absence of notes); provided that during any Borrowing Base Elimination Period the Borrower
shall not be required to make any delivery pursuant to this subsection 7.1(c); and

(d) as soon as available, a copy of the consolidated balance sheet of Holdings and its consolidated Subsidiaries as of March 1, 1994, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Coopers & Lybrand or other independent certified public accountants of nationally recognized standing and certified by a Responsible Officer of Holdings as being fairly stated in all material respects;

all such financial statements shall be (and, in the case of financial statements delivered pursuant to subsection 7.1(a) (but only with respect to the consolidating financial statements referred to therein), (b), (c) and (d) above, shall be certified by a Responsible Officer of Holdings as being) fairly stated in all material respects in conformity with GAAP and shall be (and, in the case of financial statements delivered pursuant to subsection 7.1(a) (but only with respect to the consolidating financial statements referred to therein), (b), (c) and (d) above, shall be certified by a Responsible Officer of Holdings as being) prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein, and except, in the case of the financial statements delivered pursuant to subsection 7.1(b) and (d), for the absence of certain notes).

7.2 Certificates; Other Information. Furnish to each Lender:

(a) concurrently with the delivery of the financial statements referred to in subsection 7.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the audit necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsections 7.1(a), (b) and (c) and in clause (b) of the definition of Adjustment Date, a certificate of a Responsible Officer of the Borrower or Holdings, as the case may be, (i) stating that, to the best of such Officer's knowledge, the Borrower or Holdings, as the case may be, during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and in the Notes and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default, except, in each case, as specified in such certificate and (ii) setting forth (in reasonable detail) the calculations required to determine (A) the Margin Reduction Percentage and compliance with the covenants set forth in subsection 8.1 (in the case of a certificate furnished with the financial statements referred to in subsections 7.1(a) and (b) and in clause (b) of the definition of Adjustment Date) and (B) compliance with the covenant set forth in subsection 8.9 (in the case of a certificate furnished with the financial statements referred to in subsection 7.1(a));

(c) on or prior to the first Friday that is after the 15th day of each calendar month after the Closing Date (except during any Borrowing Base Elimination

Period), a certificate substantially in the form of Exhibit E (a "Monthly Borrowing Base Certificate"), certified by a Responsible Officer of the Borrower as true and correct, setting forth the amount of Accounts of the Borrower and the Additional Subsidiaries, Eligible Accounts, Inventory of the Borrower and the Additional Subsidiaries and Eligible Inventory, in each case as of the last Business Day of the immediately preceding month, attached to which shall be reasonably detailed information including an aging schedule of Accounts of the Borrower and the Additional Subsidiaries;

(d) as soon as available, but in any event not later than ninety days after the beginning of each fiscal year of the Borrower, a copy of the projections by the Borrower of the operating budget and cash flow budget of the Borrower and its Subsidiaries for such fiscal year, such projections to be accompanied by a certificate of a Responsible Officer of the Borrower to the effect that such Responsible Officer believes, as of the date of such certificate, such projections to have been prepared on the basis of reasonable assumptions;

(e) within five days after the same are sent, copies of all financial statements and reports which Holdings or the Borrower sends to its security holders, and within five days after the same are filed, copies of all financial statements and periodic reports which Holdings or the Borrower may file with the Securities and Exchange Commission or any successor or analogous Governmental Authority;

(f) within two days after the same are filed, copies of all registration statements and any amendments and exhibits thereto, which Holdings or the Borrower may file with the Securities and Exchange Commission or any successor or analogous Governmental Authority;

(g) promptly after the consummation by the Borrower or any Additional Subsidiary of a Mixed Asset Sale, a certificate of a Responsible Officer of the Borrower setting forth (in reasonable detail) the calculations required to determine compliance with the requirement of clause (iii) of the proviso to subsection 8.6(g) and stating that, to the best of such officer's knowledge, no Default or Event of Default has occurred and is continuing or would occur as a result of such Mixed Asset Sale;

(h) upon the reasonable request of the Administrative Agent, copies of any certificates delivered to Westinghouse pursuant to Section 6(a)(1) of the RealCo First Mortgage Notes;

(i) copies of all material written amendments, waivers and modifications of the DCBU Supply Agreement; and

(j) promptly, such additional financial and other information as the Administrative Agent, the Collateral Agent or any Lender may from time to time reasonably request.

7.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings diligently conducted and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be.

7.4 Conduct of Business and Maintenance of Existence. Continue to engage in business of the same general type as now conducted by the Borrower and its Subsidiaries, taken as a whole, and preserve, renew and keep in full force and effect its corporate existence and take

all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of the business of the Borrower and its Subsidiaries, taken as a whole, except as otherwise permitted pursuant to subsection 8.5, provided that the Borrower and its Subsidiaries shall not be
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required to maintain any such rights, privileges or franchises, if the failure to do so would not reasonably be expected to have a Material Adverse Effect; and comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith, in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

7.5 Maintenance of Property; Insurance. Keep all property useful and
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necessary in the business of the Borrower and its Subsidiaries, taken as a whole, in good working order and condition; maintain with financially sound and reputable insurance companies insurance on all property material to the business of the Borrower and its Subsidiaries, taken as a whole, in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business, which insurance shall also comply with the requirements of Section 5(n) of the Borrower Security Agreement and Section 2.3 of Canadian Borrower Collateral Covenant Agreement; and furnish to the Administrative Agent, upon written request, information in reasonable detail as to the insurance carried.

7.6 Inspection of Property; Books and Records; Discussions. (a) Keep
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proper books of records and account in which full, complete and correct entries in conformity with GAAP and all material Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and (i) prior to the occurrence and continuance of an Event

of Default, permit a representative of the Lenders, twice during each twelve month period after the Closing Date, and (ii) after the occurrence of an Event of Default, permit a representative of the Lenders, as often as may reasonably be requested during the continuance of such Event of Default, to visit and inspect any of its properties and examine and, to the extent reasonable, make abstracts from any of its books and records, including, without limitation, in connection with any audit or appraisal described in paragraph (b) below, and to discuss the business, operations, properties and financial and other condition of the Borrower and its Subsidiaries with officers and employees of the Borrower and its Subsidiaries and with its independent certified public accountants, in each case at any reasonable time and upon reasonable notice. Upon the request of the Administrative Agent or any Lender, the Collateral Agent will provide such Lender with a reasonably detailed summary of the results of any audit of the Collateral conducted by it pursuant hereto.

(b) Reimburse the Collateral Agent for any reasonable fees or expenses incurred by it in connection with one audit of any of the Collateral during each twelve month period after the Closing Date, provided that, if a Default or Event
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of Default shall have occurred and be continuing, the Borrower shall reimburse the Collateral Agent for any reasonable fees and expenses incurred by it in connection with any such audit reasonably requested in writing by the Majority Lenders.

7.7 Notices. Promptly give notice to the Administrative Agent, the
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Collateral Agent and each Lender of:

(a) as soon as possible after a Responsible Officer of the Borrower knows thereof, the occurrence of any Default or Event of Default;

(b) as soon as possible after a Responsible Officer of the Borrower knows thereof, any (i) default or event of default under any Contractual Obligation (including, without limitation, the First Mortgage Note Documents) of the Borrower or any of its Subsidiaries,

other than as previously disclosed in writing to the Lenders, or (ii) litigation, investigation or proceeding which may exist at any time between Holdings or any of its Subsidiaries and any Governmental Authority, which in either case, if not cured or if adversely determined, as the case may be, would reasonably be expected to have a Material Adverse Effect;

(c) as soon as possible after a Responsible Officer of the Borrower knows thereof, any litigation or proceeding affecting Holdings or any of its Subsidiaries in which the amount involved (not covered by insurance) is $10,000,000 or more or in which injunctive or similar relief is sought that has had or would be reasonably expected to have a Material Adverse Effect;

(d) the following events, as soon as possible and in any event within 30 days after a Responsible Officer of the Borrower knows thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to a Single Employer or Multiemployer Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan; (ii) Underfunding with respect to the Replacement Pension Plan in excess of $40,000,000 (provided, no notice shall be required to be delivered with respect to the Replacement Pension Plan if neither the Borrower nor any Commonly Controlled Entity has any liability in respect thereof); (iii) Underfunding with respect to any Single Employer Plan other than the Replacement Pension Plan which could result in a material liability to the Borrower or any of its Subsidiaries; (iv) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from,

or the termination, Reorganization or Insolvency of, any Single Employer or Multiemployer Plan; or (v) the occurrence or expected occurrence of any event or condition under which the Borrower or any Commonly Controlled Entity has incurred or could incur any liability in respect of a Former Plan; and

(e) as soon as possible after a Responsible Officer of the Borrower knows thereof, any (i) material adverse change in the business, operations, property or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole and (ii) condition, circumstance, occurrence or event that would be reasonably expected to have a Material Adverse Effect.

Each notice pursuant to this subsection shall be accompanied by a statement of a Responsible Officer of the Borrower (and, if applicable, the relevant Commonly Controlled Entity or Subsidiary) setting forth details of the occurrence referred to therein and stating what action the Borrower (or, if applicable, the relevant Commonly Controlled Entity or Subsidiary) proposes to take with respect thereto.

7.8 Environmental Laws. (a) Comply with, and use all reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply with and maintain, and use all reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except in each case to the extent that the failure to do so would not be reasonably expected to result in the payment of a Material Environmental Amount.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other similar actions required of the Borrower or any of its Subsidiaries under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental

Authorities regarding Environmental Laws, except to the extent that the same are being contested in good faith by appropriate proceedings, and except in each case to the extent that the failure to do so would not be reasonably expected to result in the payment of a Material Environmental Amount.

7.9 Landlord Waivers. At its own expense, request, and use reasonable efforts to obtain, (i) a Landlord's Waiver from each landlord of each of the existing facilities in which Inventory of the Borrower is located as of the Closing Date and (ii) prior to entering into a lease of a facility in which Inventory of the Borrower or any Additional Subsidiary will be located on or after the Closing Date, a Landlord's Waiver from each landlord of any such facility. To the extent that the Borrower shall have, prior to the Closing Date, obtained or used reasonable efforts to obtain a Landlord's Waiver in the form of Exhibit D to the Existing Credit Agreement (as such term is defined in the Existing Credit Agreement) in respect of any such existing facility, the Borrower shall be deemed to have satisfied the requirements of this subsection 7.9 with respect to such existing facility.

7.10 Loans to Cover Canadian Borrowing Base Defaults. If at any time Loans are made hereunder during the continuance of a Canadian Borrowing Base Default, cause that portion of the proceeds of such Loans which is necessary to cure such Canadian Borrowing Base Default by repaying and/or cash collateralizing Canadian Extensions of Credit to be promptly exchanged for Canadian Dollars, contributed, loaned or advanced to the Canadian Borrower and used by the Canadian Borrower to repay and/or cash collateralize the Canadian Extensions of Credit.

7.11 Cash Management System. (a) Maintain bank or trust accounts only with the banks or other financial institutions listed on Schedule 7.11 and such other banks or other financial institutions of which the Administrative

Agent and the Collateral Agent may be notified in writing by the Borrower from time to time (each, a "Depositary Bank").

(b) Cause all amounts representing Proceeds (as defined in the Borrower Security Agreement) of Collateral (other than Net Proceeds Allocable to Payee and Reserved Amounts (as such terms are defined in the RealCo First Mortgage Notes) and Specified Loss Proceeds (as such term is defined in the RealCo Cash Collateral Agreement)) which are received by the Borrower or any Additional Subsidiary from time to time to be promptly deposited into a bank or trust account maintained with a Depositary Bank (each, a "Depositary Account").

(c) Instruct each Depositary Bank (other than Citibank, N.A. with respect to an amount not in excess of $150,000 to cover reimbursement of certain amounts paid by insurance companies) to transfer, on a daily basis, all available funds on deposit in each Depositary Account maintained by it to the Concentration Account established with, and in the name of, the Collateral Agent pursuant to the Borrower Security Agreement; provided that amounts not in excess of $500,000

(the "Operating Fund Limit") in the aggregate with respect to all Depositary
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Accounts may be retained by the Depositary Banks on deposit in Depositary Accounts and withdrawn from time to time therefrom by the Borrower or any Additional Subsidiary to pay reasonable costs and expenses incurred by the Borrower or any Additional Subsidiary; provided that, upon the occurrence and
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during the continuance of an Event of Default, the Borrower shall instruct the Depositary Banks to transfer all available funds in the Depositary Accounts to the Concentration Account on a daily basis and shall not revoke such instructions unless and until such Event of Default has been cured or waived.

(d) The Concentration Account shall be under the sole dominion and control of the Collateral Agent. At any time when an Event of Default has occurred and is continuing, the Collateral Agent may apply all or any of the

funds on deposit in the Concentration Account to the payment of the Obligations (as defined in the Borrower Security Agreement), in the order of priority set forth in Section 8 of the Borrower Security Agreement. So long as no Event of Default has occurred and is continuing, the Collateral Agent shall promptly remit any funds on deposit in the Concentration Account to the General Fund Account (as defined in the Borrower Security Agreement). The Borrower shall have the right, at any time and from time to time, to withdraw such amounts from the General Fund Account, and to maintain such balances in the General Fund Account, as it shall deem to be necessary or desirable .

SECTION 8. NEGATIVE COVENANTS

The Borrower hereby agrees that, from and after the Closing Date and so long as the Commitments or the Canadian Commitments remain in effect, and thereafter until payment in full of all Obligations and all Canadian Obligations and termination or expiration of all Letters of Credit and all Canadian Letters of Credit, the Borrower shall not, and shall not permit (i) any Additional Subsidiary or RealCo (in the case of subsections 8.5, 8.6, 8.13 and 8.16(b) and (c)) or (ii) any of its Subsidiaries (in the case each subsection of this Section 8 other than subsections 8.5, 8.6, 8.13 and 8.16(b) and (c)) to, directly or indirectly:

8.1 Financial Condition Covenants.

(a) Maintenance of Net Worth. Permit Consolidated Net Worth of Holdings and its consolidated Subsidiaries at any time to be less than (i) during the period from (and including) the Closing Date to (but excluding) the second anniversary thereof, $78,000,000 and (ii) thereafter, $86,000,000.

(b) Ratio of Consolidated Funded Indebtedness to Consolidated EBITDA. Permit, on the last day of any

fiscal year of Holdings set forth below, the ratio of Consolidated Funded Indebtedness of Holdings and its consolidated Subsidiaries as at such day to Consolidated EBITDA of Holdings and its consolidated Subsidiaries for the fiscal year of the Borrower ending on such day (or, with respect to the 1994 fiscal year of the Borrower, for the period from February 28, 1994 to the last day of such fiscal year), to be greater than the ratio set forth opposite such test period below:

Fiscal Year	Ratio
1994	8.25 : 1.0
1995	7.00 : 1.0
1996	6.00 : 1.0
1997	5.00 : 1.0
Thereafter	4.00 : 1.0

For purposes of compliance with this subsection 8.1(b), Consolidated EBITDA of Holdings and its consolidated Subsidiaries for Holdings' 1994 fiscal year shall be annualized by multiplying the Consolidated EBITDA of Holdings and its consolidated Subsidiaries for the period from February 28, 1994 to last day of such year by 1.20.

(c) Fixed Charge Coverage Ratio. Permit, on the last day of any fiscal quarter of Holdings ending during any test period set forth below, the Fixed Charge Coverage Ratio for the period of four consecutive fiscal quarters of Holdings ending on such day (or, if prior to March 31, 1995, such lesser number of full fiscal quarters of Holdings that shall have been completed since February 28, 1994) to be less than the ratio set forth opposite such test period below:

Test Period	Ratio
12/30/94 - 3/30/95	1.00 : 1.0
3/31/95 - 12/30/95	1.25 : 1.0
12/31/95 - 12/30/96	1.50 : 1.0
12/31/96 - 12/30/97	1.75 : 1.0
Thereafter	2.00 : 1.0

It is understood that for purposes of calculating the foregoing financial condition covenants, the financial statements delivered pursuant to subsection 7.1 shall be used.

8.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness (including any Indebtedness of any of its Subsidiaries), except:

(a) Indebtedness of the Borrower (i) under this Agreement and (ii) in respect of any notes issued by the Borrower to RealCo, and any accrued rental obligations of the Borrower to RealCo, pursuant to the Master Lease Agreement, provided that no cash payments are required to be made on such notes until the final scheduled maturity of the RealCo First Mortgage Notes;

(b) Indebtedness of the Canadian Borrower under the Canadian Credit Agreement and the Canadian First Mortgage Notes;

(c) Indebtedness of RealCo under the RealCo First Mortgage Notes;

(d) Indebtedness of the Borrower to any Subsidiary of the Borrower (other than RealCo) and of any Subsidiary of the Borrower to the Borrower or any other Subsidiary of the Borrower (other than RealCo);

(e) Indebtedness of the Borrower and any of its Subsidiaries incurred to finance the acquisition of fixed or capital assets (whether pursuant to a loan, a

Financing Lease, a sale and leaseback transaction or otherwise) otherwise permitted pursuant to this Agreement in an aggregate principal amount not exceeding in the aggregate as to the Borrower and its Subsidiaries $10,000,000 at any one time outstanding;

(f) Indebtedness of the Borrower and any of its Subsidiaries (other than RealCo) incurred to finance the purchase price of any acquisition permitted by subsection 8.10(g), provided that (i) all such Indebtedness does not in the aggregate exceed $10,000,000 at any one time outstanding and (ii) immediately after giving effect to such acquisition no Default or Event of Default shall have occurred and be continuing;

(g) Indebtedness under (i) the Interest Rate Cap and (ii) other Interest Rate Agreements relating to Indebtedness of the Borrower under this Agreement, Indebtedness of the Canadian Borrower under the Canadian Credit Agreement and/or other Indebtedness permitted by this subsection 8.2; provided that the purpose for which each Interest Rate Agreement referred to in clause (ii) is entered into (as determined by the Borrower in good faith) is reasonable in the relation to the conduct of the business of the Borrower and its Subsidiaries;

(h) Indebtedness outstanding on February 28, 1994 and listed on Schedule 8.2(h) and any refinancings, refundings, renewals or extensions thereof, provided that (i) the amount of such Indebtedness is not increased in connection with such refinancing, refunding, renewal or extension and (ii) all material terms and conditions (other than interest rates which shall be based on then current market rates for comparable Indebtedness of comparable borrowers) of the Indebtedness incurred pursuant to such refinancing, refunding, renewal or extension are (as determined by the Borrower reasonably and in good faith) no less

favorable to the Borrower and its Subsidiaries than those applicable to the Indebtedness refinanced, refunded, renewed or extended thereby;

(i) Subordinated Indebtedness of the Borrower or any Additional Subsidiary in an aggregate principal amount not to exceed $100,000,000 at any one time outstanding, including any Subordinated Indebtedness that may be issued by the Borrower or such Additional Subsidiary (A) pursuant to any exemption from the registration requirements of the Securities Act or (B) in exchange for such Subordinated Indebtedness pursuant to a registered exchange offer and having the same maturity, principal amount, interest rate, covenants, events of default and redemption and repurchase provisions as, and otherwise having terms and conditions substantially identical to, those contained in the Subordinated Indebtedness exchanged therefor and the documentation relating thereto;

(j) refinancings, refundings, renewals or extensions of Subordinated Indebtedness permitted by subsection 8.2(i); provided that the Indebtedness
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incurred to refinance, refund, renew or extend such Subordinated Indebtedness (i) is in an amount not greater than the Subordinated Indebtedness so refinanced, refunded, renewed or extended and any reasonable costs, fees and expenses incurred in connection with such refinancing, refunding, renewal or extension, (ii) is unsecured, (iii) has a maturity date no earlier than the final maturity date of the Subordinated Indebtedness refinanced, refunded, renewed or extended thereby, (iv) does not require payments of any portion of the principal thereof (whether by way of mandatory sinking fund, mandatory redemption or otherwise) prior to the respective date(s) (if any) on which equal or greater principal payments on the Subordinated Indebtedness refinanced, refunded, renewed or extended thereby would have been required, (v) has a maximum interest rate no higher than the maximum

interest rate applicable to the Subordinated Indebtedness refinanced, refunded, renewed or extended thereby, (vi) has covenants, default provisions and subordination provisions no less favorable to the Borrower or the relevant Additional Subsidiary than the comparable terms of the Subordinated Indebtedness refinanced, refunded, renewed or extended thereby and (vii) has only such other material terms and conditions as are reasonably satisfactory in form and substance to the Administrative Agents (as evidenced by their prior written approval thereof);

(k) to the extent that any Guarantee Obligation permitted under subsection 8.4 constitutes Indebtedness, such Indebtedness;

(l) Indebtedness of (i) the Borrower permitted by the last sentence of subsection 4.8(b) and (ii) the Canadian Borrower permitted by subsection 5.5(b) of the Canadian Credit Agreement;

(m) additional Indebtedness of the Borrower or any of its Subsidiaries not exceeding $20,000,000 in aggregate principal amount at any one time outstanding; and

(n) Indebtedness of Foreign Subsidiaries in an aggregate principal amount at any time outstanding not in excess of the equivalent of $30,000,000, including all Guarantee Obligations.

For purposes of clauses (e), (f) and (m) of this subsection 8.2, the U.S. Dollar equivalent of Canadian Dollar denominated Indebtedness shall be determined on the basis of the Current Exchange Rate in effect on the date of incurrence thereof.

8.3 Limitation on Liens. Create, incur, assume or suffer to exist any
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Lien upon any of its property, assets or

revenues, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet delinquent or the nonpayment of which in the aggregate would not reasonably be expected to have a Material Adverse Effect, or which are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings diligently conducted;

(c) Liens of landlords or of mortgagees of landlords arising by operation of law, provided that the rental payments secured thereby are not yet due and
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payable;

(d) pledges, deposits or other Liens in connection with workers' compensation, unemployment insurance, other social security benefits or other insurance related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(e) Liens arising by reason of any judgment, decree or order of any court or other Governmental Authority, if appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order, are being diligently prosecuted and shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired or if such Liens are

fully covered by title insurance or indemnification from Westinghouse under the Acquisition Agreements;

(f) Liens consisting of deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds, judgment and like bonds, replevin and similar bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) zoning restrictions, easements, rights-of-way, restrictions on the use of property, other similar encumbrances incurred in the ordinary course of business and minor irregularities of title, which do not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(h) Liens securing or consisting of Indebtedness of the Borrower and its Subsidiaries permitted by subsections 8.2(e) and (f) and incurred to finance the acquisition of fixed or capital assets or any acquisition permitted by subsection 8.10(g), respectively; provided that (i) such Liens shall be created
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substantially simultaneously with the acquisition of such fixed or capital assets or such acquisition, (ii) such Liens securing such Indebtedness do not at any time encumber any property other than the property financed by such Indebtedness and (iii) except as to Financing Leases, the principal amount of Indebtedness secured by any such Lien shall at no time exceed 100% of the original purchase price of such assets;

(i) Liens existing on assets or properties at the time of the acquisition thereof by the Borrower or a Subsidiary which do not materially interfere with the use of the property subject thereto or extend to or

cover any assets of the Borrower or such Subsidiary other than the assets or property being acquired;

(j) Liens (i) in existence on the February 28, 1994 and listed in Schedule 8.3(j) and other Liens securing Indebtedness of the Borrower and its Subsidiaries permitted by subsection 8.2(h), provided that (a) no such Lien is
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extended to cover any additional property after February 28, 1994 (except to the extent required by the terms of the Indebtedness secured thereby or any other agreement governing such Lien as such terms are in effect on February 28, 1994 or immediately after giving effect to any refinancing, refunding, renewal or extension of such Indebtedness or other governing agreement permitted by subsection 8.2(h)), (b) no such Lien secures any Indebtedness or other obligations other than Indebtedness or other obligations secured by it on February 28, 1994 and refinancings, refundings, renewals or extensions of such Indebtedness or other obligations permitted by subsection 8.2(h) and (c) the amount of Indebtedness secured thereby is not increased; or (ii) not otherwise permitted hereunder; provided that all Liens permitted pursuant to this
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subsection 8.3(j) secure obligations not exceeding (as to the Borrower and all of its Subsidiaries) the aggregate amount thereof outstanding on February 28, 1994 plus $10,000,000 at any one time outstanding;

(k) Liens in favor of any Governmental Authority party to a purchase agreement with the Borrower or any of its Subsidiaries (other than RealCo) for goods arising as a result of the payment by such Governmental Authority of progress or advance payments on account of the goods subject to such purchase agreement;

(l) Liens on residential real property financed in connection with, and securing, Investments permitted under subsection 8.10(e)(iii) and Guarantee Obligations permitted under subsection 8.4(h) not exceeding (as to

the Borrower and all of its Subsidiaries) $5,000,000 in aggregate amount at any one time outstanding;

(m) Liens on assets securing Guarantee Obligations permitted under subsection 8.4(e);

(n) Liens created pursuant to the Canadian Mortgages, the Canadian Cash Collateral Agreement, the RealCo Mortgages and the RealCo Cash Collateral Agreement; and

(o) Liens created pursuant to the Security Documents and the Canadian Security Documents.

For the purposes of clauses (j) and (l) of this subsection 8.3, the U.S. Dollar equivalent of Canadian Dollar denominated Indebtedness or other obligations secured by Liens shall be determined on the basis of the Current Exchange Rate on the date the related Lien was created.

8.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations in existence on February 28, 1994 and listed in Schedule 8.4(a), and any refinancings, refundings, extensions or renewals thereof, provided that (i) the amount of such Guarantee Obligation shall not be increased in connection with such refinancing, refunding, extension or renewal and (ii) all material terms and conditions of the Guarantee Obligation incurred pursuant to such refinancing, refunding, renewal or extension are (as determined by the Borrower reasonably and in good faith) no less favorable to the Borrower and its Subsidiaries than those applicable to the Guarantee Obligation refinanced, refunded, renewed or extended thereby;

(b) Guarantee Obligations in connection with up to an aggregate principal amount of $8,000,000 of

Indebtedness outstanding at any one time incurred by directors, officers, employees, managers or consultants of or to Holdings, the Borrower or any of their respective Subsidiaries in connection with any Management Subscription Agreement, and any refinancings, refundings, extensions or renewals thereof;

(c) customary Guarantee Obligations in connection with sales or other dispositions permitted under subsection 8.6, including guarantees with respect to leases, indemnification obligations, and guarantees of collectibility in respect of accounts receivable or notes receivable for up to face value;

(d) Guarantee Obligations for bankers' acceptances, bills of exchange, performance, appeal and judgment bonds, replevin and similar bonds, suretyship arrangements, or bank overdrafts repaid in three days, all in the ordinary course of business, and reimbursement obligations in respect of commercial documentary letters of credit issued for the account of the Borrower or any of its Subsidiaries for the purchase of goods or services in the ordinary course of business;

(e) Guarantee Obligations in respect of standby letters of credit (other than Standby Letters of Credit) for use in the ordinary course of business, in an aggregate principal or face amount for all such Guarantee Obligations (as to the Borrower and all of its Subsidiaries) not to exceed $10,000,000 at any one time outstanding;

(f) Guarantee Obligations in respect of indemnification and contribution agreements in favor of CD&R, C&D Fund IV, Affiliates thereof and each Person who becomes a director of Holdings, the Borrower or any of their Subsidiaries in respect of liabilities (i) arising under the Securities Act, the Exchange Act and

any other applicable securities laws or otherwise in connection with any offering of securities by Holdings, the Borrower or any of their Subsidiaries, (ii) incurred to third parties for any action or failure to act of Holdings, the Borrower or any of their Subsidiaries or successors, (iii) to Persons which are not Affiliates, arising out of the performance by CD&R of management consulting or financial advisory services to Holdings, the Borrower or any of their Subsidiaries, (iv) arising out of the fact that any indemnitee was or is a director of Holdings, the Borrower or any of their Subsidiaries, or is or was serving at the request of any such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or (v) to the fullest extent permitted by Delaware law, arising out of any breach or alleged breach by such an indemnitee of his or her fiduciary duty as a director of Holdings, the Borrower or any of their Subsidiaries;

(g) Reimbursement Obligations in respect of the Letters of Credit and Canadian Reimbursement Obligations in respect of the Canadian Letters of Credit;

(h) Guarantee Obligations in respect of third-party loans and advances to officers or employees of the Borrower or any Subsidiary for travel, entertainment and relocation expenses incurred in the ordinary course of business;

(i) Guarantee Obligations to insurers required in connection with worker's compensation and other insurance coverage incurred in the ordinary course of business;

(j) Guarantee Obligations in respect of Interest Rate Agreements permitted by subsection 8.2(g);

(k) Guarantee Obligations (other than Guarantee Obligations that are permitted by any other paragraph of this subsection) in respect of loans by third parties to Obligors and their Affiliates, and other Guarantee Obligations incurred after February 28, 1994, in the aggregate not to exceed (as to the Borrower and all of its Subsidiaries) $10,000,000 at any one time outstanding;

(l) Guarantee Obligations incurred in connection with acquisitions permitted under subsection 8.10(g), provided (i) that all such Guarantee Obligations do
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not in the aggregate exceed (as to the Borrower and all of its Subsidiaries other than Foreign Subsidiaries) $10,000,000 and, in the case of Foreign Subsidiaries, $30,000,000 at any one time outstanding and (ii) after giving effect to such acquisition, no Default or Event of Default shall have occurred or be continuing;

(m) guarantees made in the ordinary course of its business by the Borrower or any of its Subsidiaries of obligations of the Borrower or any of its Subsidiaries (other than RealCo), which obligations are otherwise permitted under this Agreement;

(n) Guarantee Obligations of (i) Holdings under the Holdings RealCo First Mortgage Note Guarantees and the Holdings Canadian First Mortgage Note Guarantees, (ii) the Borrower under the Borrower RealCo First Mortgage Note Guarantees and the Borrower Canadian First Mortgage Note Guarantees and (iii) RealCo under RealCo Canadian First Mortgage Note Guarantees; and

(o) Guarantee Obligations incurred pursuant to the Guarantees, the Borrower Guarantee and the Canadian Subsidiary Guarantees.

For purposes of clauses (b), (e), (k) and (l) of this subsection 8.4, the U.S. Dollar equivalent of Canadian Dollar denominated Guarantee Obligations shall be determined

on the basis of the Current Exchange Rate in effect on the date such Guarantee Obligation is incurred.

8.5 Limitation on Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, except:

(a) any Additional Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any one or more other Additional Subsidiaries;

(b) any Additional Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Additional Subsidiary; and

(c) in the case of the Borrower or any Additional Subsidiary, as permitted by subsection 8.6.

8.6 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, receivables and leasehold interests), whether now owned or hereafter acquired, or, in the case of any Additional Subsidiary or RealCo, issue or sell any shares of its Capital Stock, to any Person other than the Borrower or a Subsidiary of the Borrower (other than RealCo), except:

(a) the sale or other Disposition of (i) obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business or (ii) any Inventory not included as Eligible Inventory by virtue of clause (f) or (g) of the definition of Eligible Inventory;

(b) the sale or other Disposition of any property (including Inventory and Intellectual Property) in the ordinary course of business;

(c) the sale or discount without recourse of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable into or for notes receivable, in connection with the compromise or collection thereof;

(d) as permitted by subsection 8.5(b);

(e) the abandonment or other Disposition of patents, trademarks or other Intellectual Property that are, in the reasonable judgment of the Borrower or the applicable Additional Subsidiary, no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) Dispositions of any assets or property by the Borrower or any of its Subsidiaries to the Borrower or any of its Subsidiaries (other than RealCo);

(g) Dispositions of assets in a transaction or series of related transactions for Net Cash Proceeds not in excess of $15,000,000 in any such transaction or series of related transactions, provided that (i) no Default or Event of Default
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has occurred and is continuing or would occur as a result thereof, (ii) such Net Cash Proceeds are applied to the repayment of the Extensions of Credit pursuant to subsection 4.4(c) and (iii) notwithstanding the foregoing, no Disposition constituting a Mixed Asset Sale shall be permitted hereunder if, after giving effect thereto, the sum of (A) the Aggregate Asset Sale Shortfall Amount and (B) the U.S. Dollar equivalent (determined on the basis of then Current Exchange Rates from time to time) of the

Canadian Aggregate Asset Shortfall Amount would exceed $15,000,000; and

(h) sales to Permitted Equity Purchasers of not more than 20% of the common stock of any Additional Subsidiary.

8.7 Limitation on Dividends. Declare or pay any dividend (other than dividends payable solely in common stock of the Borrower or any of its Subsidiaries or options, warrants or other rights to purchase common stock of the Borrower or any of its Subsidiaries) or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of Capital Stock of the Borrower or any of its Subsidiaries or any warrants or options to purchase any such Capital Stock, whether now or hereafter outstanding, or make any other distribution (other than distributions payable solely in common stock of the Borrower or any of its Subsidiaries or options, warrants or other rights to purchase common stock of the Borrower or any of its Subsidiaries) in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any of its Subsidiaries, except that:

(a) the Borrower may pay cash dividends to Holdings in an amount sufficient to allow Holdings to pay expenses incurred in the ordinary course of business;

(b) the Borrower may pay cash dividends to Holdings in an amount sufficient to cover reasonable and necessary expenses (including professional fees and expenses) incurred by Holdings in connection with (i) registration, public offerings and exchange listing of equity or debt securities of Holdings and maintenance of the same, (ii) compliance with reporting obligations under federal or state laws or under this Agreement or any of the other Credit Documents and (iii)

indemnification and reimbursement of directors, officers and employees of Holdings in respect of liabilities relating to their serving in any such capacity;

(c) the Borrower may pay cash dividends to Holdings in amounts sufficient to pay tax liabilities of Holdings which are paid in cash by Holdings to any taxing authority;

(d) the Borrower may pay cash dividends to Holdings in an amount sufficient to allow Holdings to repurchase, and any Additional Subsidiary may repurchase, shares of its common stock or options in respect thereof transferred pursuant to the Management Subscription Agreements which may be entered into between Holdings, the Borrower or such Additional Subsidiary and Permitted Equity Purchasers; provided that the aggregate amount of all such cash dividends paid
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to Holdings and all amounts paid in respect of such repurchases by Additional Subsidiaries shall not exceed at any time the sum of (i) (A) $4,000,000 in the aggregate during the period from February 28, 1994 to December 31, 1996 and (B) $6,000,000 in the aggregate thereafter, plus (ii) in each case (but only after receipt by Holdings of not less than $5,000,000 pursuant to the Capital Call Agreement (or otherwise as a capital contribution or from the proceeds of the sale or issuance of its equity securities) and contribution by Holdings of such amount in cash to the Borrower) the amount of all cash capital contributions (other than those referred to in the immediately preceding parenthetical) made by Holdings to the Borrower from the proceeds of, and all amounts received by any Additional Subsidiary in respect of, sales of its common stock (or options, warrants or other rights to purchase its common stock) to Permitted Equity Purchasers pursuant to Management Subscription Agreements;

(e) the Borrower may pay cash dividends to Holdings in an amount sufficient to allow Holdings to pay all fees and expenses incurred by it in connection with this Agreement and the transactions contemplated hereby; provided that the aggregate amount of all such cash dividends shall not exceed $1,000,000;

(f) any Subsidiary of the Borrower may pay dividends or make other distributions to the Borrower or any other Subsidiary of the Borrower;

(g) the Borrower may, at the direction of Holdings and on its behalf, pay an amount to Westinghouse U.S. not to exceed any amounts required to be paid by the Borrower pursuant to the Acquisition Agreement; and

(h) in the event that Holdings repurchases all or any portion of the Westinghouse Equity Interests from Westinghouse U.S. from time to time, then, concurrently with each such repurchase, the Borrower may pay a cash dividend to Holdings in an amount not to exceed the Equity Interest Purchase Price with respect to such repurchase; provided that the aggregate amount of all cash dividends paid by the Borrower to Westinghouse U.S. pursuant to this subsection 8.7(h) shall not exceed $20,000,000.

8.8 Limitation on Optional Payments and Modifications of Debt Instruments and other Contractual Obligations. (a) Without the prior written consent of the Aggregate Majority Lenders, make any optional payment or prepayment on or optional redemption, repurchase or defeasance of any Subordinated Indebtedness or any First Mortgage Note;

(b) without the prior written consent of the Aggregate Majority Lenders, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, any material term of any Subordinated Indebtedness (including, without limitation, any subordination

provisions, covenants, stated maturity, principal amount or rate of payment of interest) in a manner that would have an adverse effect on the respective interests of the Administrative Agents and the Lending Parties under the Credit Documents; provided that the Borrower shall have given reasonable notice to
the Administrative Agents in advance of any such amendment, modification, change, waiver or consent;

(c) without the prior written consent of the Aggregate Majority Lenders, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, any material term of any Acquisition Document in a manner that would have a material adverse effect on the respective interests of the Administrative Agents and the Lending Parties under the Credit Documents; provided that, notwithstanding the foregoing, without the prior written consent of the Aggregate Majority Lenders, the Borrower shall not, and shall not permit any Subsidiary to, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, (x) Article I or Sections 2.3, 2.5, 8.2 or 8.4 of the Acquisition Agreement, or (y) Article I or Section 2.4 of the Canadian Acquisition Agreement (including in the case of clauses (x) and (y) above, any related defined terms used in any such Article or Section);

(d) without the prior consent of the Aggregate Majority Lenders, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, any First Mortgage Note Document, (i) if such amendment, modification, waiver or change would have the effect of making any of the obligations and duties of the Borrower or any other Loan Party under any First Mortgage Note Document materially more onerous than those to which the Borrower or such Loan Party was subject immediately prior to such amendment, modification, waiver or change, (ii) in the case of any RealCo First Mortgage Note or any Canadian First Mortgage Note, if such amendment, modification, waiver or change would increase the amount, rate or nature of any

interest payable thereunder or require that any interest thereunder be paid in cash, or require that any principal thereof be paid prior to the final maturity thereof or (iii) in the case of any RealCo First Mortgage Note, any Canadian First Mortgage Note, the RealCo Cash Collateral Agreement or the Canadian Cash Collateral Agreement, if such amendment, modification, waiver or change would require any amounts other than Net Proceeds Allocable to Payee and any Reserved Amounts (as each such term is defined in each of the RealCo First Mortgage Notes and each of the Canadian First Mortgages Notes) (to the extent such Reserved Amounts are not paid to the Borrower) to be paid to any holder of any RealCo First Mortgage Note or Canadian First Mortgage Note prior to the date such amounts would otherwise be due and payable thereunder; provided that,
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notwithstanding the foregoing, without the prior written consent of the Aggregate Majority Lenders, the Borrower shall not, and shall not permit any Subsidiary to, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, (x) paragraphs 1, 3, 5, 6(c), 9(c) or 18 of, or clause (iv) of paragraph 14 of, any RealCo First Mortgage Note or paragraphs 1, 3, 5, 6(3), 9(c) or 17 of, or clause (iv) of paragraph 14 of, any Canadian First Mortgage Note or (y) Article V or Section 6.02 of the RealCo Cash Collateral Agreement or Article V or Section 6.02 of the Canadian Cash Collateral Agreement (including, in the case of clauses (x) and (y) above, any related defined terms used in any such article, paragraph or section); and

(e) without the prior written consent of the Aggregate Majority Lenders, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, the Interest Rate Caps (or any documentation evidencing the same).

8.9 Limitation on Capital Expenditures. Make any Capital Expenditures
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(excluding any expenses incurred in connection with normal replacement and maintenance programs properly charged to current operations and excluding the amount of any Net Cash Proceeds of Dispositions pursuant to

subsection 8.6(g) which are reinvested in the business of the Borrower or an Additional Subsidiary and the amount of any Canadian Net Cash Proceeds of Canadian Dispositions pursuant to subsection 9.2(g) of the Canadian Credit Agreement which are reinvested in the business of the Canadian Borrower or any of its Subsidiaries) exceeding in the aggregate for the Borrower and its consolidated Subsidiaries, for any fiscal year of the Borrower set forth below, the amount set forth opposite such fiscal year below:

Fiscal Year	Amount
1994	$ 6,000,000
1995	$ 9,000,000
1996	$15,000,000
Thereafter	$20,000,000

; provided that up to 25% of the amount of any Capital Expenditures permitted to be made during any fiscal year and not made during such fiscal year may be carried over and expended during the next succeeding fiscal year.

8.10 Limitation on Investments, Loans and Advances. Make any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit or division of, or make any other investment in (each, an "Investment"), any Person, except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Investments existing on February 28, 1994 and described in Schedule 8.10(c), setting forth the respective amounts of such Investments as of a recent date;

(d) Investments in notes receivable in connection with transactions permitted by subsection 8.6(c);

(e) loans and advances to officers, directors or employees of the Borrower or any of its Subsidiaries (i) in the ordinary course of business for travel and entertainment expenses, (ii) existing on February 28, 1994 and described in Schedule 8.10(c), (iii) made after February 28, 1994 for relocation expenses, not to exceed (as to the Borrower and all of its Subsidiaries), together with the amount of all Guarantee Obligations permitted pursuant to subsection 8.4(h), $5,000,000 in the aggregate outstanding at any one time or (iv) relating to indemnification or reimbursement of any officers, directors or employees of Holdings or any of its Subsidiaries in respect of liabilities relating to their serving in any such capacity or as otherwise specified in Section 8.11; for purposes of this subsection 8.10(e), the U.S. Dollar equivalent of loans and advances made in Canadian Dollars shall be determined on the basis of the Current Exchange Rate on date such loan or advance was made;

(f) Investments by the Borrower or any of its Subsidiaries in the Borrower or any of its Subsidiaries (other than RealCo or a Foreign Subsidiary);

(g) Investments by the Borrower or any of its Subsidiaries consisting of the acquisition by purchase or otherwise of all or substantially all of the business or assets of, or evidences of beneficial ownership of, any Person or any division thereof; provided that (i) each such Investment or series of related
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Investments does not exceed $50,000,000 (exclusive of the book value of any Eligible Inventory acquired pursuant to such Investment) or, in the case of any Investment or series of related Investments made in Canadian Dollars, the U.S. Dollar equivalent (determined on the basis of the Current Exchange Rate in effect on the date such Investment or series of related Investments are made) of $50,000,000, (ii) immediately before and after giving effect to such Investment or series of

related Investments, no Default or Event of Default shall have occurred or be continuing and (iii) immediately after giving effect to such Investment, the Available Commitments and the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the Available Canadian Commitments together are at least $25,000,000;

(h) Investments by the Borrower or any of its Subsidiaries in RealCo that (i) consist solely of payment of amounts then due and payable under, or the performance of other obligations required by, the Master Lease Documentation, provided that in no event shall the Borrower or any of its Subsidiaries be
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permitted to make cash payments of Basic Rent under and as defined in the Master Lease Agreement; or (ii) do not exceed amounts necessary to enable RealCo to pay (or to reimburse RealCo for having paid) (A) expenses incurred by RealCo in the ordinary course of business, (B) reasonable and necessary expenses incurred by RealCo in connection with compliance with reporting and other requirements under federal and state laws or under any of the Credit Documents or the RealCo First Mortgage Note Documents, (C) tax liabilities of RealCo and (D) fees and expenses incurred by RealCo in connection with the Acquisition and the transactions contemplated thereby, which when aggregated with all other such fees and expenses paid by Holdings and its Subsidiaries, do not exceed $30,000,000, provided that no such amounts are paid to RealCo prior to the Business Day
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before the date on which such expenses or liabilities are due and payable by RealCo; and

(i) Investments by the Borrower or any of its Subsidiaries in any Foreign Subsidiaries in an aggregate principal amount not to exceed $35,000,000.

8.11 Limitation on Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of the Borrower's or such Subsidiary's business and (c) upon terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate; provided, that nothing contained in this subsection 8.11 shall be deemed to prohibit:

(i) the Borrower or any of its Subsidiaries from entering into or performing any consulting, management or employment agreements or other compensation arrangements with a director, officer or employee of the Borrower, Holdings or any of their respective Subsidiaries that provides for annual aggregate base compensation not in excess of $1,000,000 per annum for any such director, officer or employee;

(ii) the Borrower or any of its Subsidiaries from entering into or performing an agreement with CD&R for the rendering of management consulting or financial advisory services to the Borrower or any of its Subsidiaries for compensation not to exceed in the aggregate $500,000 per year plus reasonable out-of-pocket expenses;

(iii) the Borrower or any of its Subsidiaries from entering into, making payments pursuant to and otherwise performing an indemnification and contribution agreement in favor of CD&R, C&D Fund IV, the Affiliates thereof and each person who becomes a director, officer, agent or employee of Holdings, the Borrower or any of their respective Subsidiaries, in respect of liabilities (A) arising under the Securities Act, the Exchange Act and any other applicable securities laws or otherwise, in connection with any

offering of securities by Holdings, the Borrower or any of their respective Subsidiaries, (B) incurred to third parties for any action or failure to act of Holdings, the Borrower or any of their respective Subsidiaries, predecessors or successors, (C) arising out of the performance by CD&R of management consulting or financial advisory services provided to Holdings, the Borrower or any of their respective Subsidiaries, (D) arising out of the fact that any indemnitee was or is a director, officer, agent or employee of Holdings, the Borrower or any of their respective Subsidiaries, or is or was serving at the request of any such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or enterprise or (E) to the fullest extent permitted by Delaware or other applicable state law, arising out of any breach or alleged breach by such indemnitee of his or her fiduciary duty as a director or officer of Holdings, the Borrower or any of their respective Subsidiaries;

(iv) the Borrower or any of its Subsidiaries from performing any agreements or commitments with or to any Affiliate existing on February 28, 1994 and described on Schedule 8.11(v);

(v) any transaction permitted under subsection 8.4(b), 8.4(f) or 8.10(e); and

(vi) the Borrower, RealCo and the Canadian Borrower entering into and performing any of their respective obligations under the Acquisition Documentation and the First Mortgage Note Documentation.

For purposes of this subsection 8.12, (A) any transaction with any Affiliate shall be deemed to have satisfied the standard set forth in subparagraph (c) of the first sentence hereof if (i) such transaction is approved by a majority of the Disinterested Directors of the Board of Directors of the

Borrower or the applicable Subsidiary or (ii) a nationally recognized expert with expertise in appraising the terms and conditions of the type of transaction for which approval is required delivers to the Borrower or the applicable Subsidiary (which shall promptly forward a copy to the Administrative Agents) a written opinion stating that such transaction is fair to the Borrower or the applicable Subsidiary from a financial point of view and (B) "Disinterested Director" shall mean, with respect to any Person and transaction, a member of the Board of Directors of such Person who does not have any material direct or indirect financial interest in or with respect to such transaction.

8.12 Limitation on Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of real or personal property which has been or is to be sold or transferred by the Borrower or such Subsidiary to such 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 such Subsidiary, other than in connection with any Disposition permitted under subsection 8.6 or any Canadian Disposition permitted by subsection 9.2 of the Canadian Credit Agreement or as permitted by subsection 8.2(e).

8.13 Limitations on Dispositions of Collateral. Convey, sell, transfer, lease, or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so, except for (a) mergers, consolidations, sales, leases, transfers or other Dispositions permitted under subsection 8.5 and (b) sales or other Dispositions permitted under subsection 8.6, including sales of Inventory in the ordinary course of business; and the Collateral Agent (or, with respect to the Borrower Canadian Stock Pledge Agreement, the Administrative Agent) shall, and the Lenders hereby authorize the Collateral Agent (or the Administrative Agent, as applicable) to, execute such releases of Liens and take

such other actions as the Borrower may reasonably request in connection with the foregoing.

8.14 Limitation on Changes in Fiscal Year. Permit the fiscal year of the Borrower or any of its Subsidiaries to end on a day other than December 31.

8.15 Limitation on Negative Pledge Clauses. Enter into with any Person any agreement, other than (a) this Agreement, the other Loan Documents, the Canadian Loan Documents, the First Mortgage Note Documents and any indenture or other agreement governing any Subordinated Indebtedness permitted by subsection 8.2(i) or (j) and (b) any industrial revenue or development bonds, purchase money mortgages, acquisition agreements or Financing Leases permitted by this Agreement (in which cases, any prohibition or limitation shall only be effective against the assets financed or acquired thereby) or operating leases of real property entered into in the ordinary course of business, which prohibits or limits the ability of the Borrower or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien in favor of the Lending Parties (or any of them) upon any of its property, assets or revenues, whether now owned or hereafter acquired, which constitute Collateral or Canadian Collateral or any portion thereof.

8.16 Limitation on Lines of Business; Creation of Subsidiaries. (a) Enter into any business, either directly or through any Subsidiary, except for those businesses of the same general type as those in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or which are reasonably related thereto.

b. (A) Create any Additional Subsidiary unless (i) such Additional Subsidiary is organized under the laws of one of the fifty states constituting the United States of America and (ii) concurrently with the creation thereof, (a) such Additional Subsidiary becomes a party to (or executes and delivers to the Collateral Agent in the case of the first such Additional Subsidiary) the Subsidiary Guarantee

as a Guarantor under and as defined therein pursuant to a written instrument reasonably satisfactory to the Collateral Agent, (b) such Additional Subsidiary executes and delivers to the Collateral Agent a Subsidiary Security Agreement, a Subsidiary Patent Security Agreement (if applicable) and a Subsidiary Trademark Security Agreement (if applicable), (c) each owner (other than Permitted Equity Purchasers) of any Capital Stock of such Additional Subsidiary executes and delivers to the Collateral Agent a Subsidiary Stock Pledge Agreement (or, in the case of the Borrower, a supplement to the Borrower Stock Pledge Agreement) and delivers to the Collateral Agent all certificates or instruments evidencing such Capital Stock, together with undated stock powers therefor duly executed by an authorized officer of such owner, (d) all actions necessary to perfect the liens created by each Security Document to which such Additional Subsidiary is or becomes a party have been duly completed and (e) the Collateral Agent receives a favorable opinion of counsel (reasonably satisfactory to the Collateral Agent) to such Additional Subsidiary as to the due organization and valid existence of such Additional Subsidiary, the due authorization, execution and delivery by, and enforceability against, such Additional Subsidiary of each Loan Document to which it is or becomes a party and such other customary matters (including the perfection of the liens contemplated by the Security Documents to which such Additional Subsidiary is a party) as the Collateral Agent and its counsel may reasonably request; provided, however, that the Borrower may acquire an
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Additional Subsidiary without complying with the foregoing requirements of this subsection 8.16(b) so long as the following conditions are satisfied: (x) the assets of such Additional Subsidiary have a book-value equal to or less than $20,000,000, (y) at the time of the acquisition of such Additional Subsidiary the Borrower intends to transfer all of the assets of such Additional Subsidiary to the Borrower or another Additional Subsidiary that has complied with the foregoing requirements of this subsection 8.16(b), and (z) such transfer is completed within sixty days of the acquisition of such Additional Subsidiary.
(B) Notwithstanding the foregoing, with

respect to any Person that is or becomes a Foreign Subsidiary and that has material assets, such Foreign Subsidiary shall be permitted hereunder so long as promptly upon the request of the Administrative Agent, the Borrower shall, or shall cause such Foreign Subsidiary to: (i) execute and deliver to the Administrative Agent a pledge agreement as the Administrative Agent shall deem necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a Lien on the Capital Stock of such Subsidiary which is owned by the Borrower or any of its Subsidiaries (provided that in no event shall more than 65% of the Capital Stock of any such Subsidiary be required to be so pledged), (ii) deliver to the Administrative Agent any certificates representing such Capital Stock, together with undated stock powers executed and delivered in blank by a duly authorized officer of the Borrower or such Subsidiary, as the case may be, and take or cause to be taken all such other actions under the law of the jurisdiction of organization of such Foreign Subsidiary as may be necessary or advisable to perfect such Lien on such Capital Stock and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described in clauses (i) and (ii) immediately preceding, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. In addition, neither the Borrower nor any Foreign Subsidiary shall, at any time, without the express written permission of the Administrative Agent and the Majority Lenders, pledge the Capital Stock of any Foreign Subsidiary to any other Person (other than to the Administrative Agent on behalf of the Lenders).

(c) Permit RealCo (i) to engage in any business other than those in which it is permitted to engage under the First Mortgage Note Documents (regardless of whether the same shall be terminated) or (ii) to terminate or to consent to any termination of the Master Lease Agreement.

SECTION 9. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) (i) The Borrower shall fail to pay any principal of any Loan or any Reimbursement Obligation when due in accordance with the terms thereof or hereof; or (ii) the Borrower shall fail to pay any interest on any Loan, or any other amount payable hereunder, within three Business Days after any such interest or other amount becomes due in accordance with the terms thereof or hereof; or

(b) Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein or in any other Loan Document (or in any amendment, modification or supplement hereto or thereto) or which is contained in any certificate furnished at any time by or on behalf of the Borrower pursuant to this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made, and, if susceptible to being cured, such inaccuracy shall not be cured within 30 days after a Responsible Officer of the Borrower knows or should have known thereof; or

(c) The Borrower or any other Loan Party shall default in the observance or performance of any agreement contained in subsection 7.7(a) or Section 8 of this Agreement, Section 5(b) of the Holdings Stock Pledge Agreement, Section 5(h), 5(i), 5(j), 5(l) or 5(r) (other than clauses (B)(x) and (C)(x) thereof) of the Borrower Security Agreement or Section 10(b), 10(c) or 10(d) of the Holdings Guarantee; or

(d) The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a)

through (c) of this Section), and such default shall continue unremedied for a period ending on the earlier of (i) the date which is 30 days after a Responsible Officer of the Borrower shall have discovered or should have discovered such default and (ii) the date which is 30 days after written notice has been given to the Borrower by the Administrative Agent or the Majority Lenders; or

(e) The Borrower or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than the Loans) in excess of $3,000,000 or in the payment of any Guarantee Obligation in excess of $3,000,000, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness or Guarantee Obligation referred to in clause (i) above or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice or lapse of time if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable, and such time shall have lapsed; or

(f) (i) The Borrower or any other Loan Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with

respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any other Loan Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any other Loan Party any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged, unstayed or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any other Loan Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) the Borrower or any other Loan Party shall take any corporate action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any other Loan Party shall be generally unable to, or shall admit in writing its general inability to, pay its debts as they become due; or

(g) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event

shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Plan for purposes of Title IV of ERISA (other than a standard termination pursuant to Section 4041(b) of ERISA), (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or is reasonably likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan, (vi) the occurrence or expected occurrence of any event or condition which results or is reasonably likely to result in the Borrower's or any Commonly Controlled Entity's becoming responsible for any liability in respect of a Former Plan, or (vii) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vii) above, such event or condition, together with all other such events or conditions, if any, would be reasonably expected to result in liability which could have a Material Adverse Effect; provided, however, that the fact that a
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Plan is underfunded shall not by itself constitute an Event of Default unless and until another event or condition described in clauses (i) through (vi) affecting such underfunded Plan occurs; or

(h) One or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate at any time a liability (net of any insurance or indemnity payments actually received in respect thereof) of $3,000,000 or more, and all such judgments or decrees shall not have been satisfied, vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(i) (i) Any of the Security Documents shall cease, for any reason to be in full force and effect, or the Borrower or any other Loan Party which is a party to any of the Security Documents shall so assert in writing, or (ii) the Lien created by any of the Security Documents shall cease to be perfected and enforceable in accordance with its terms or of the same effect as to perfection and priority purported to be created thereby with respect to any material portion of the Collateral, and the failure of such Lien to be perfected and enforceable with such priority shall have continued unremedied for a period of 20 days; or

(j) Any Guarantee shall cease, for any reason to be in full force and effect or any Guarantor shall so assert in writing; or

(k) a Change of Control shall have occurred; or

(l) an "Event of Default" under and as defined in the Canadian Credit Agreement shall occur and be continuing; or

(m) an "Event of Default" under and as defined in the First Mortgage Notes shall occur and be continuing;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and the Notes shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative

Agent shall, by notice to the Borrower, declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable.

With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. The Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Lender and the L/C Participants, a security interest in such cash collateral to secure all obligations of the Borrower in respect of such Letters of Credit under this Agreement and the other Loan Documents. The Borrower shall execute and deliver to the Administrative Agent, for the account of the Issuing Lender and the L/C Participants, such further documents and instruments as the Administrative Agent may request to evidence the creation and perfection of such security interest in such cash collateral account. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the Notes. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the

Borrower hereunder and under the Notes shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower.

Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 10. THE AGENT

10.1 Appointment. Each Lender hereby irrevocably designates and appoints
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(i) Barclays as the Administrative Agent and (ii) Barclays as the Collateral Agent of such Lender under this Agreement and the other Loan Documents. The term "Agent", when used in this Section 10, shall refer to each of (i) Barclays in its capacity as Administrative Agent and (ii) Barclays in its capacity as Collateral Agent. Each such Lender irrevocably authorizes Barclays to act as Administrative Agent and Barclays to act as Collateral Agent of such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to it as Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, neither Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against either Agent. Each Lender acknowledges and consents that (i) the Collateral Agent is also acting in such capacity as agent for the Canadian Administrative Agent and the other Canadian Secured Parties, (ii) the Canadian Administrative Agent is an affiliate of the Administrative Agent and (iii) the Collateral Agent is also acting as Canadian Collateral Agent.

10.2 Delegation of Duties. Each Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents (which may include affiliates of such Agent) or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3 Exculpatory Provisions. Neither Agent nor any officer, director, employee, agent, attorney-in-fact or affiliate of any Agent shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders or the other Agent for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the Notes or any other Loan Document or for any failure of the Borrower or the other Agent to perform its obligations hereunder or thereunder. Neither Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower or any other Loan Party.

10.4 Reliance by Agent. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been

signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Agent. Each Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment or transfer thereof shall have been filed with the Administrative Agent. Each Agent shall be fully justified as between itself and the Lenders in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the requisite Lending Parties as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Notes and the other Loan Documents in accordance with a request of the requisite Lending Parties, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

10.5 Notice of Default. Neither 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 notice from 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". In the event that an Agent receives such a notice, such Agent shall give notice thereof to the Lenders. Each Agent shall take such action reasonably promptly with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders or the Aggregate Majority Lenders; provided that unless and until such Agent shall have received such directions, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

10.6 Non-Reliance on Agent and Other Lenders. Each Lender expressly acknowledges that neither Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by either Agent hereinafter taken, including any review of the affairs of the Borrower or any other Loan Party, shall be deemed to constitute any representation or warranty by such Agent to any Lender. Each Lender represents to each Agent that it has, independently and without reliance upon either Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon either Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by an Agent hereunder, such Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower or any other Loan Party which may come into the possession of such Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

10.7 Indemnification. Each Lender agrees to indemnify each Agent in its respective capacities as such (to the extent not reimbursed by the Borrower or any other

Loan Party and without limiting the obligation of the Borrower or any other Loan Party to do so), ratably according to its Commitment Percentage in effect on the date on which indemnification is sought under this subsection 10.7, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of such Agent. The agreements in this subsection shall survive the payment of the Loans and all other amounts payable hereunder.

10.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower and/or the other Credit Parties as though such Agent was not the Administrative Agent or the Collateral Agent (as applicable) hereunder and under the other Loan Documents. With respect to the Loans made or renewed by an Agent and any Note issued to it and with respect to any Letter of Credit issued or participated in by it, such Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent or the Collateral Agent (as applicable), and the terms "Lender" and "Lenders" shall include the Agent in its individual capacity.

10.9 Successor Agent. Each of Administrative Agent and Collateral Agent may resign its role as such hereunder and under the other Loan Documents upon 30 days' notice to the Lenders. If an Agent shall resign as Administrative Agent or Collateral Agent (as applicable) under this Agreement and the other Loan Documents, then the Aggregate Majority Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall be approved by the Borrower, whereupon such successor agent shall succeed to the rights, powers and duties of the resigning Administrative Agent or Collateral Agent (as applicable), and the terms "Administrative Agent" or "Collateral Agent" (as applicable) shall mean such successor agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as Administrative Agent or Collateral Agent (as applicable) shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes; provided that the resigning Agent shall execute all documents which the replacement Agent deems necessary or desirable to effect such substitution. After any resigning Agent's resignation as Administrative Agent or Collateral Agent (as applicable), the provisions of this subsection shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent (as applicable) under this Agreement and the other Loan Documents.

10.9 Swing Line Lender. The provisions of this Section 10 shall apply to the Swing Line Lender in its capacity as such to the same extent that such provisions apply to the Agents.

10.11 Co-Agents. Each party hereto agrees that the Co-Agents have no rights or obligations hereunder or under the other Credit Documents in their respective capacities as such.

SECTION 11. MISCELLANEOUS

11.1 Amendments and Waivers. Neither this Agreement, any Note or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this subsection 11.1. The Aggregate Majority Lenders (or, in the case of the Borrower Canadian Stock Pledge Agreement, the Majority Lenders) may, or, with the written consent of the Aggregate Majority Lenders (or, in the case of the Borrower Canadian Stock Pledge Agreement, the Majority Lenders), the Administrative Agent may, from time to time, (a) enter into with the Borrower (or any other Loan Party) written amendments, supplements or modifications hereto and to the Notes and the other Loan Documents for the purpose of adding any provisions to this Agreement, the Notes or the other Loan Documents or changing in any manner the rights or obligations of the Lenders or of the Borrower and the other Loan Parties hereunder or thereunder or (b) waive at the Borrower's request, on such terms and conditions as the Aggregate Majority Lenders (or, in the case of the Borrower Canadian Stock Pledge Agreement, the Majority Lenders) or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement, the Notes or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(i) reduce the amount or extend the scheduled date of maturity of any Note or any Reimbursement Obligation or of any scheduled installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the consent of each Lender affected thereby;

(ii) amend, supplement, modify or waive any provision of this subsection 11.1 or reduce the

percentage specified in the definition of "Aggregate Majority Lenders", "Aggregate Supermajority Lenders" or "Majority Lenders", or consent to the assignment or transfer by the Borrower (or any other Loan Party) of any of its rights and obligations under this Agreement and the other Loan Documents or increase the amount of any Lender's Commitment or increase the percentages set forth as the advance rates in the definition of "Borrowing Base", in each case without the consent of all the Lenders and all the Canadian Lenders;

(iii) release all or substantially all of the Collateral without the consent of the Aggregate Supermajority Lenders;

(iv) amend, supplement, modify or waive any provision of Section 10 or any other provision of this Agreement governing the rights or obligations of the Administrative Agent and the Collateral Agent without the written consent of the then Administrative Agent and the then Collateral Agent;

(v) amend, supplement, modify or waive (a) the order of application of prepayments specified in subsection 4.4 without the consent of the Swing Line Lender and each Lender adversely affected thereby or (b) any provision of any Loan Document which specifies the order of application by the Collateral Agent or the Administrative Agent, as the case may be, of proceeds of Collateral upon the occurrence and during the continuance of an Event of Default without the consent of the Collateral Agent, the Administrative Agent, each Lender, the Canadian Administrative Agent, the Canadian Collateral Agent and each Canadian Lender;

(vi) amend, supplement, modify or waive any provision of the Swing Line Note or of subsection 2.5 or any other provision of this Agreement governing the rights and obligations of the Swing Line Lender or the definitions used therein without the written consent of

the Swing Line Lender and, in the case of the Swing Line Note, each Lender, if any, which holds a participation therein pursuant to subsection 2.5(d); and

(vii) amend, supplement, modify or waive any provision of the Letters of Credit, the Applications and the L/C Obligations or of Section 3 or any other provision of this Agreement governing the rights and obligations of the Issuing Lender or the definitions used therein without the written consent of the Issuing Lender, and, in the case of the Letters of Credit and the L/C Obligations, each affected L/C Participant.

Any waiver and any amendment, supplement or modification pursuant to this subsection 11.1 shall apply to each of the Lenders and shall be binding upon the Borrower, the other Loan Parties, the Lenders, the Administrative Agent, the Collateral Agent and all future holders of the Notes. In the case of any waiver, the Borrower, the other Loan Parties, the Lenders, the Administrative Agent and the Collateral Agent shall be restored to their former position and rights hereunder and under the outstanding Notes and any other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2 Notices. All notices, requests and demands to or upon the
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respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, or, in the case of delivery by a nationally recognized overnight courier, when received, addressed as follows in the case of the Borrower, the Administrative Agent and the Collateral Agent, and as set forth in Schedule 1 hereto in the case of the other

parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Borrower:	Commerce Court Suite 700 Four Station Square Pittsburgh, Pennsylvania 15219 Telecopy: (412) 454-2555 Attn: Richard J. Pasquinelli
with a copy to:	Debevoise & Plimpton 875 Third Avenue New York, NY 10022 Attention: William B. Beekman Telecopy: (212) 909-6836
The Administrative Agent and the Collateral Agent:	Barclays Bank PLC 222 Broadway, 11th Floor New York, New York 10038 Attention: John Livingston Telecopy: (212) 412-7511
with a copy to:	Simpson Thacher & Bartlett 425 Lexington Avenue New York, NY 10017 Attention: Gregory A. Weiss Telecopy: (212) 455-2502

provided that any notice, request or demand to or upon the Administrative Agent
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or the Lenders pursuant to subsection 2.3, 2.5, 4.2, 4.4 or 4.8 shall not be effective until received; provided further, that any notice, request or demand,
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relating to the Borrowing Base, including, without limitation, delivery by the Borrower of the Monthly Borrowing Base Certificate in accordance with subsection

7.2(c), shall not be effective unless a copy thereof is sent to the Administrative Agent and the Collateral Agent.

11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Borrower, the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Loan Documents (or in any amendment, modification or supplement hereto or thereto) and in any certificate delivered pursuant hereto or such other Loan Documents shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans hereunder.

11.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Collateral Agent for all their respective reasonable out-of-pocket costs and expenses (in the case of taxes, limited to stamp, excise and other similar taxes) incurred in connection with the preparation, execution and delivery of, and any amendment, supplement, waiver or modification to, this Agreement, the Notes and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions (including the syndication of the Commitments) contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of a single counsel (and any special or local counsel retained by such counsel to assist it) to the Administrative Agent and the Collateral Agent, (b) to pay or reimburse each Lender,

the Administrative Agent and the Collateral Agent for all its reasonable costs and expenses (in the case of taxes, limited to stamp, excise and other similar taxes) incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes, the other Loan Documents and any such other documents, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent, the Collateral Agent and the Lenders, and any reasonable Environmental Costs arising out of or in any way relating to any Loan Party or any property in which any Loan Party has had any interest at any time, (c) to pay, indemnify, and hold each Lender, the Administrative Agent and the Collateral Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Administrative Agent and the Collateral Agent (and their respective directors, officers, employees, agents and successors) harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (whether or not caused by any Lender's, the Administrative Agent's, the Collateral Agent's or any of their respective directors', officers', employees', agents', successors' or assigns' negligence (other than gross negligence) and including, without limitation, the reasonable fees and disbursements of counsel) with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes, the other Loan Documents and any such other documents (regardless of whether the Administrative Agent, the Collateral Agent or any Lender is a party to the litigation or other proceeding giving rise thereto),

including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Laws or any orders, requirements or demands of Governmental Authorities related thereto and applicable to the operations of the Borrower, any of its Subsidiaries or any of the Properties (all the foregoing in this clause (d), collectively, the "indemnified liabilities"), provided, that the Borrower shall have no obligation
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hereunder to the Administrative Agent, the Collateral Agent or any Lender with respect to Environmental Costs or indemnified liabilities to the extent such Environmental Costs or indemnified liabilities arise from (i) the gross negligence or willful misconduct of the Administrative Agent, the Collateral Agent or any such Lender (or any of their respective directors, officers, employees, agents or successors) or (ii) legal proceedings commenced against the Administrative Agent, the Collateral Agent or any such Lender by any security holder or creditor thereof arising out of and based upon rights afforded any such security holder or creditor solely in its capacity as such. Notwithstanding the foregoing, except as provided in clauses (a), (b) and (c) above, the Borrower shall have no obligation under this subsection 11.5 to the Administrative Agent, the Collateral Agent or any Lender (or any of their respective directors, officers, employees, agents or successors) with respect to any tax, levy, impost, duty, charge, fee, deduction or withholding imposed, levied, collected, withheld or assessed by any Governmental Authority. The agreements in this subsection shall survive repayment of the Notes and all other amounts payable hereunder.

11.6 Successors and Assigns; Participations and Assignments. (a) This
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Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, the Collateral Agent, all future holders of the Notes and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Note for all purposes under this Agreement and the other Loan Documents, and the Borrower, the Administrative Agent and the Collateral Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement pursuant to which any Lender shall sell any such participating interest shall provide that such Lender shall retain the sole right and responsibility to exercise such Lender's rights and enforce the Borrower's obligations hereunder, including the right to consent to any amendment, supplement, modification or waiver of any provision of this Agreement or any of the other Loan Documents, provided that such participation agreement may provide that such Lender will not agree to any amendment, supplement, modification or waiver described in clause (i) or (ii) of the proviso to the second sentence of subsection 11.1 without the consent of the Participant. The Borrower agrees that if amounts outstanding under this Agreement and the Notes are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement and any Note to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or any Note, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the

Lenders the proceeds thereof as provided in subsection 11.7(a) as fully as if it were a Lender hereunder. The Borrower agrees that each Lender shall be entitled to the benefits of subsections 4.10, 4.11, 4.12, 4.13 and 11.1 without regard to whether it has granted any participating interests, and that all amounts payable to a Lender under subsections 4.10, 4.11, 4.12 and 4.13 shall be determined as if such Lender had not granted any such participating interests.

(c) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time and from time to time assign to any Lender or any Affiliate thereof or, with the prior written consent of the Borrower and the Administrative Agent, to an additional bank or financial institution (an "Assignee") all or any part of its rights and
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obligations under this Agreement and the Notes, including, without limitation, its Commitments, L/C Obligations and Loans, pursuant to an Assignment and Acceptance, substantially in the form of Exhibit G, executed by such Assignee, such assigning Lender (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, by the Borrower and the Administrative Agent) and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that (i) in the case of any
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such transfer of the full amount of such assigning Lender's Commitment to an additional bank or financial institution, the consent of the Administrative Agent and the Borrower shall not be unreasonably withheld, (ii) if any Lender assigns all or any part of its rights and obligations under this Agreement to one of its Affiliates in connection with or in contemplation of the sale of its interest in such Affiliate, the Borrower's prior written consent (not to be unreasonably withheld) shall be required for such assignment and (iii) if any Lender assigns a part of its rights and obligations under this Agreement to an Assignee, such Lender shall assign proportionate interests in its Commitment, Revolving Credit Loans, L/C Obligations, participations in Swing Line Loans and Letters of Credit and other rights and obligations

hereunder to such Assignee; and provided, further, that no Common Lender shall
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be permitted to make an assignment of its rights and obligations hereunder to an Assignee unless the parent, subsidiary or affiliate of such Common Lender which is party to the Canadian Credit Agreement makes a concurrent and proportionate assignment of its rights and obligations thereunder to a parent, subsidiary or affiliate of the proposed Assignee, such assignment to be effected in accordance with subsection 12.6(c) of the Canadian Credit Agreement. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment as set forth therein, and (y) the assigning Lender thereunder shall be released from its obligations under this Agreement to the extent that such obligations shall have been expressly assumed by the Assignee pursuant to such Assignment and Acceptance (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto). Notwithstanding the foregoing, no Assignee, which as of the date of any assignment to it pursuant to this subsection 11.6(c) would be entitled to receive any greater payment under subsection 4.11 or 4.12 than the assigning Lender would have been entitled to receive as of such date under such subsections with respect to the rights assigned, shall be entitled to receive such payments unless the Borrower has consented in writing to the assignment.

(d) The Administrative Agent shall maintain at its address referred to in subsection 11.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of
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the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the

Borrower, the Administrative Agent, the Collateral Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Collateral Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee (and, in the case of an Assignee that is not then a Lender or an Affiliate thereof, executed by the Borrower and the Administrative Agent), together with payment to the Administrative Agent of a registration and processing fee of $1,500 (in the case of any assignment to a Lender or an Affiliate thereof) and $3,500 (in the case of any other assignment), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give prompt notice of such acceptance and recordation to the Lenders and the Borrower. On or prior to such effective date, the assigning Lender shall surrender the outstanding Notes held by it all or a portion of which are being assigned, and the Borrower, at its own expense, shall execute and deliver to the Administrative Agent (in exchange for the outstanding Notes of the assigning Lender) a new Revolving Credit Note and/or Swing Line Note, as the case may be, to the order of such Assignee and representing the obligation of the Borrower to pay an amount equal to (i) in the case of a Revolving Credit Note, the lesser of (A) the amount of such Assignee's Commitment and (B) the aggregate principal amount of all Revolving Credit Loans made by such Assignee, and (ii) in the case of a Swing Line Note, the lesser of (A) the Swing Line Commitment and (B) the aggregate principal amount of all Swing Line Loans made by such Assignee, in each case with respect to the relevant Commitment after giving effect to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment hereunder, a new Revolving Credit Note and Swing

Line Note, as the case may be, to the order of the assigning Lender and representing the obligation of the Borrower to pay an amount equal to (i) in the case of a Revolving Credit Note, the lesser of (A) the amount of such Lender's Commitment and (B) the aggregate principal amount of all Revolving Credit Loans made by such Lender, and (ii) in the case of a Swing Line Note, the lesser of (A) the Swing Line Commitment and (B) the aggregate principal amount of all Swing Line Loans made by such Lender, in each case with respect to the relevant Commitment after giving effect to such Assignment and Acceptance. Such new Notes shall be dated the Closing Date and shall otherwise be in the form of the Note replaced thereby. The Notes surrendered by the assigning Lender shall be returned by the Administrative Agent to the Borrower marked "cancelled".

(f) The Borrower authorizes each Lender to disclose to any Participant or Assignee (each, a "Transferee") and any prospective Transferee, subject to
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the provisions of subsection 11.15, any and all financial information in such Lender's possession concerning the Borrower and its Affiliates which has been delivered to such Lender by or on behalf of the Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement. No assignment or participation made or purported to be made to any Transferee shall be effective without the prior written consent of the Borrower if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan or Note under the laws of any jurisdiction.

(g) Nothing herein shall prohibit any Lender from pledging or assigning any Note to any Federal Reserve Bank in accordance with applicable law.

11.7 Adjustments; Set-off. (a) If any Lender (a "benefitted Lender")
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shall at any time receive any payment of all or part of its Loans or the Reimbursement Obligations

owing to it, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 9(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans or the Reimbursement Obligations, as the case may be, owing to it, or interest thereon, such benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loans or the Reimbursement Obligations, as the case may be, owing to it, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits
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is thereafter recovered from such benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon the occurrence of an Event of Default under Section 9(a) to set-off and appropriate and apply against any amount then due and payable by the Borrower hereunder or under the other Loan Documents any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the
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failure to give such notice shall not affect the validity of such set-off and application.

11.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be delivered to the Borrower and the Administrative Agent.

11.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrower, the Administrative Agent, the Collateral Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

11.11 GOVERNING LAW. THIS AGREEMENT AND THE NOTES AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

11.12 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower, the applicable Lender, the Administrative Agent or the Collateral Agent, as the case may be, at the address specified in subsection 11.2 or the signature pages hereof, or at such other address of which the Administrative Agent and the Borrower shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent permitted by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any punitive damages.

11.13 Acknowledgements. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the Notes and the other Loan Documents;

(b) none of the Administrative Agent, the Collateral Agent or any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent, the Collateral Agent and the Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

11.14 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE NOTES OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

11.15 Confidentiality. The Administrative Agent, the Collateral Agent and each Lender agree to keep confidential any written or oral information (a) provided to it by or on behalf of the Borrower or any of its Subsidiaries pursuant to or in connection with this Agreement or (b) obtained by such Lender based on a review of the books and records of the Borrower or any of its Subsidiaries; provided that nothing herein shall prevent the Administrative Agent, the Collateral Agent or any Lender from disclosing any such information (i) to the Administrative Agent, the Collateral Agent or any other

Lender, (ii) to any Transferee or prospective Transferee which agrees to comply with the provisions of this subsection, (iii) to its affiliates, employees, directors, agents, attorneys, accountants and other professional advisors, provided that the Administrative Agent, the Collateral Agent or such Lender shall inform each such Person of the agreement under this subsection 11.15 and shall be responsible for any failure by any such Person referred to in this clause (iii) to comply with this Agreement, (iv) upon the request or demand of any Governmental Authority having jurisdiction over the Administrative Agent, the Collateral Agent or such Lender or to the extent required in response to any order of any court or other Governmental Authority or as shall otherwise be required pursuant to any Requirement of Law, provided that the Administrative Agent, the Collateral Agent or such Lender shall notify the Borrower of any disclosure pursuant to this clause (iv) as far in advance as is reasonably practicable under such circumstances, (v) which has been publicly disclosed other than in breach of this Agreement, (vi) in connection with the exercise of any remedy hereunder or (vii) in connection with periodic regulatory examinations.

11.16 Amendment to Security Documents. Each of the Security Documents and the Guarantees is hereby amended to reflect the resignation of Fleet Capital Corporation (as successor to Shawmut Capital Corporation) as Collateral Agent and the appointment of Barclays as successor Collateral Agent, and each of the parties hereto consents to the execution and delivery by Barclays, Fleet Capital Corporation ("Fleet") and the Borrower of all such instruments and documents (including, without limitation, UCC-3 assignment forms) as may be reasonably requested by Barclays to reflect such change in Collateral Agent and the assignment by Fleet to Barclays of Fleet's rights and obligations as Collateral Agent.

11.17 Amendment and Restatement. This Agreement amends and restates the Existing Credit Agreement and is not intended to be and shall not constitute a novation of any

indebtedness outstanding thereunder. Any loans and the revolving commitments outstanding under the Existing Credit Agreement shall be deemed Loans and Commitments outstanding under this Agreement.

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

WESCO DISTRIBUTION, INC.

By: /s/

Title:

BARCLAYS BANK PLC, as Administrative Agent, Collateral Agent, Issuing Bank, Swing Line Lender and a Lender

By:

Title:

BANK OF AMERICA ILLINOIS, as a Co-Agent and a Lender

By: /s/

Title:

THE BANK OF NEW YORK, as a Co-Agent
and a Lender

By: /s/

Title:

THE BANK OF NOVA SCOTIA, as a Co-
Agent and a Lender

By:/s/

Title:

THE CHASE MANHATTAN BANK, as a Co-
Agent and a Lender

By:/s/

Title:

THE FIRST NATIONAL BANK OF CHICAGO,
as a Co-Agent and a Lender

By:/s/

Title:

GENERAL ELECTRIC CAPITAL CORPORATION,
INC., as a Co-Agent and a Lender

By:/s/

Title:

MELLON BANK, N.A., as a Co-Agent and
a Lender

By:/s/

Title:

NATIONSBANK N.A., formerly
NATIONSBANK, N.A. (CAROLINAS),
as a Co-Agent and a Lender

By:/s/

Title:

PNC BANK, NATIONAL ASSOCIATION, as a
Co-Agent and Lender

By:/s/

Title:

ABN AMRO BANK N.V., as a Lender

By:/s/

Title:

By:/s/

Title:

BANK OF MONTREAL, as a Lender

By:/s/

Title:

NATIONAL BANK OF CANADA, a Canadian
Chartered bank, as a Lender

By:/s/

Title:

By:/s/

Title:

THE TORONTO-DOMINION BANK, as a
Lender

By:/s/

Title:

The undersigned Guarantor does hereby consent and agree to the foregoing Amended and Restated Credit Agreement.

CDW HOLDING CORPORATION

By:/s/

Title:

SCHEDULE 1 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

COMMITMENTS; ADDRESSES

A. Commitment Amounts

Lender	Commitment
Bank of America Illinois	$ 25,000,000.00
Barclays Bank PLC	$ 28,000,000.00
The Chase Manhattan Bank	$ 18,500,000.00
General Electric Capital Corporation, Inc.	$ 25,000,000.00
Mellon Bank, N.A.	$ 20,250,000.00
NationsBank N.A.	$ 27,500,000.00
PNC Bank, National Association	$ 27,500,000.00
The Bank of New York	$ 25,000,000.00
The Bank of Nova Scotia	$ 16,750,000.00
The First National Bank of Chicago	$ 27,500,000.00
The Toronto-Dominion Bank	$ 18,500,000.00
National Bank of Canada	$ 18,500,000.00
Bank of Montreal	$ 18,500,000.00
ABN AMRO Bank N.V.	$ 18,500,000.00
TOTAL	$315,000,000.00

B. Addresses for Notices

BANK OF AMERICA ILLINOIS

Address for Notices:	Address for Funding:
231 South LaSalle, 9th Floor	231 South LaSalle, 9th Floor
Chicago, IL 60697	Chicago, IL 0697
Attn: Melinda Elasworth	Attn: Michael Gates
Telephone: (312) 828-1091	Telephone: (312) 828-6207
Telecopy: (312) 987-0303	Telecopy: (312) 987-0303

BARCLAYS BANK PLC

Address for Notices:	Address for Funding:
222 Broadway	222 Broadway
New York, New York 10038	New York, New York 10038
Attn: John Livingston	Attn: Dawn Matthews
Telephone: (212) 412-7588	Telephone: (212) 412-1197
Telecopy: (212) 412-7511	Telecopy: (212) 412-1098

THE CHASE MANHATTAN BANK

Address for Notices:	Address for Funding:
270 Park Avenue, 10th Floor	270 Park Avenue, 10th Floor
New York, New York 10017	New York, New York 10017
Attn: William Caggiano	Attn: Andrew Stasiw
Telephone: (212) 270-1338	Telephone: (212) 270-4812
Telecopy: (212) 972-0009	Telecopy: (212) 682-8937

GENERAL ELECTRIC CAPITAL CORPORATION, INC.

Address for Notices:	Address for Funding:
201 High Ridge Road	201 High Ridge Road
Stamford, CT 06927-5100	Stamford, CT 06927
Attn: Karen Walsh	Attn: Portfolio Analyst - WESCO
Telephone: (203) 316-7569	Telephone: (203) 316-7674
Telecopy: (203) 316-7893	Telecopy: (203) 316-7817

MELLON BANK, N.A.
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Address for Notices:
One Mellon Bank Center
Room 4530
Pittsburgh, PA 15229
Attn: Mark Johnston
Telephone: (412) 236-2793
Telecopy (412) 236-1914

Address for Funding:
1735 Market Street, 6th Floor
P.O. Box 7899
Philadelphia, PA 19101-7899
Attn: Dorothy Enslin
Telephone: (212) 553-2459
Telecopy: (212) 553-2224

NATIONSBANK N.A.
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Address for Notices:
100 North Tryon Street
NC1-007-08-04
Charlotte, NC 28255
Attn: Rajesh Sood
Telephone: (704) 388-3234
Telecopy: (704) 386-3271

Address for Funding:
502 Washington Avenue, Suite 700
Townson, Maryland 21204
Attn: Alena Jobe
Telephone: (410) 821-2311
Telecopy: (410) 296-4913

PNC BANK, NATIONAL ASSOCIATION
- ------------------------------

Address for Notices:
Institutional Banking
One PNC Plaza - 2nd Floor
249 Fifth Avenue
Pittsburgh, PA 15222-2707
Attn: William Armitage
Telephone: (412) 768-1444
Telecopy: (412) 762-6484

Address for Funding:
5th Avenue & Wood Street
2nd Floor
Pittsburgh, PA 15265
Telephone: (412) 762-8417
Telecopy: (412) 762-6484

THE BANK OF NEW YORK
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Address for Notices:	Address for Funding:
One Wall Street	One Wall Street
22nd Floor	22nd Floor
New York, New York 10286	New York, New York 10286
Attn: Robert Joyce	Attn: Susan Baratta
Telephone: (212) 635-7919	Telephone: (212) 635-6652
Telecopy: (212) 635-6434	Telecopy: (212) 635-6434

THE BANK OF NOVA SCOTIA
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Address for Notices:	Address for Funding:
181 West Madison, Suite 3700	Atlanta Agency, Suite 2700
Chicago, Illinois 60602	600 Peachtree Street, N.E.
Attn: Mike Manick	Atlanta, Georgia 30308
Telephone: (312) 201-4061	Attn: Pearl Jackson
Telecopy: (312) 201-4108	Telephone: (404) 877-1539
	Telecopy: (404) 888-8998

THE FIRST NATIONAL BANK OF CHICAGO
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Address for Notices:	Address for Funding:
One First National Plaza,	One First National Plaza Mall,
Suite 0324, 10th Fl.	Suite 0088, 14th Fl.
Chicago, Illinois 60670	Chicago, Illinois 60670-0088
Attn: Kenneth Kramer	Attn: Steve Smagur
Telephone: (312) 732-2731	Telephone: (312) 732-5091
Telecopy: (312) 732-5296	Telecopy: (312) 732-2715

THE TORONTO-DOMINION BANK
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Address for Notices:	Address for Funding:
70 West Madison, Suite 1900	909 Fannin, Suite 1700
Three First National Plaza	Houston, Texas 77010
Chicago, Illinois 60602	Attn: Jorge Garcia
Attn: Philip De Roziere	Telecopy: (713) 951-9921
Telephone: (312) 977-2103	

Telecopy: (312) 782-6337
31 West 52nd Street, 18th Floor
New York, NY 10019
Attn: Tyler Newton
Telephone: (212) 468-0665
Telecopy: (212) 262-1926

NATIONAL BANK OF CANADA
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Address for Notices:	Address for Funding:
301 One Oxford Center	301 One Oxford Center
Suite 3440	Suite 3440
Pittsburgh, PA 15219	Pittsburgh, PA 15219
Attn: Greg Steve	Attn: Lisa Stohlberg
Telephone: (412) 281-4890	Telephone: (412) 281-4890
Telecopy: (412) 281-4603	Telecopy: (412) 281-4603

BANK OF MONTREAL
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Address for Notices:	Address for Funding:
430 Park Avenue	430 Park Avenue
New York, NY 10022	New York, NY 10022
Attn: Tom Peers	Attn: Tom Peers
Telephone: (212) 605-1487	Telephone: (212) 605-1487
Telecopy: (212) 605-1454	Telecopy: (212) 605-1454

ABN AMRO BANK N.V.
- ------------------

Address for Notices:	Address for Funding:
One PPG Place, Suite 2950	One PPG Place, Suite 2950
Pittsburgh, Pennsylvania 15222	Pittsburgh, Pennsylvania 15222
Attn: Greg Seibley	
Telephone: (412)-566-2256	
Telecopy: (412) 566-2266	

Schedule 5.4 to
Amended and Restated
Credit Agreement

Consents Required

None

Schedule 5.9 to
Amended and Restated
Credit Agreement

Intellectual Property Claims

1. Northern Electric of Canada is using a "RUNNING MAN" design which appears to be identical with the "RUNNING MAN" design portion of Borrower's WESCO THE EXTRA EFFORT PEOPLE (and design) mark. Borrower is not aware of any claim with respect thereto.

2. Canadian Registration No. 129,323 of the mark "WESCO", dated January 4, 1963, owned by J.K. Electronics, Inc. (which does business as "WESCO Electrical Company, Inc." and is located in Greenfield, Massachusetts) has been cited by the Canadian Trademark Examiner against Borrower's pending Canadian Application Nos. 711,041 and 711,285.

Schedule 5.16 to
Amended and Restated
Credit Agreement

Subsidiaries

1. CDW Canada Acquisition Inc., an Ontario corporation and wholly owned subsidiary of the Borrower.

2. CDW Realco, Inc., a Delaware corporation and wholly owned subsidiary of the Borrower.

Schedule 6.1(j) to
Amended and Restated
Credit Agreement

Filing Jurisdictions

(*) = County in which inventory is located but in which Wesco does not currently own or lease property.

(**) = County in which Wesco owns or leases property but leases it out in whole to third parties. Wesco may have no personal property at these sites.

Alabama

Secretary of State

Alaska

Secretary of State

Arizona

Secretary of State

Arkansas

Secretary of State
Pulaski County

California

Secretary of State

Colorado

Secretary of State

Connecticut
- -----------

Secretary of State

Delaware
- --------

Secretary of State

Florida
- -------

Secretary of State

Georgia
- -------

Chatham County
Cobb County
Dougherty County
Sumter County
Wilkinson County (*)

Hawaii
- ------

Secretary of State

Idaho
- -----

Secretary of State

Illinois
- --------

Secretary of State

Indiana
- -------

Secretary of State

Iowa
- ----

Secretary of State

Kansas
- ------

Secretary of State

Kentucky
- --------

Secretary of State
Jefferson County

Louisiana
- ---------

Caddo Parish
East Baton Rouge Parish
Jefferson Parish
Lafayette Parish (**Owned)

Maine
- -----

Secretary of State

Maryland
- --------

Secretary of State

Massachusetts
- -------------

Secretary of State

Michigan
- --------

Secretary of State

Minnesota
- ---------

Secretary of State

Mississippi
- -----------

Secretary of State
Hinds County
Marshall County

Missouri
- --------

Secretary of State

Montana
- -------

Secretary of State

Nebraska
- --------

Secretary of State

Nevada
- ------

Secretary of State

New Hampshire
- -------------

Secretary of State

New Jersey
- ----------

Secretary of State

New Mexico
- ----------

Secretary of State

New York
- --------

Secretary of State

North Carolina
- --------------

Secretary of State

North Dakota
- ------------

Secretary of State

Ohio
- ----

Secretary of State

Oklahoma
- --------

Central filing at Oklahoma County

Oregon
- ------

Secretary of State

Pennsylvania
- ------------

Secretary of State
Adams County (*)
Allegheny County
York County (*)

Rhode Island
- ------------

Secretary of State

South Carolina
- --------------

Secretary of State

South Dakota
- ------------

Secretary of State

Tennessee
- ---------

Secretary of State

Texas
- -----

Secretary of State

Utah
- ----

Secretary of State

Vermont
- -------

Secretary of State
Town of Burlington

Virginia
- --------

Secretary of State

Washington
- ----------

Secretary of State

West Virginia
- -------------

Secretary of State

Wisconsin
- ---------

Secretary of State

Wyoming
- -------

Secretary of State
Campbell County
Sweetwater County (*)

District of Columbia
- --------------------

Recorder of Deeds

Puerto Rico
- -----------

City of Mayaguez
District of Bayamon
Martin Gonzalez Ward

Guam
- ----

Department of Revenue and Taxation
     (Municipality of Dededo)

Schedule 7.11 to
Amended and Restated
Credit Agreement

Existing Bank Accounts

Wesco Distribution, Inc. Bank Accounts

Bank Name	Bank Acct #	Location	Description
Amsouth	00625507	Birmingham, AL	Deposit
Bank of Hawaii	0001-032631	Honolulu, HI	Deposit
Boatmen's	100101233025	St. Louis, MO	Deposit
Citibank	0300-610013	San Juan, PR	Deposit
Comerica	1149003475	Detroit, MI	Deposit
First Interstate	368805871	California	Deposit
First Interstate	368605872	Riverside, CA	Deposit
First Interstate	0020193326	Reno, NV	Deposit
First Interstate	0311-16848	Phoenix, AZ	Deposit
First Chicago	1115000380909	Chicago, IL	Deposit
First Bank of MN	170225067512	St. Paul, MN	Deposit
Marine Midland	204841496	Syracuse, NY	Deposit
Mellon Commonwealth	8842027743	Harrisburg, PA	Deposit
Nationsbank	3505278	Baltimore, MD	Deposit
Nationsbank	000379230	Charlotte, NC	Deposit
Nationsbank	3603389964	Tampa, FL	Deposit
Nationsbank	1291444207	Dallas, TX	Deposit
PNC Bank	1001145943	Pittsburgh, PA	Concentration and Lockbox
PNC Bank	8542227177	Philadelphia, PA	Deposit
PNC Bank	4110348022	Cincinnati, OH	Deposit
Seafirst	67635300	Seattle, WA	Deposit
PNC Bank	1001145919	Pittsburgh, PA	A/P Disbursing
PNC Bank	1001145986	Pittsburgh, PA	Payroll
PNC Bank	/1/02444318	Pittsburgh, PA	EFT

1. Old Act # - Will remain the same under the new company.

Bank Name	Bank Acct #	Location	Description
PNC Bank	3707554	Pittsburgh, PA	Deposit (VISA, MC)
PNC Bank	1001146364	Pittsburgh, PA	Concentration
Bank of America	78-19676	Chicago, IL	Lockbox

Schedule 8.2(h) to
Amended and Restated
Credit Agreement

Existing Indebtedness

None

Schedule 8.3(j) to
Amended and Restated
Credit Agreement

Existing Liens

I. Real Property Liens

A. Augusta, ME (64 Anthony Avenue)

1. Restrictions and conditions as set forth in deed of Cushnoc Board of Trade to Westinghouse Electric Corporation dated January 14, 1980 and recorded in Kennebec County Registry of Deeds in Book 2268, Page 298.

B. Grand Rapids, MI (1200 Front St NW)

1. Building and use restriction and other provisions, as contained in instrument dated November 14, 1962 and recorded November 26, 1962 in Liber 1946, on Page 1155.

C. Johnstown, PA (209 Broad St.)

1. The covenants and agreements contained in the Redevelopment Plan for Area B-1 as set forth in plan recorded in the Recorder of Deeds Office of Cambria County, Pennsylvania in Deed Book Volume 760, Page 297, and as modified by instrument recorded in the office aforesaid in Deed Book Volume 785, Page 281.

2. The covenants and restrictions as set forth in the Ordinance of the City of Johnstown authorizing the conveyance, the resolution of the Redevelopment Authority of the City of Johnstown authorizing the conveyance, and the Agreement of Sale between the Redevelopment Authority of the City of Johnstown and Westinghouse Electric Corporation.

3. The covenants, conditions, agreements and restrictions as set forth in the Deed from the Redevelopment Authority of the City of Johnstown to Westinghouse Electric Corporation, dated September 23, 1964 and recorded in the office aforesaid on September 25, 1964 in Deed Book Volume 798, Page 61.

4. Terms and conditions of Contract for Sale of Land for Private Redevelopment between Redevelopment Authority of the City of Johnstown and Westinghouse Electric Corporation, recorded in the office aforesaid on September 25, 1964 in Deed Book Volume 798, Page 25.

D. Milwaukee, WI (1600 N. 6th St.)

1. Covenants, conditions and restrictions set forth in Quit Claim Deed executed by the Redevelopment Authority of the City of Milwaukee to Westinghouse Electric Corporation, a Pennsylvania Corporation, dated January 22, 1969 and recorded January 23, 1969 on Reel 461, Image 452, as Document No. 4441795.

II. Other Liens

A. Premier Utility Distributor Agreement, dated as of March 30, 1993, between ABB Power T&D Company, Inc., a Delaware corporation and Westinghouse Electric Supply Company.

B. WESCO's rights to certain personal property is a leasehold interest subject to the rights of the lessor.

Schedule 8.4(a) to
Amended and Restated
Credit Agreement

Guarantee Obligations

None

Schedule 8.10(c) to
Amended and Restated
Credit Agreement

Existing Investments

	Company	Percentage
1.	CDW Canada Acquisition Inc., an Ontario corporation and wholly owned subsidiary of the Borrower.	100%
2.	CDW Realco, Inc., a Delaware corporation and wholly owned subsidiary of the Borrower.	100%

Schedule 8.11(v) to
Amended and Restated
Credit Agreement

Existing Transactions with Affiliates

None

EXHIBIT A-1 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF REVOLVING CREDIT NOTE]

$_____ New York, New York
March 14, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), hereby unconditionally promises to pay to the order of _____ (the "Lender") at the office of BARCLAYS BANK PLC, located at 222 Broadway, New York, N.Y. 10038 in lawful money of the United States of America and in immediately available funds, the principal amount of the lesser of (a) _____ DOLLARS AND _____ CENTS ($_____) and (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by the Lender to the undersigned pursuant to subsections 2.1, 2.9(c), 2.10(c) or 3.5(c) of the Credit Agreement referred to below, which sum shall be payable on the earlier of (i) the Termination Date (as defined in the Credit Agreement referred to below) and (ii) the date on which the Commitments (as defined in the Credit Agreement referred to below) are terminated.

The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the applicable rates per annum and on the dates specified in subsections 4.1 and 4.8 of the Credit Agreement until such principal amount is paid in full (both before and after judgment).

The holder of this Revolving Credit Note is authorized to record the date, Type and amount of each Revolving Credit Loan made pursuant to subsections 2.1, 2.9(c), 2.10(c) or 3.5(c) of the Credit Agreement, each continuation thereof, each conversion of all or a portion

thereof to another Type, the date and amount of each payment or prepayment of principal thereof, and, in the case of each Eurodollar Loan, the Interest Period and Eurodollar Rate with respect thereto, on its internal books and records and/or on the schedules annexed hereto and made a part hereof, which recordation on such schedules shall constitute prima facie evidence of the accuracy of the information so recorded; provided that failure by the Lender to make any such recordation (or any error in any such recordation) shall not affect the obligations of the Borrower under this Revolving Credit Note or the Credit Agreement.

This Revolving Credit Note is one of the Revolving Credit Notes referred to in the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the several banks and other financial institutions from time to time parties thereto (including the Lender) (the "Lenders"), Barclays Bank PLC, as Administrative Agent for the Lenders and as Collateral Agent, and is entitled to the benefits thereof, is secured and guaranteed as provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Revolving Credit Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

THIS REVOLVING CREDIT NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

WESCO DISTRIBUTION, INC.

By:_____
Title:

Schedule A to
Revolving
Credit Note

LOANS, CONVERSIONS AND
PAYMENTS OF EURODOLLAR LOANS

Date	Amount of Eurodollar Loans Made	Amount of Base Rate Loans Converted into Eurodollar Loans	Interest Period and Eurodollar Rate with Respect Thereto	Amount of Eurodollar Loans Converted into Base Rate Loans	Amount of Principal Repaid	Unpaid Principal Balance of Eurodollar Loans	Notation Made by

Schedule B to
Revolving
Credit Note

LOANS, CONVERSIONS AND
PAYMENTS OF BASE RATE LOANS

Date	Amount of Base Rate Loan Made	Amount of Eurodollar Loans Converted into Base Rate Loans	Amount of Base Rate Loans Converted into Eurodollar Loans	bmount of Principal Repaid	Unpaid Principal Balance of Base Rate Loans	Notation Made by

EXHIBIT A-2 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF SWING LINE NOTE]

$10,000,000.00 New York, New York
March 14, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), hereby unconditionally promises to pay to the order of BARCLAYS BANK PLC (the "Swing Line Lender") at the office of the Swing Line Lender located at 222 Broadway, New York, N.Y. 10038 in lawful money of the United States of America and in immediately available funds, the principal amount of the lesser of (a) TEN MILLION DOLLARS AND NO CENTS ($10,000,000.00) and (b) the aggregate unpaid principal amount of all Swing Line Loans made by the Swing Line Lender to the Borrower pursuant to subsection 2.10 of the Credit Agreement referred to below, which sum shall be payable on the earlier of (i) the Termination Date (as defined in the Credit Agreement referred to below) and (ii) the date on which the Swing Line Commitment (as defined in the Credit Agreement referred to below) is terminated.

The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the applicable rates per annum and on the dates specified in subsections 4.1 and 4.8 of the Credit Agreement until such principal amount is paid in full (both before and after judgment).

The holder of this Swing Line Note is authorized to record the date and the amount of each Swing Line Loan and the date and amount of each payment or prepayment of principal thereof, on its internal books and records and/or on the schedule annexed to and made a part hereof, which recordation on such schedule shall constitute prima facie

evidence of the accuracy of the information so recorded, provided that the
----
failure by the Swing Line Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower under this Swing Line Note or the Credit Agreement.

This Swing Line Note is the Swing Line Note referred to in the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"),
----
among the Borrower, the several banks and other financial institutions from time to time parties thereto (the "Lenders"), Barclays Bank PLC, as Administrative
----
Agent for the Lenders and as Collateral Agent, and is entitled to the benefits thereof, is secured as provided therein and is subject to optional and mandatory and guaranteed prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts remaining unpaid on this Swing Line Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

THIS SWING LINE NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

WESCO DISTRIBUTION, INC.

By:_____
Title:

Schedule A to
Swing Line Note

SWING LINE LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Swing Line Loans	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made By

EXHIBIT B TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF U.S. TAX COMPLIANCE CERTIFICATE]

Reference is made to the Note[s] held by the undersigned pursuant to the Amended and Restated Credit Agreement (the "Agreement") dated as of March 14, 1997, among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions from time to time parties to the Agreement (the "Lenders"), BARCLAYS BANK PLC, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders and as Collateral Agent. The undersigned hereby certifies that:

(1) The undersigned is the beneficial owner of the Note[s] registered in its name;

(2) The income from the Note[s] held by the undersigned is not effectively connected with the conduct of a trade or business within the United States (as defined below);

(3) The undersigned is not a bank (as such term is used in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"));

(4) The undersigned is a person other than (i) a citizen or resident of the United States of America, its territories and possessions (including the Commonwealth of Puerto Rico and all other areas subject to its jurisdiction) (for purposes of this certificate, the "United States"), (ii) a corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof or therein or (iii) an estate or trust that is subject to United States federal income taxation regardless of the source of its income; and

(5) The undersigned is not a natural person.

We have furnished you with a certificate of our non-U.S. person status on Internal Revenue Service Form W-8. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall so inform the Borrower, for the benefit of the Borrower and the Administrative Agent, in writing within thirty days of such change and (2) the undersigned shall furnish the Borrower, for the benefit of the Borrower and the Administrative Agent, a properly completed and currently effective certificate in either the calendar year in which payment is to be made by the Borrower to the undersigned, or in either of the two calendar years preceding such payment.

Unless otherwise defined herein, terms defined in the Agreement and used herein shall have the meanings given to them in the Agreement.

[NAME OF LENDER]

By:_____
[Address]

Dated: _____, 199_

EXHIBIT C TO
AMENDED AND RESTATED
CREDIT AGREEMENT

FORM OF LANDLORD'S LETTER

NAME OF OWNER OF REAL PROPERTY:_____
(the "Landlord")

ADDRESS OF REAL PROPERTY:_____
(the "Premises")

This Landlord's Letter is made as of this ___ day of _____, 199_. The Landlord is the tenant under the ground lease for the property located at _____ and the owner of the remainder of the Premises and has entered into a Master Lease Agreement, dated as of February 28, 1994, (as amended, supplemented or otherwise modified from time to time, the "Lease") with WESCO Distribution, Inc. (the "Company"), a Delaware corporation.

Pursuant to the Lease the Company has acquired a leasehold or sub-leasehold interest in all or a portion of the Premises.

Barclays Bank PLC, a banking corporation organized under the laws of the United Kingdom ("Barclays"), is acting as collateral agent (in such capacity, together with its successors and assigns under the Amended and Restated Credit Agreement, the "Collateral Agent") for (i) Barclays, in its capacity as administrative agent (in such capacity, together with its successors and assigns under the Amended and Restated Credit Agreement, the "Administrative Agent") under, and the several banks and other financial institutions (the "Lenders") from time to time parties to, the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as the same may be amended, supplemented, modified, extended, refunded, renewed or refinanced from time to time, the "Credit Agreement"), among the Company, the Administrative Agent, the Lenders and the Collateral Agent and (ii) The Bank of Nova Scotia, a Canadian chartered bank, in its capacity as administrative agent (the "Canadian Administrative Agent") under, and the several banks and other financial institutions (the "Canadian Lenders") from time to time parties to, the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as the same may be amended, supplemented, modified, extended, refunded, renewed or refinanced from time to time, the "Canadian Credit Agreement") among WESCO Distribution-Canada, Inc., an Ontario corporation and a wholly owned Subsidiary of the Company (the "Canadian Borrower"), the Canadian Administrative Agent, the Canadian Lenders and Barclays, as Canadian Collateral Agent, the Collateral Agent, the Administrative Agent, the Lenders, the Canadian Administrative Agent, the Canadian Collateral Agent and the Canadian Lenders, together with their respective successors and assigns under the Credit Agreement and the Canadian Credit Agreement, being hereinafter referred to as the "Secured Parties". The Lenders and the Canadian Lenders will be providing financing (as the same may be amended, renewed, extended, modified, refinanced or replaced from time to time, the "Financing") to the Company and the Canadian Borrower, respectively, pursuant to the Credit Agreement and the Canadian Credit Agreement, respectively. The Company has executed a Security Agreement, dated as of February 24, 1995 (as the same may be amended, supplemented, modified, extended, refunded, renewed or refinanced, the "Security Agreement"), pursuant to which, as security for the Financing, the Company has granted to the Collateral Agent, for the benefit of Secured Parties, a security interest in, among other things, all inventory and accounts, related general intangibles and books and records of the Company and its Subsidiaries (who may guarantee the Company's obligations in respect of the Financing and execute separate security agreements), including, without limitation, all such inventory, accounts, related general intangibles and books and records of the Company and its Subsidiaries which are now or in the future may become located at, installed in or affixed to, the Premises (the "Collateral"). Terms defined in the Security Agreement and not defined herein are used herein as therein defined.

As an inducement for the Secured Parties to enter into such financing transactions, in consideration of the Company's entering into the Lease and its other agreements and arrangements with the Landlord and for other good and valuable consideration, the receipt and sufficiency of which the Landlord hereby acknowledges, the Landlord hereby agrees as follows:

1. The Collateral may be stored, placed, kept, utilized and/or installed at the Premises and shall not be deemed a fixture or part of the real estate but shall at all times be considered personal property, whether or not any of the Collateral becomes so related to the real estate that an interest therein arises under applicable real property law.

2. Until the date (the "Termination Date") on which all extensions of credit and other obligations under the Credit Agreement and the Canadian Credit Agreement have been paid and performed in full, the commitments to make extensions of credit thereunder shall have been terminated and all letters of credit issued thereunder shall have expired or been terminated or returned to the relevant issuing lender, the Landlord disclaims any interest in the Collateral, confirms that it has no lien or security interest therein, and agrees not to levy upon or distrain any of the Collateral or to assert any claim against any of the Collateral without the prior written approval of the Collateral Agent.

3. Until the Termination Date, the Collateral Agent (including its officers, employees, agents and representatives), acting on behalf of the Secured Parties, shall have access to and may enter upon the Premises at any time from time to time during normal business hours to inspect, take possession of, liquidate or remove the Collateral, and may advertise and conduct public auctions or private sales of the Collateral at the Premises, in each case without liability of the Secured Parties to the Landlord and in each case free of any right, claim, title, interest or lien of Landlord; provided, however, that the Collateral Agent shall promptly repair, at its expense, any physical damage to the Premises actually caused by said removal by the Collateral Agent (or any of its officers, employees, agents or representatives). The Secured Parties shall not be liable for any diminution in value of the Premises caused by the absence of Collateral actually removed or by any necessity of replacing the Collateral.

4. The Landlord shall not interfere with any sale of the Collateral, by public auction or otherwise, conducted by or on behalf of the Secured Parties on the Premises.

5. Landlord hereby agrees that until the Termination Date, Landlord shall not exercise any right or remedy, or assert any claim, title or interest in or lien upon, or take any action or institute any suit or proceeding with respect to, the Collateral.

6. The Lease is in full force and effect and, to the best of the Landlord's knowledge, the Company is not in default under the Lease. The Landlord agrees to provide the Collateral Agent, for the benefit of the Secured Parties, with written notice of any default, claimed default, or any event which, with the passage of time would result in a default by the Company under the Lease and, prior to the termination of the Lease, to permit the Collateral Agent, on behalf of the Secured Parties, the same opportunity without obligation, to cure or cause to be cured such default as is granted the Company under the Lease; provided, however, that the Collateral Agent shall have at least ten (10) days following receipt of said notice to cure such default. Notwithstanding any of the provisions of this Landlord's Letter, neither the Collateral Agent, nor any other Secured Party shall be under any obligation to (i) cure any default by the Company under the Lease or (ii) otherwise pay any amounts becoming due under the Lease.

7. This Landlord's Letter shall inure to the benefit of the Collateral Agent and the other Secured Parties and shall be binding upon Landlord, its successors and assigns. Neither the Company nor the Landlord shall amend, modify or terminate this Landlord's Letter without the prior written consent of the Collateral Agent. The Landlord shall notify any subsequent grantee or owner of the Premises or any other party who may acquire an interest in the Premises of the existence of this letter.

8. Counterparts. This Landlord's Letter may be executed on any of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the counterparts of this Landlord's Letter shall be lodged with the Administrative Agent.

9. GOVERNING LAW. THIS LANDLORD'S LETTER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

All notices to the Collateral Agent hereunder shall be in writing, sent by certified mail, and shall be addressed to the Collateral Agent at the following address:

Barclays Bank PLC
222 Broadway, 11th Floor
New York, New York 10038
Attention: John Livingston
Telecopy: (212) 412-7511

[_____]

By:_____
Title:

WESCO DISTRIBUTION, INC.

By:_____
Title:

ADDENDUM TO LANDLORD'S LETTER

Barclays Bank PLC, as collateral agent ("Barclays"), as mortgagee of the Premises, hereby (i) consents to the Landlord entering into and performing its obligations under the Landlord's Letter to which this Addendum is appended and (ii) agrees that, if (a) any proceedings are brought by Barclays for the foreclosure of any mortgage encumbering the Premises; (b) the Premises (or any part thereof) should be sold pursuant to a trustee's sale; or (c) the Premises are conveyed by deed in lieu or assignment in lieu of foreclosure or (d) any other similar proceedings shall be instituted with respect to the Premises:

(i) Barclays will give written notice of such event to the Collateral Agent; and

(ii) Barclays, any affiliate thereof or any third party purchaser taking title to the Premises (each a "Successor Landlord") will be bound by the provisions of the Landlord Letter to which this Addendum is appended except that such Successor Landlord will permit the Collateral Agent to remain on the Premises for a period of up to one-hundred and eighty (180) days following receipt by the Collateral Agent of written notice from such Successor Landlord that such Successor Landlord has terminated the Lease, subject, however, to the payment to such Successor Landlord by the Collateral Agent, on behalf of the Secured Parties, of current market value rental for the occupied Premises for the actual period of occupancy by the Collateral Agent after such time as such Successor Landlord has become the owner of the Premises. The Collateral Agent's right to occupy the Premises under the preceding sentence shall be extended for any time period the Collateral Agent is prohibited from selling the Collateral due to the imposition of the automatic stay by the filing of bankruptcy proceedings by or against the Company or the Landlord.

BARCLAYS BANK PLC

By: _____
Name:
Title:

EXHIBIT D-1 TO
AMENDED AND RESTATE
CREDIT AGREEMENT

[Debevoise & Plimpton Letterhead]

March 14, 1997

Barclays Bank PLC
as Administrative Agent under the
Credit Agreement referred to below
222 Broadway, 12th Floor
New York, New York 10038

Barclays Bank PLC
as Collateral Agent under the
Credit Agreement referred to below
and as Canadian Collateral Agent
under the Canadian Credit Agreement
referred to below
222 Broadway, 12th Floor
New York, New York 10038

The Bank of Nova Scotia, as
Administrative Agent under the Canadian
Credit Agreement referred to below
Scotia Plaza Branch
44 Kind Street West
Toronto, Ontario
Canada M5H 1H1

Each of the Lenders and Canadian
Lenders named in Annex A attached
hereto that are parties to the Credit
Agreements referred to below

CDW Holding Corporation
WESCO Distribution, Inc.

Ladies and Gentlemen:

We have acted as special counsel to WESCO Distribution, Inc., a Delaware corporation (the "Borrower"), and CDW Holding Corporation, a Delaware corporation ("Holdings"), in connection with the Amended and Restated Credit Agreement, dated as of March 14, 1997 (the "Amended and Restated Credit Agreement") amending and restating the Credit Agreement, dated as of February 24, 1995 (as previously amended by the First Amendment, dated as of March 29, 1996 and as further amended by the Second Amendment dated as of August 5, 1996), among the Borrower, the several banks and other financial institutions from time to time parties thereto (collectively, the "Lenders"), Barclays Bank PLC ("Barclays"), as Administrative Agent thereunder (in such capacity the "Administrative Agent"), and Barclays, as successor by assignment to Fleet Capital Corporation as successor-in-interest to Shawmut Capital Corporation in its capacity as collateral agent (the "Predecessor Collateral Agent"), as Collateral Agent (in such capacity, the "Collateral Agent").

The opinions expressed below are furnished to you pursuant to subsection 6.1(b) of the Amended and Restated Credit Agreement. Unless otherwise defined herein, terms defined in the Amended and Restated Credit Agreement and used herein shall have the meanings given to them in the Amended and Restated Credit Agreement. As used herein, the following terms shall have the following meanings: The term "Contracts" means, collectively, the contractual obligations to which the Borrower or Holdings is a party that are listed in Schedule 1 hereto. The term "DGCL" means the General Corporation Law of the State of Delaware. The term "UCC" means the Uniform Commercial Code as in effect in the State of New York on the date hereof.

In arriving at the opinions expressed below,

(a) we have examined and relied on the originals, or copies certified or otherwise identified to our satisfaction, of (1) the Amended and Restated Credit Agreement, (2) and the Revolving Credit Notes issued today, dated the date hereof;

(b) we have examined and relied on the originals, or copies certified or otherwise identified to our satisfaction, of the agreements to which the Borrower or Holdings is today a party that are listed in Schedule 2 hereto (together with the Amended and Restated Credit Agreement and the Notes, the "Transaction Documents");

(c) we have examined and relied on unfiled copies of the financing statements in the form attached to Schedule 3 hereto (collectively, the "Financing Statements") naming WESCO Distribution, Inc. as debtor and the Predecessor Collateral Agent as secured party and describing certain collateral as to which security interests are intended to be perfected by filing under the UCC, which were to be filed in the filing offices in the State of New York listed in Schedule 3 hereto (the "Filing Offices") pursuant to Section 6.1(j) of the Existing Credit Agreement;

(d) we have examined and relied as to factual matters on such corporate documents and records of the Borrower and Holdings and such other instruments and certificates of public officials, officers and representatives of the Borrower and Holdings and other Persons as we have deemed necessary or appropriate for the purposes of this opinion; and

(e) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the genuineness of all signatures on all documents that we examined (other than those of any officer of the Borrower or Holdings), (c) the conformity

to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (d) the due authorization, execution and delivery of the Amended and Restated Credit Agreement and each of the Transaction Documents by each party thereto.

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

1. Due Incorporation. Each of the Borrower and Holdings (a) is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and (b) has the corporate power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is engaged.

2. Corporate Power and Authority of Borrower, etc. The Borrower has the corporate power and authority to execute and deliver the Amended and Restated Credit Agreement and the Notes and to perform its obligations under the Amended and Restated Credit Agreement, the Notes and each of the other Transaction Documents to which it is a party and to borrow under the Amended and Restated Credit Agreement and the Notes. The Borrower has taken all necessary corporate action to authorize the borrowings on the terms and conditions of the Amended and Restated Credit Agreement, the Notes and the other Transaction Documents and to authorize the execution and delivery of the Amended and Restated Credit Agreement and the Notes and the performance of the Amended and Restated Credit Agreement, the Notes and the other Transaction Documents to which it is a party. Except for (a) any consents, authorizations, approvals, notices and filings that have been obtained or made and are in full force and effect, (b) filings in the United States Patent and Trademark Office, in the United States Copyright Office and in appropriate offices under any applicable state trademark laws, (c) the filings described on Schedule 3 hereto to perfect the security interests created by the Borrower Security Agreement, (d) filings pursuant to the Assignment of Claims Act of 1940, as amended, in respect of

Accounts of the Borrower the Obligor of which is the United States of America or any department, agency or instrumentality thereof and (e) those consents, authorizations, approvals, notices, filings and other acts that if not made, obtained or done, could not reasonably be expected, to our knowledge, to have a material adverse effect on the business, operations, property or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, or on the validity or enforceability of the Amended and Restated Credit Agreement, the Notes and the other Transaction Documents or the rights and remedies of the Collateral Agent, the Administrative Agents and the Lending Parties under the Transaction Documents, to our knowledge no consent or authorization of, approval by, notice to, filing with or other act by or in respect of, any Federal, New York or Delaware (insofar as the DGCL is concerned) court or governmental authority is required to be obtained or made by the Borrower in connection with the borrowings under the Amended and Restated Credit Agreement and the Notes or with the execution or delivery of the Amended and Restated Credit Agreement and the Notes or the performance, validity or enforceability of the Amended and Restated Credit Agreement, the Notes and the other Transaction Documents to which it is a party.

3. Corporate Power and Authority of Holdings, etc. Holdings has the corporate power and authority to execute and deliver the Amended and Restated Credit Agreement and to perform its obligations under the Transaction Documents to which it is a party. Holdings has taken all necessary corporate action to authorize the execution and delivery and the performance of the Transaction Documents to which it is a party. Except for (a) any consents, authorizations, approvals, notices and filings that have been obtained or made and are in full force and effect and (b) those consents, authorizations, approvals, notices, filings and other acts that if not made, obtained or done, could not reasonably be expected, to our knowledge, to have a material adverse effect on business, operations, property or condition (financial or otherwise) of Holdings and its Subsidiaries, taken as a whole, or on

the validity or enforceability of the Amended and Restated Credit Agreement and the other Transaction Documents or the rights and remedies of the Collateral Agent, the Administrative Agents and the Lending Parties under the Transaction Documents, to our knowledge no consent or authorization of, approval by, notice to, filing with or other act by or in respect of, any Federal, New York or Delaware (insofar as the DGCL is concerned) court or governmental authority is required to be obtained or made by Holdings in connection with the execution or delivery of the Amended and Restated Credit Agreement or the performance, validity or enforceability of the Transaction Documents to which it is a party.

4. Enforceability, etc. The Amended and Restated Credit Agreement and the Notes have been duly executed and delivered on behalf of the Borrower and each of the Amended and Restated Credit Agreement, the Notes and the other Transaction Documents to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms. The Amended and Restated Credit Agreement has been duly executed and delivered on behalf of Holdings and each of the Transaction Documents to which Holdings is a party constitutes a legal, valid and binding obligation of Holdings enforceable against Holdings in accordance with its terms.

5. No Violation, etc. The execution and delivery by the Borrower of the Amended and Restated Credit Agreement and the Notes or by Holdings of the Amended and Restated Credit Agreement, the performance by the Borrower or Holdings of their respective obligations under the Transaction Documents to which it is a party, the borrowings under the Amended and Restated Credit Agreement and the Notes and the use of the proceeds thereof, all as provided therein, (a) will not violate (i) the certificate of incorporation or by-laws of the Borrower or Holdings, (ii) any existing Federal, New York or DGCL law, rule or regulation applicable to the Borrower or Holdings or any of its respective material properties, (iii) any existing

judgment, order or decree known to us of any arbitrator, court or other governmental authority binding upon the Borrower or Holdings or any of their respective material properties or to which the Borrower or Holdings or any of their respective material properties is subject or (iv) any Contract, in each
--
case under the foregoing clauses (i) through (iv), in any respect that would to our knowledge be reasonably expected to have a material adverse effect on the business, operations, property or condition (financial or otherwise), of Holdings and its Subsidiaries, taken as a whole, or on the validity or enforceability of the Amended and Restated Credit Agreement, the Notes and the other Transaction Documents or the rights and remedies of the Collateral Agent, the Administrative Agents and the Lending Parties under the Transaction Documents, and (b) will not result in, or require, the creation or imposition of
-
any Lien (other than any Lien to be created under the Loan Documents) on any of its or their respective properties or revenues, by operation of any law, rule, regulation, judgment, order or decree referred to in the preceding clause (a) or pursuant to any Contract.

6. Security Interests, etc. (a) The provisions of the Borrower
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Security Agreement are effective, after giving effect to Barclays' succession as collateral agent pursuant to Section 11.6 of the Amended and Restated Credit Agreement (the "Succession"), to create valid security interests in favor of the Collateral Agent, for the benefit of the Lending Parties, in all of the collateral described therein that is of the type in which a security interest can be created under Article 9 of the UCC (the "Collateral"), to the extent the UCC is applicable to the creation of such security interests. After giving effect to the Succession and assuming the filing of the Financing Statements in the Filing Offices, the Collateral Agent has a perfected security interest in such Collateral of the Borrower (excluding fixtures, as defined in the UCC), to the extent perfection may be accomplished by the filing of financing statements under the UCC, and no further filings are required pursuant to the UCC in the State of New York as a result of the execution and delivery of the Amended and

Restated Credit Agreement to continue such perfection. After giving effect to the Succession and assuming the delivery of the Collateral in which a security interest may be perfected by possession pursuant to the UCC to (and provided that the same has remained in the possession of) the Collateral Agent, the Collateral Agent has a perfected security interest in such Collateral, and no further action is required under the UCC by the Collateral Agent (other than the retention of possession of such Collateral) as a result of the execution and delivery of the Amended and Restated Credit Agreement to continue such perfection.

(b) The Collateral Agent has a valid and perfected security interest, for the benefit of the Lending Parties, (i) in the Pledged Stock (as defined in the Holdings Stock Pledge Agreement) after giving effect to the Succession and assuming the delivery of certificates representing such Pledged Stock by Holding, upon the execution and delivery of the Holdings Stock Pledge Agreement, to the Predecessor Collateral Agent and by the Predecessor Collateral Agent, upon the execution and delivery of the Amended and Restated Credit Agreement, to the Collateral Agent (and retention of possession thereof by the Collateral Agent), and (ii) in the Pledged Stock (as defined in the Borrower Stock Pledge Agreement) after giving effect to the Succession and assuming the delivery of certificates representing such Pledged Stock by the Borrower, upon the execution and delivery of the Borrower Stock Pledge Agreement, to the Predecessor Collateral Agent and by the Predecessor Collateral Agent, upon the execution and delivery of the Amended and Restated Credit Agreement, to the Collateral Agent (and retention of possession thereof by the Collateral Agent), and, in the case of both the preceding clauses (i) and (ii), no further action is required by the Collateral Agent (other than the retention of possession of such Pledged Stock) as a result of the execution and delivery of the Amended and Restated Credit Agreement to continue such perfection. The Administrative Agent has a valid and perfected security interest, for the benefit of the Lenders, in the Pledged Stock (as defined in the Borrower Canadian Stock Pledge Agreement) assuming the

delivery, upon the execution and delivery of the Borrower Canadian Stock Pledge Agreement, of certificates representing such Pledged Stock to (and retention of possession thereof by) the Administrative Agent, and no further action by the Administrative Agent (other than the retention of possession of such Pledged Stock) is required as a result of the execution and delivery of the Amended and Restated Credit Agreement to continue such perfection.

7. Investment Company Act. Neither the Borrower nor Holdings is an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

Our opinion set forth in paragraph 4 above is subject to the effects of (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally; (b) general equitable principles (whether considered in a proceeding in equity or at law); (c) an implied covenant of good faith and fair dealing; (d) applicable state laws and interpretations which may affect the validity or enforceability of certain remedies provided for in the Transaction Documents, which limitations, however, do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein); and (e) limitations on enforceability of rights to indemnification under Federal or state securities laws or regulations or to the extent such indemnification would violate public policy. We express no opinion as to (1) the enforceability of any waiver of any statutory right, (2) the security interest referred to in the second paragraph of Section 9 of the Amended and Restated Credit Agreement, (3) the enforceability of the penultimate sentence of subsection 11.6(b), (4) subsection 11.12(a) of the Amended and Restated Credit Agreement, paragraph 21(a) of the Holdings Guarantee, and any similar provision in any other Transaction Document, insofar as such provisions relate to the subject matter jurisdiction of the United States District Court for the

Southern District of New York to adjudicate any controversy, (5) the waiver of inconvenient forum set forth in subsection 11.12(b) of the Amended and Restated Credit Agreement, paragraph 21(b) of the Holdings Guarantee and any similar provision in any other Transaction Document and (6) the enforceability of paragraph 19 of the Holdings Guarantee.

We express no opinion as to the validity or perfection of any security interest, or the validity, binding effect or enforceability of any Transaction Document to the extent that such Transaction Document grants or purports to grant a security interest, (i) that is not governed by the UCC (including but not limited to any such security interest with respect to Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses (as such terms are defined in the Borrower Security Agreement), deposit accounts and insurance policies), (ii) in any collateral of a type described in Section 9-401(1)(a) or (b) of the UCC, (iii) in any collateral that is an "uncertificated security" (as defined in Section 8-102(1)(b) of the UCC), or (iv) collateral that contains or is governed by provisions that purport to void or prohibit the assignment thereof, or that are otherwise violated, if it is assigned pursuant to a document such as the Borrower Security Agreement, including, without limitation, any Accounts the obligor for which is the United States of America or any department, agency or instrumentality thereof. No security interest will exist with respect to after-acquired property of the Borrower or Holdings until such party has rights therein within the meaning of Section 9-203 of the UCC. We express no opinion herein as to the title or any other interest of the Borrower or Holdings in or to any of the collateral described in the Transaction Documents.

Except as set forth in paragraph 6 above, we express no opinion as to the validity or perfection of the security interests purported to be created by any Transaction Document. We express no opinion as to the validity or perfection of such security interests:

(i) with respect to collateral sold, exchanged or otherwise disposed of by the Borrower or Holdings;

(ii) to the extent such security interests may be affected by (A) Section 552 of the United States Bankruptcy Code, under which a bankruptcy court has discretion as to the extent to which post-petition proceeds may be subject to a lien arising from a security agree ment entered into by the debtor before the commencement of the case, or (B) Section 547(b) of the United States Bankruptcy Code, relating to the power to avoid a preference;

(iii) with respect to proceeds, to the extent of limitations under Section 9-306 of the UCC on the perfection of a security interest in proceeds;

(iv) as to any collateral acquired by the party granting such security interest more than four months after such party changes its name, identity or corporate structure so as to make the relevant financing statements seriously misleading, unless new appropriate financing statements indicating the new name, identity or corporate structure of such party are properly filed before the expiration of such four months; and

(v) as to any securities, to the extent of limitations under Section 8-321 of the UCC on the creation, perfection and continuation of a security interest therein.

We call to your attention that (i) in the event that a debtor that maintains a place of business in more than one county in the State of New York should at any time in the future maintain a place of business in only one county in such state, or a debtor that maintains a place of business in only one county in the State of New York relocates such place of business to another county in such state, continued perfection of a security interest granted by such debtor may require filing of an appropriate financing statement in the office of the filing officer of such county, (ii) the UCC

requires periodic filing of continuation statements in order to maintain the effectiveness of financing statements filed pursuant thereto and (iii) Sections 8-304 and 8-311 of the UCC may in certain circumstances limit the rights of a secured party in respect of any unauthorized endorsement with respect to certificated securities constituting collateral under the Transaction Documents not registered in the name of or issued to the Collateral Agent and not originally issued in bearer form.

We express no opinion as to the priority of the security interests purported to be created by the Transaction Documents. Our opinion in paragraph 6(b) above is subject to the effects of the attachment provisions of Section 324 of the DGCL. In rendering the opinion set forth in paragraph 6 above, we have assumed, with your consent, that all collateral under the Transaction Documents in which a security interest may be perfected only by possession will be held at all times by the Collateral Agent or the Administrative Agent, as the case may be, in New York, New York.

We express no opinion as to the validity, binding effect or enforceability of any provision of any Transaction Document that purports (i) to waive, release or vary any right of, or any duties owing to, the Borrower or Holdings, to the extent limited by Section 1-102(3) or 9-501(3) of the UCC or other provisions of applicable law, (ii) to prohibit the Borrower or Holdings from transferring its respective rights in the collateral described in the Transaction Documents or any proceeds thereof, as a result of the operation of Section 9-311 of the UCC, or (iii) to permit the Collateral Agent or the Administrative Agent to vote or otherwise exercise any rights with respect to any of the collateral under the Transaction Documents absent compliance with the requirements of applicable laws and regulations as to the voting of or other exercise of rights with respect to such collateral.

We express no opinion as to the effect of, or compliance with, any Federal or state laws regarding fraudu-

lent transfers or conveyances, or of provisions of Delaware or New York law restricting dividends, loans or other distributions by a corporation or for the benefit of its stockholders, or any Federal or State securities laws, rules or regulations, including without limitation as to the effect thereof on the validity, binding effect or enforceability of any of the Transaction Documents.

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York, the DGCL and the Federal laws of the United States of America. In particular (and without limiting the generality of the foregoing), we express no opinion as to the law of Canada or any province thereof or as to the effect of such law (whether limiting, prohibitive or otherwise) on any of the rights or obligations of any Loan Party or of any other party to or beneficiary of any of the Transaction Documents. In giving the foregoing opinion, we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lending Party is located which limits the rate of interest that such Lending Party may charge or collect.

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,

/s/ Debevoise & Plimpton

Annex A

LENDERS

ABN AMRO Bank N.V.
Barclays Bank PLC
Bank of America Illinois
Bank of Montreal
The Chase Manhattan Bank
The First National Bank of Chicago
General Electric Capital Corporation
Mellon Bank, N.A.
National Bank of Canada
NationsBank N.A.
The Bank of New York
The Bank of Nova Scotia
PNC Bank, National Association
The Toronto-Dominion Bank

CANADIAN LENDERS

Bank of Montreal
The Bank of Nova Scotia
The Toronto-Dominion Bank
General Electric Capital Canada Inc.
Mellon Bank Canada
National Bank of Canada

Schedule 1

CONTRACTUAL OBLIGATIONS

1. Asset Acquisition Agreement, dated as of February 15, 1994, between Holdings and Westinghouse U.S.

2. Asset Acquisition Agreement, dated as of February 28, 1994, between the Canadian Borrower and Westinghouse Canada.

3. Master Lease, dated as of February 28, 1994, between CDW Realco, Inc. and the Borrower.

4. First Mortgage Note, dated as of February 28, 1994 (the "RealCo Note"), by CDW Realco, Inc. in favor of Westinghouse U.S.

5. First Mortgage Note, dated as of February 28, 1994 (the "Canadian Note"), by the Canadian Borrower in favor of Westinghouse Canada.

6. Cash Collateral and Security Agreement, dated as of February 28, 1994, between CDW Realco, Inc. and Westinghouse U.S.

7. Cash Collateral and Security Agreement, dated as of February 28, 1994, between the Canadian Borrower and Westinghouse Canada.

8. Guarantee, dated as of February 28, 1994, by Holdings in favor of Westinghouse U.S., endorsed on the RealCo Note.

8. Guarantee, dated as of February 28, 1994, by the Borrower in favor of Westinghouse U.S., endorsed on the RealCo Note.

9. Guarantee, dated as of February 28, 1994, by Holdings in favor of Westinghouse Canada, endorsed on the Canadian Note.

10. Guarantee, dated as of February 28, 1994, by the Borrower in favor of Westinghouse Canada, endorsed on the Canadian Note.

11. Guarantee, dated as of February 28, 1994, by CDW Realco, Inc. in favor of Westinghouse Canada, endorsed on the Canadian Note.

12. Supply Agreement, dated February 18, 1983, between North American Philips Electric Corp. and Westinghouse Electric Supply Company, as amended as of the date hereof.

13. WESCO Distributor Agreement, dated January 31, 1984, between Eaton Corporation and Westinghouse U.S.

14. Master Agreement/Distributor Agreement, dated March 30, 1993, between ABB Power T&D Company, Inc. and WESCO Utility Operations.

15. Premier Utility Distributor Agreement, dated March 30, 1993, between ABB Power T&D Company, Inc. and Westinghouse Electric Supply Co.

16. Transitional Services Agreement, dated as of February 28, 1994, between Westinghouse Electric Corporation and CDW Holding Corporation.

17. National Purchase Agreement for Electrical Products, dated as of February 28, 1994, between Westinghouse Electric Corporation and CDW Acquisition Corporation.

18. Exclusive Distribution and Purchasing Services Agreement, dated as of February 28, 1994, between Westinghouse Industry Services Asia Pte Limited and CDW Acquisition Corporation.

19. Letter, dated April 6, 1993, from Diamond Wire & Cable Co. to Westinghouse Electric Supply Company, regarding terms of earned volume discount program.

20. Distribution Agreement, dated as of March 21, 1991, between Bryant Electric, Inc. and Westinghouse Electric Supply Company.

21. Asset Purchase Agreement, dated as of the date hereof, between the Borrower and CDW Realco, Inc. and EESCO, Inc., EESCO Buying Group, Inc., EESCO Factoring Corporation, EESCO Communication Systems, Inc., EESCO Data Services, Inc. and EveryFuse, Inc.

Schedule 2

TRANSACTION DOCUMENTS

1. The Amended and Restated Credit Agreement.

2. The Notes.

3. Security Agreement, dated as of February 24, 1995, made by the Borrower in favor of the Collateral Agent.

4. Trademark Security Agreement, dated as of February 24, 1995, made by the Borrower in favor of the Collateral Agent.

5. Stock Pledge Agreement, dated as of February 24, 1995, made by Holdings in favor of the Collateral Agent.

6. Stock Pledge Agreement, dated as of February 24, 1995, made by the Borrower in favor of the Collateral Agent.

7. Stock Pledge Agreement, dated as of February 24, 1995, made by the Borrower in favor of the Administrative Agent.

8. Guarantee, dated as of February 24, 1995, made by Holdings in favor of the Collateral Agent.

Schedule 3

FILING JURISDICTIONS IN NEW YORK STATE

1. Secretary of State

EXHIBIT E TO
AMENDED AND RESTATED
CREDIT AGREEMENT

MONTHLY BORROWING BASE CERTIFICATE

Pursuant to subsection 7.2(c) of the Amended and Restated Credit Agreement, dated as of March 14, 1997 (the "Credit Agreement"), among WESCO Distribution, Inc. (the "Borrower"), the Lenders (as defined therein), BARCLAYS BANK PLC, as Administrative Agent and as Collateral Agent, the Borrower hereby certifies, and represents and warrants, that this Monthly Borrowing Base Certificate and the attached Schedules are a true, correct and complete statement regarding the status of Accounts, Eligible Accounts, Inventory and Eligible Inventory of the Borrower and the Additional Subsidiaries and that the amounts set forth in such Schedules are in compliance with the provisions of the Credit Agreement. The Borrower acknowledges that the Revolving Credit Loans and the Swing Line Loans made to it and the Letters of Credit issued on its behalf will be based upon the Administrative Agent's, the Collateral Agent's and the Lenders' reliance on the information contained herein and therein.

The Borrower hereby certifies, and represents and warrants, that it has been in compliance with the Borrowing Base applicable to it throughout the period subsequent to the date of delivery of the Monthly Borrowing Base Certificate most recently delivered prior to this one. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.

Date:_____ WESCO DISTRIBUTION, INC.

By:_____
Name:
Title:

SCHEDULE I TO
MONTHLY BORROWING BASE CERTIFICATE

(1) The Borrowing Base as of _____, 199__ is computed as follows:

(A)	Value of 85% of Eligible Accounts from Schedule A ----------	$
(B)	Value of 60% of Eligible Inventory from Schedule B ----------	$
(C)	U.S. Inventory Sublimit Amount	$
(D)	Lesser of lines 1(B) and 1(C)	$
(2)	Sum of lines (1)(A) and (1)(D) (Gross Revolving Availability)	$
(3)	ABB Payable Reserve	$
(4)	Difference between lines (2) and (3) (The Borrowing Base)	$
(5)	Aggregate principal amount of Revolving Credit Loans outstanding as of the date hereof	$
(6)	Aggregate L/C Obligations outstanding as of the date hereof	$
(7)	Aggregate principal amount of Swing Line Loans outstanding as of the date hereof	$

(8)	Sum of lines (5), (6) and (7)	$
(9)	Difference between lines (4) and (8) (Net Revolving Availability)	$

SCHEDULE A TO
MONTHLY BORROWING BASE CERTIFICATE

ELIGIBLE ACCOUNTS

1. ACCOUNTS RECONCILIATION

		TOTAL
Previous Month's Accounts Balance (per Aged Trial Balance)		$
Add:	Sales	
	Debit Adjustments	
Less:	Collections	
	Credit Adjustments	
	Credit Memos	
End of Month's Accounts Balance (per Aged Trial Balance)		$

2. AGED TRIAL BALANCE

Detailed Attachment To Be Provided By the Borrower.

VALUE OF ELIGIBLE ACCOUNTS

	TOTAL
Gross Accounts Receivable	$
Less Ineligibles:	
Over 60 Days Past Due	$
Legal/Notes	
Cross Age	
Aged Credits	
Contra Accounts	
Government Receivables (1)	
Foreign Accounts	
Excluded Guam Accounts (2)	
Claims & Deductions	
Related Party	
Miscellaneous Reserves	
Total Ineligibles	$
Eligible Accounts	$
Advance Rate	85%
Availability	$

Notes:

(1) Excess over $6MM unless Assignment of Claims.

(2) Excluded Guam Accounts represent non-government, non-power authority Accounts.

SCHEDULE B TO
MONTHLY BORROWING BASE CERTIFICATE

ELIGIBLE INVENTORY

		TOTAL
Gross Book Inventory	$	
Less Ineligibles:		
Slow Moving	$	
Less: New Product Add Back	( )	
In Transit		
Full Absorption		
Singapore Inventory		
Specialized Inventory (1)		
Direct Ship Inventory		
ABB Security Interest		
Test Count		
Intercompany Profit		
Total Ineligibles	$	
Eligible Inventory	$	
Advance Rate		60%
Availability	$	

Notes:

(1) Specialized inventory is considered eligible up to $5MM.

EXHIBIT F TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF SUBSIDIARY GUARANTEE]

SUBSIDIARY GUARANTEE, dated as of March 14, 1997, made by each of the corporations that are signatories hereto (the "Guarantors") in favor of BARCLAYS BANK PLC, a banking corporation organized under the laws of the United Kingdom ("Barclays"), in its capacity as collateral agent (in such capacity, the "Collateral Agent") for (i) Barclays, in its capacity as administrative agent (in such capacity, the "Administrative Agent") under, and the several banks and other financial institutions (the "Lenders") from time to time parties to, the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), the Administrative Agent, the Lenders and the Collateral Agent and (ii) The Bank of Nova Scotia, a Canadian chartered bank, in its capacity as administrative agent (in such capacity, the "Canadian Administrative Agent") under, and the several banks and other financial institutions (the "Canadian Lenders") from time to time parties to, the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Canadian Credit Agreement"), among WESCO DISTRIBUTION-CANADA, INC., an Ontario corporation and a wholly owned Subsidiary of the Borrower (the "Canadian Borrower"), the Canadian Administrative Agent, the Canadian Lenders and Barclays, as Canadian Collateral Agent.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Extensions of Credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligations of the Lenders to continue to make their respective initial Extensions of Credit to the Borrower under the Credit Agreement that the Guarantors shall have executed and delivered this Guarantee to the Collateral Agent for the benefit of the Secured Parties;

WHEREAS, pursuant to the Canadian Credit Agreement, the Canadian Lenders have severally agreed to make Canadian Extensions of Credit to the Canadian Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower has guaranteed the obligations of the Canadian Borrower under the Canadian Credit Agreement and the other Canadian Loan Documents pursuant to the Borrower Guarantee;

WHEREAS, it is a condition precedent to the obligations of the Canadian Lenders to continue to make their respective initial Canadian Extensions of Credit to the Canadian Borrower under the Canadian Credit Agreement that the Guarantors shall have executed and delivered this Guarantee to the Collateral Agent for the benefit of the Secured Parties;

WHEREAS, the Borrower owns directly or indirectly not less than eighty percent of the issued and outstanding stock of each Guarantor, and it is to the advantage of the Guarantors that the Lenders make the Extensions of Credit to the Borrower and that the Canadian Lenders make the Canadian Extensions of Credit to the Canadian Borrower;

WHEREAS, the proceeds of the Extensions of Credit and the Canadian Extensions of Credit will be used in part to enable the Borrower to make valuable transfers to the Guarantors in connection with the operation of their respective businesses; and

WHEREAS, the Borrower and the Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the Extensions of Credit and the Canadian Extensions of Credit;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent and the Lenders to perform their obligations under the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Borrower thereunder, and to induce the Canadian Administrative Agent, the Canadian Collateral Agent and the Canadian Lenders to perform their obligations under the Canadian Credit Agreement and to induce the Canadian Lenders to continue to make their respective Canadian Extensions of Credit to the Canadian Borrower thereunder, the Guarantors hereby agree with the Collateral Agent, for the benefit of the Secured Parties, as follows:

1. Defined Terms. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement and the following terms shall have the following meanings:

"Acceptance Reimbursement Obligations": as defined in the Canadian Credit Agreement.

"Borrower Obligations": the collective reference to the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and Reimbursement Obligations (as defined in the Credit

Agreement) and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, the Reimbursement Obligations (as defined in the Credit Agreement) and all other obligations and liabilities of the Borrower to the Administrative Agent, the Collateral Agent and the Lenders (including, without limitation, the Issuing Lender (as defined in the Credit Agreement) and the Swing Line Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, the Notes (as defined in the Credit Agreement), the Letters of Credit (as defined in the Credit Agreement), the other Loan Documents or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all reasonable fees and disbursements of counsel to the Administrative Agent, the Collateral Agent or any Lender that are required to be paid by the Borrower pursuant to the terms of the Credit Agreement or any other Loan Document).

"Canadian Obligations": all obligations and liabilities of the Borrower to the Canadian Administrative Agent for the benefit of the Canadian Secured Parties, whether direct or indirect, due or to become due or now existing or hereinafter incurred, which may arise under, out of, or in connection with, the Borrower Guarantee.

"Commitments": the collective reference to the Commitments (as defined in the Credit Agreement) and the Canadian Commitments.

"Default": the occurrence of any "Default" under, and as defined in, the Credit Agreement or any "Default" under, and as defined in, the Canadian Credit Agreement.

"Event of Default": the occurrence of any "Event of Default" under, and as defined in, the Credit

Agreement, or any "Event of Default" under, and as defined in, the Canadian Credit Agreement.

"Guarantee": this Guarantee, as the same may be amended, supplemented or otherwise modified from time to time.

"Issuing Lender": the collective reference to the Issuing Lender (as defined in the Credit Agreement) and the Canadian Issuing Lender.

"Letters of Credit": the collective reference to the Letters of Credit (as defined in the Credit Agreement) and the Canadian Letters of Credit.

"Notes": the collective reference to the Notes (as defined in the Credit Agreement) and the Canadian Notes.

"Obligations": the collective reference to the Borrower Obligations and the Canadian Obligations.

"Reimbursement Obligations": the collective reference to the Reimbursement Obligations (as defined in the Credit Agreement) and the Canadian Reimbursement Obligations.

"Secured Parties": the collective reference to the Collateral Agent, the Administrative Agent, the Lenders (including, without limitation, the Issuing Lender (as defined in the Credit Agreement) and the Swing Line Lender), the Canadian Administrative Agent, the Canadian Collateral Agent and the Canadian Lenders (including, without limitation, the Canadian Issuing Lender and the Canadian Swing Line Lender) and their respective successors.

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any

particular provision of this Guarantee, and section and paragraph references are to this Guarantee unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Guarantee. (a) Subject to the provisions of Section 2(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Collateral Agent, for the benefit of the Secured Parties, the prompt and complete payment and performance by the Borrower when due and payable (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) Anything herein or in any other Loan Document or Canadian Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Credit Documents to which it is a party shall in no event exceed an amount which, under applicable federal and state laws, including those relating to the insolvency of debtors, would result in the avoidance or illegality of the obligations of such Guarantor hereunder and under the other Credit Documents to which it is a party.

(c) Each Guarantor further agrees to pay any and all reasonable expenses (including, without limitation, all reasonable fees and disbursements of counsel) which may be paid or incurred by the Collateral Agent or any other Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Guarantor under this Guarantee. This Guarantee shall remain in full force and effect until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations, the termination of the

Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit, notwithstanding that from time to time prior thereto the Borrower may be free from any Obligations.

(d) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of the Collateral Agent or any other Secured Party hereunder.

(e) No payment or payments made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Collateral Agent or any other Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment or payments other than payments made by such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations pursuant to this Guarantee, remain liable for the Obligations until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations, the termination of the Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit.

(f) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Collateral Agent or any other Secured Party on account of its liability hereunder, it will notify the Collateral Agent and such Secured Party in writing that such payment is made under this Guarantee for such purpose.

3. Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of paragraph 5 hereof. The provisions of this paragraph 3 shall in no respect limit the obligations and liabilities of any Guarantor to the Collateral Agent and the other Secured Parties, and each Guarantor shall remain liable to the Collateral Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder.

4. Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent and each other Secured Party are hereby irrevocably authorized at any time and from time to time without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor to the extent permitted by applicable law, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Collateral Agent or such other Secured Party to or for the credit or the account of such Guarantor, or any part thereof in such amounts as the Collateral Agent or such other Secured Party may elect, against or on account of the obligations and liabilities of such Guarantor then due and owing to the Collateral Agent or such other Secured Party hereunder, whether or not the Collateral Agent or such other Secured Party has made any demand for payment. The Collateral Agent and each other Secured Party shall notify such Guarantor promptly of any such set-off and the application (which shall be made in accordance with paragraph 9(c) hereof) made by the Collateral Agent or such other Secured Party, as the case may be, of the proceeds

thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Collateral Agent and each other Secured Party under this paragraph are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Collateral Agent or such other Secured Party may have.

5. No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Collateral Agent or any other Secured Party against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by any Secured Party for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations, the termination of the Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when (i) the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations shall not have been paid and performed in full and/or (ii) the Commitments shall not have been terminated and/or (iii) the Letters of Credit shall not have expired, been terminated or been returned to the relevant Issuing Lender, such amount shall be returned to the Borrower or such other Guarantor, as the case may be, or, if an Event of Default shall have occurred and be continuing, shall be held by such Guarantor in trust for the Collateral Agent and the other Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Collateral Agent in

the exact form received by such Guarantor (duly indorsed by such Guarantor to the Collateral Agent, if required), to be held as collateral security for the Obligations, whether matured or unmatured, and/or then or at any time thereafter applied against the Obligations then due and owing, in the order of priority set forth in paragraph 9(c) hereof.

6. Amendments, etc. with respect to the Obligations; Waiver of Rights. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor, and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by the Collateral Agent or such other Secured Party, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, and the Credit Agreement, the Canadian Credit Agreement or any other Credit Document (other than this Guarantee), and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent, the Canadian Administrative Agent, the Lenders (or any requisite portion thereof) or the Canadian Lenders (or any requisite portion thereof), as applicable, may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any of the Guarantors, the Collateral Agent or any other Secured Party may, but

shall be under no obligation to, make a similar demand on the Borrower or any other Guarantor or guarantor, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from the Borrower or any such other Guarantor or guarantor, or any release of the Borrower or such other Guarantor or guarantor, shall not relieve any of the Guarantors in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any of the Guarantors. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Collateral Agent or any other Secured Party upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Borrower, the Canadian Borrower, any other Credit Party and any of the Guarantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower, the Canadian Borrower, any other Credit Party or any of the Guarantors with respect to the Obligations. To the extent permitted by law, this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to:

(a) The validity or enforceability of, or any contest by the Borrower or any other Person as to the

validity or enforceability of, any terms of the Credit Agreement, the Canadian Credit Agreement or any other Credit Document, any of the Obligations (including, without limitation, the amount thereof) or any other collateral security therefor (including, without limitation, the perfection and priority thereof) or guarantee or right of offset with respect thereto at any time or from time to time held by the Collateral Agent or any other Secured Party;

(b) Any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower, the Canadian Borrower or any other Credit Party against the Collateral Agent or any other Secured Party, including, without limitation, any defense or cause of action available to the Borrower, the Canadian Borrower, any Guarantor or any other Credit Party based on any irregularity or default, whether or not negligent, in the manner or procedure by which any of the Secured Parties deals with or realizes on the security which the Collateral Agent holds on behalf of the Secured Parties or may hold pursuant to the terms and conditions of the Credit Agreement, the Canadian Credit Agreement, any other Credit Document, this Guarantee or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges of or to any Credit Party inconsistent with the terms of the Credit Agreement, the Canadian Credit Agreement or any other Credit Document;

(c) Any extension of the time or times for payment of the Obligations or any other indulgences any of the Secured Parties may grant to the Borrower, the Canadian Borrower or any other Credit Party; or

(d) Any other circumstance whatsoever (with or without notice to or knowledge of the Borrower, the Canadian Borrower or any other Credit Party) (other than

payment and performance in full of the Obligations) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower, the Canadian Borrower or any other Credit Party for the Obligations, or of such Guarantor under this Guarantee, in bankruptcy or in any other instance.

When pursuing its rights and remedies hereunder against any Guarantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower, the Canadian Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Collateral Agent or any other Secured Party to pursue such other rights or remedies or to collect any payments from the Borrower, the Canadian Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, the Canadian Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Collateral Agent or any other Secured Party against such Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof, and shall inure to the benefit of the Collateral Agent and the other Secured Parties until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations and, to the extent then due and owing, all other Obligations, the termination of the Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit, notwithstanding that from time to time the Borrower may be free from any Obligations.

8. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, the Canadian Borrower, any Guarantor or any other Credit Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower, the Canadian Borrower, any Guarantor, any Credit Party or any substantial part of any of their property, or otherwise, all as though such payments had not been made.

9. Payments; Application of Payments. (a) Each Guarantor shall make payment of the amount of the Obligations and all other amounts payable by it to any of the Secured Parties hereunder forthwith after demand therefor is made in writing to it. Such demand shall be deemed to have been effectively made (i) when an envelope containing such demand addressed to it at its address as set forth under its signature below (or such other address as may be notified to the Secured Parties pursuant thereto) is personally delivered to such address; or (ii) if sent by telex, telecopy or other similar means of telecommunications, on the Business Day next following the day on which it is so sent.

(b) Each Guarantor hereby agrees that all payments made by it hereunder in respect of the Obligations will be paid to the Collateral Agent without set-off or counterclaim in Dollars in immediately available funds at the office of the Collateral Agent set forth in subsection 11.2 of the Credit Agreement.

(c) All payments received by the Collateral Agent hereunder in respect of the Obligations shall be held by the Collateral Agent for the benefit of the Secured Parties as collateral security for the Obligations (whether matured or unmatured), and/or then or at any time thereafter may be

applied by the Collateral Agent against the Acceptance Reimbursement Obligations, the Reimbursement Obligations and, to the extent then due and owing, all other Obligations, in the following order of priority:

FIRST, to the payment of all reasonable costs and expenses incurred by the Collateral Agent and the Administrative Agent in connection with this Guarantee, the Credit Agreement, any other Loan Document or any of the Borrower Obligations, including all court costs and the reasonable fees and expenses of their agents and legal counsel, and any other reasonable costs or expenses incurred in connection with the exercise by the Collateral Agent and the Administrative Agent of any right or remedy under this Guarantee, the Credit Agreement or any other Loan Document;

SECOND, to the ratable satisfaction of all other Borrower Obligations;

THIRD, to the payment of all reasonable costs and expenses incurred by the Canadian Collateral Agent and Canadian Administrative Agent in connection with this Guarantee, the Canadian Credit Agreement, any other Canadian Loan Document or any of the Canadian Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, and any other reasonable costs or expenses incurred in connection with the exercise by the Canadian Collateral Agent and Canadian Administrative Agent of any right or remedy under this Guarantee, the Canadian Credit Agreement or any other Canadian Loan Document;

FOURTH, to the ratable satisfaction of all other Canadian Obligations; and

FIFTH, to the Guarantors or their respective successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

10. Representations and Warranties. Each Guarantor represents and warrants to the Collateral Agent and the other Secured Parties that:

(a) it is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(b) it has the corporate power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, except to the extent that the failure to have such power and authority would not reasonably be expected to have a Material Adverse Effect;

(c) it has the corporate power and authority to make, deliver and perform its obligations under this Guarantee and the other Credit Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of this Guarantee and the other Credit Documents to which it is a party;

(d) this Guarantee and the other Credit Documents to which it is a party have been duly executed and delivered on behalf of such Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable against such Guarantor in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(e) the execution, delivery and performance of this Guarantee and the other Credit Documents to which it is a party will not violate any Requirement of Law or Contractual Obligation of such Guarantor in any

respect that would reasonably be expected to have a Material Adverse Effect and will not result in, or require, the creation or imposition of any Lien on any of the properties or revenues of such Guarantor pursuant to any such Requirement of Law or Contractual Obligation (other than pursuant to any Credit Document);

(f) no consent or authorization of, filing with, or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of such Guarantor or any other Credit Party in connection with the execution, delivery, performance, validity or enforceability of this Guarantee or any of the other Credit Documents to which it is a party, except for such as have been obtained or made;

(g) no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of such Guarantor, threatened by or against such Guarantor or against any of its properties or revenues (i) with respect to this Guarantee or any of the other Credit Documents to which it is a party or any of the transactions contemplated hereby or thereby, or (ii) which, taking into account any indemnification by Westinghouse pursuant to the Acquisition Agreements, would reasonably be expected to have a Material Adverse Effect;

(h) it has good marketable title in fee simple to, or a valid leasehold interest in, all its material real property, and good title to, or a valid leasehold interest in, all its other material property, and none of such property is subject to any Lien except for Liens permitted by subsection 8.3 of the Credit Agreement;

(i) it has filed or caused to be filed all United States federal income tax returns and all other

material tax returns which are required to be filed by it and has paid (a) all taxes shown to be due and payable on said returns or (b) all taxes shown to be due and payable on any assessments of which it has received notice made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any (i) taxes, fees or other charges with respect to which the failure to pay, in the aggregate, would not have a Material Adverse Effect, or (ii) taxes, fees or other charges the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Guarantor); and no tax Lien has been filed, and, to the knowledge of such Guarantor, no claim is being asserted, with respect to any such tax, fee or other charge other than real property taxes that are not yet delinquent.

Each Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by such Guarantor on the date of (i) each Extension of Credit to (or on behalf of) the Borrower under the Credit Agreement and (ii) each Canadian Extension of Credit to (or on behalf of) the Canadian Borrower under the Canadian Credit Agreement, in each case as though made hereunder on and as of such date.

11. Covenants. Each Guarantor hereby covenants and agrees with the Collateral Agent and the other Secured Parties that, from and after the date of this Guarantee until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations, the termination of the Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit, such Guarantor shall refrain from taking any action that would result in a violation of any of the covenants of the Borrower or any

other Loan Party contained in the Credit Agreement or any other Loan Document.

12. Further Assurances. Each Guarantor hereby covenants and agrees with the Collateral Agent and the other Secured Parties that, from and after the date of this Guarantee until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations, the termination of the Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit, at any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Guarantor, such Guarantor will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purposes of obtaining or preserving the full benefits of this Guarantee and the other Credit Documents to which it is a party and of the rights and powers herein and therein granted.

13. Authority of Collateral Agent. Each Guarantor acknowledges that the rights and responsibilities of the Collateral Agent under this Guarantee or any other Credit Document to which the Collateral Agent is a party with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, right, request, judgment or other right or remedy provided for herein or in any other Credit Document to which the Collateral Agent is a party or resulting or arising out of this Guarantee or any other Credit Document to which the Collateral Agent is a party shall, as among the Collateral Agent and the other Secured Parties, be governed by the Credit Agreement and the Canadian Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and such Guarantor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain

from acting, and no Guarantor shall be under any obligation to make any inquiry respecting such authority.

14. Notices. All notices, requests and demands under this Guarantee shall be given in accordance with subsection 11.2 of the Credit Agreement and subsection 12.2 of the Canadian Credit Agreement and, in the case of each Guarantor, its address or transmission number for notices shall be as set forth under its signature below.

The Secured Parties and the Guarantors may change their respective addresses and transmission numbers for notices by notice in the manner provided in subsection 11.2 of the Credit Agreement and subsection 12.2 of the Canadian Credit Agreement.

15. Counterparts. This Guarantee may be executed by one or more of the Guarantors on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the counterparts of this Guarantee signed by all the Guarantors shall be lodged with the Collateral Agent.

16. Term of Agreement. Subject to the terms of paragraph 8 hereof, this Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms until the payment and performance in full of the Notes, the Acceptance Reimbursement Obligations, the Reimbursement Obligations, and, to the extent then due and owing, all other Obligations, the termination of the Commitments and the expiration, termination or return to the relevant Issuing Lender of the Letters of Credit, notwithstanding that from time to time during the respective terms of the Credit Agreement and the Canadian Credit Agreement the Borrower and/or the Canadian Borrower may be free from any Obligations.

17. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective

to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

18. Integration. This Guarantee represents the entire agreement of each Guarantor and the Collateral Agent with respect to the subject matter hereof and there are no promises or representations by any Guarantor, the Collateral Agent or any other Secured Party relative to the subject matter hereof not reflected or referred to herein.

19. Amendments in Writing; No Waiver; Cumulative Remedies. (a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each Guarantor and the Collateral Agent, provided that, at any Guarantor's request, any provision of this Guarantee for the benefit of the Collateral Agent and/or the Secured Parties may be waived by the Collateral Agent and the other Secured Parties in a letter or agreement executed by the Collateral Agent or by telex or facsimile transmission from the Collateral Agent.

(b) Neither the Collateral Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to paragraph 19(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be

construed as a bar to any right or remedy which the Collateral Agent or such other Secured Party would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

20. Judgment Currency. (a) If for the purposes of obtaining judgment in any court it is necessary hereunder or under any other Credit Document to convert all or any part of the Obligations denominated in any currency (the "Original Currency") into another currency (the "Other Currency"), each Guarantor to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be the Current Exchange Rate in effect on the Business Day immediately preceding the day on which any such judgment, or any relevant part thereof, is paid or otherwise satisfied.

(b) The obligation of each Guarantor in respect of any sum due hereunder in the Original Currency shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by such Secured Party of any sum adjudged to be so due in such Other Currency such Secured Party could, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Secured Party in the Original Currency, such Guarantor shall, as a separate obligation and notwithstanding any such judgment, indemnify such Secured Party against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to such Secured Party, such Secured Party shall remit such excess to such Guarantor.

21. Section Headings. The section headings used in this Guarantee are for convenience of reference only and

are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

22. Submission To Jurisdiction; Waivers. Each of the Guarantors and the Collateral Agent hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgement in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof, and, to the extent such legal action or proceeding relates to any of the Canadian Loan Documents to which it is a party, or is for recognition and enforcement of any judgment in respect thereof, the courts of the province of Ontario and the appellate courts thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each Guarantor or the Collateral Agent, as the case may be, at its address referred to in paragraph 14 or at such other address of which the Collateral Agent or such Guarantor, as applicable, shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent permitted by law, any right it may have to claim or recover in any legal action or proceeding referred to in this paragraph 22 any punitive damages.

23. Acknowledgements. Each Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Guarantor arising out of or in connection with this Guarantee or any of the other Credit Documents, and the relationship between the Collateral Agent and other Secured Parties, on the one hand, and the Borrower and the Guarantors, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Guarantors and the Secured Parties.

24. Successors and Assigns. This Guarantee shall be binding upon the
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successors and assigns of each Guarantor and shall inure to the benefit of the Collateral Agent and the other Secured Parties. Any change or changes in the name or reorganization (whether by way of recapitalization, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower or its business shall not

affect or in any way limit or lessen the liability of any Guarantor hereunder and this Guarantee shall extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Borrower so long as such person, firm or corporation shall be liable under the Obligations.

25. GOVERNING LAW. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

26. Addition of Guarantors. Subject to the terms and conditions of the Credit Agreement, from time to time the Borrower may create one or more Additional Subsidiaries. Concurrently with each creation of an Additional Subsidiary, the Borrower shall cause such Additional Subsidiary to execute and deliver to the Collateral Agent a supplement hereto, in substantially the form of Exhibit A hereto, whereupon such Additional Subsidiary shall be deemed for all purposes hereunder to be a Guarantor under this Guarantee, commencing on the effective date of such supplement.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered as of the day first above written.

[INSERT NAME OF GUARANTOR]

By:_____
Title:

Address for Notices:

_____
_____

Attention: Chief Financial Officer
Telecopy: _____

ACKNOWLEDGED AND AGREED AS OF THE DATE HEREOF BY:

BARCLAYS BANK PLC,
as Collateral Agent

By:_____
Title:

EXHIBIT A to the
Subsidiary Guarantee

FORM OF ADDITIONAL SUBSIDIARIES SUPPLEMENT

SUPPLEMENT, dated _____ __, to the Subsidiary Guarantee, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Subsidiary Guarantee"), made by each of the subsidiaries of WESCO Distribution, Inc. (the "Borrower") from time to time parties thereto (the "Guarantors") in favor of Barclays Bank PLC, as Collateral Agent for the Secured Parties (as defined therein).

W I T N E S S E T H :

WHEREAS, the Subsidiary Guarantee provides that any Subsidiary of the Borrower, although not originally a Guarantor thereunder, may become a Guarantor thereunder by executing and delivering to the Collateral Agent a supplement in substantially the form of this Supplement; and

WHEREAS, the undersigned desires to become a Guarantor under the Subsidiary Guarantee;

NOW, THEREFORE, the undersigned hereby agrees as follows:

The undersigned agrees to be bound by all of the provisions of the Subsidiary Guarantee applicable to a Guarantor thereunder and agrees that it shall, on the date this Supplement is accepted by the Collateral Agent, become a Guarantor, for all purposes of the Subsidiary Guarantee to the same extent as if originally a party thereto.

Terms defined in the Subsidiaries Guarantee shall have their defined meanings when used herein.

IN WITNESS WHEREOF, the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF ADDITIONAL SUBSIDIARY]

By:_____
Title:

ACCEPTED AND AGREED AS OF
THE DATE FIRST ABOVE WRITTEN:

BARCLAYS BANK PLC,
as Collateral Agent

By:_____
Title:

EXHIBIT G TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF ASSIGNMENT AND ACCEPTANCE]

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), BARCLAYS BANK PLC, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

_____ (the "Assignor") and _____
_____ (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Transfer Effective Date (as defined below), a ___% interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to those credit facilities provided for in the Credit Agreement as are set forth on Schedule 1 (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule 1.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in

or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Credit Document or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any other Credit Party or any other obligor or the performance or observance by the Borrower, any other Credit Party or any other obligor of any of their respective obligations under the Credit Agreement or any other Credit Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note(s) held by it evidencing the Assigned Facilities and requests that the Administrative Agent exchange such Note(s) for a new Note or Notes payable to the Assignee and (if the Assignor has retained any interest in the Assigned Facility) a new Note or Notes payable to the Assignor in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Transfer Effective Date).

3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements and other information delivered pursuant to subsections 5.1 and 7.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent, the Collateral Agent or any other Lender and based on such documents

and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent and the Collateral Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender, including its obligations pursuant to the paragraph 11.15 of the Credit Agreement, and, if it is organized under the laws of a jurisdiction outside the United States, its obligations pursuant to subsection 4.12(b) of the Credit Agreement.

4. The effective date of this Assignment and Acceptance shall be _____ ___, 19__ (the "Transfer Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to subsection 11.6 of the Credit Agreement, effective as of the Transfer Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Transfer Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal,

interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Transfer Effective Date or accrue subsequent to the Transfer Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Transfer Effective Date or with respect to the making of this assignment directly between themselves.

6. From and after the Transfer Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. Notwithstanding any other provision hereof, if the consent of the Borrower or the Administrative Agent hereto is required under subsection 11.6 of the Credit Agreement, this Assignment and Acceptance shall not be effective unless such consent shall have been obtained.

8. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflict of laws thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

SCHEDULE 1 to the
Assignment and Acceptance

Re: Amended and Restated Credit Agreement, dated as of March 14, 1997, among WESCO Distribution, Inc., the Lenders from time to time parties thereto, Barclays Bank PLC, as Administrative Agent and as Collateral Agent.

Name of Assignor:

Name of Assignee:

Transfer Effective Date of Assignment:

Credit Facility Assigned	Commitment Amount Assigned	Commitment Percentage Assigned
	$_____	___._____%

[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNOR]

By:_____
Title:

Accepted:

BARCLAYS BANK PLC,
as Administrative Agent

By: _____
Title:

Consented To:

WESCO DISTRIBUTION, INC.

By:_____
Title:

EXHIBIT H TO
AMENDED AND RESTATED
CREDIT AGREEMENT

FORM OF
CAF ADVANCE CONFIRMATION

_____ __, 199_

Barclays Bank PLC, as
Administrative Agent
222 Broadway
New York, New York 10038

Reference is made to the Amended and Restated Credit Agreement, dated as of March 14, 1997, among the undersigned, the Lenders named therein and Barclays Bank PLC, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

In accordance with subsection 2.5(d) of the Credit Agreement, the undersigned accepts and confirms the offers by the CAF Advance Lender(s) to make CAF Advances to the undersigned on _____, 199_ under subsection 2.5(d) in the (respective) amount(s) set forth on the attached list of CAF Advances offered.

Very truly yours,

WESCO DISTRIBUTION, INC.

By_____
Title:

[NOTE: The Borrower must attach CAF Advance offer list prepared by the CAF Advance Agent with accepted amount entered by the Borrower to the right of each CAF Advance offer].

EXHIBIT I TO
AMENDED AND RESTATED
CREDIT AGREEMENT

FORM OF
CAF ADVANCE OFFER

_____, 199__

Barclays Bank PLC, as
Administrative Agent
222 Broadway
New York, New York 10038

Reference is made to the Amended and Restated Credit Agreement, dated as of March 14, 1997, among the undersigned, the Lenders named therein and Barclays Bank PLC, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

In accordance with subsection 2.5 of the Credit Agreement, the undersigned Lender offers to make CAF Advances thereunder in the following amounts with the following maturity dates:

Borrowing Date: _____, 199__	Aggregate Maximum Amount: $_____
Maturity Date 1: _____, 199__	Maximum Amount: $_____ $_____ offered at _____* $_____ offered at _____*
Maturity Date 2: _____, 199__	Maximum Amount: $_____ $_____ offered at _____* $_____ offered at _____*
Maturity Date 3: _____, 199__	Maximum Amount: $_____ $_____ offered at _____* $_____ offered at _____*

[NOTE: Insert the interest rate offered for the specified CAF Advance where indicated by an asterisk (*). In the case of LIBOR Rate CAF Advances, insert a margin bid. In the case of Fixed Rate CAF Advances, insert a fixed rate bid.]

Very truly yours,

[NAME OF LENDER]

By_____
Title:
Telephone No.:
Telecopy No.:

EXHIBIT J TO
AMENDED AND RESTATED
CREDIT AGREEMENT

FORM OF
CAF ADVANCE REQUEST

_____, 199__

Barclays Bank PLC, as
Administrative Agent
222 Broadway
New York, New York 10038

Reference is made to the Amended and Restated Credit Agreement, dated as of March 14, 1997, among the undersigned, the Lenders named therein and Barclays Bank PLC, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

This is a [Fixed Rate] [LIBOR Rate] CAF Advance Request pursuant to subsection 2.5 of the Credit Agreement requesting offers for the following CAF Advances:

[NOTE: Pursuant to the Credit Agreement, a CAF Advance Request may be transmitted in writing, by telecopy, or by telephone, immediately confirmed by telecopy. In any case, a CAF Advance Request shall contain the information specified in the second paragraph of this form.]

	Loan 1	Loan 2	Loan 3
Aggregate Principal Amount	$_____	$_____	$_____
Borrowing Date			
CAF Advance Maturity Date			

CAF Advance Interest Payment Dates

Very truly yours,

WESCO DISTRIBUTION, INC.

By_____
Title:

EXHIBIT K TO
AMENDED AND RESTATED
CREDIT AGREEMENT

Barclays Bank PLC
222 Broadway
New York, New York 10038

WESCO Distribution, Inc.
Commerce Court
Suite 700
Four Station Square
Pittsburgh, Pennsylvania 15219

Ladies and Gentlemen:

Reference is made to (a) the Amended and Restated Credit Agreement, dated as of March 14, 1997, among WESCO Distribution, Inc., the several banks and other financial institutions from time to time parties thereto and Barclays Bank PLC, as administrative agent and as collateral agent, and (b) the Amended and Restated Credit Agreement, dated as of March 14, 1997, among WESCO Distribution-Canada, Inc., the several banks and other financial institutions from time to time parties thereto, The Bank of Nova Scotia, as administrative agent, and Barclays Bank PLC, as collateral agent (collectively, the "Credit Agreements"). Terms defined in the Credit Agreements shall have their defined meanings when used herein.

The undersigned hereby resigns as Collateral Agent under the Credit Agreements, effective as of the "Effective Date" (as such term is defined in the Credit Agreements). In connection therewith, the undersigned agrees to execute and deliver all such instruments and documents (including, without limitation, UCC-3 assignment forms and amendments to the Security Documents and Guarantees) as may be reasonably requested by Barclays, the successor Collateral Agent, to reflect the assignment to Barclays of the rights and obligations of the undersigned as Collateral Agent effected hereby and by the Credit Agreements.

Very truly yours,

FLEET CAPITAL CORPORATION

By_____
Title:

Agreed to and Accepted:

WESCO DISTRIBUTION, INC.

By_____
Title:

WESCO DISTRIBUTION-CANADA,INC.

By_____
Title:

CDW HOLDING CORPORATION

By_____
Title:

BARCLAYS BANK PLC

By_____
Title:

FIRST AMENDMENT (this "First Amendment"), dated as of February 13, 1998, to the Amended and Restated Credit Agreement, dated as of March 14, 1997 (the "Credit Agreement"), among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), BARCLAYS BANK PLC, a banking corporation organized under the laws of the United Kingdom ("Barclays"), as administrative agent for the Lenders thereunder (in such capacity, the "Administrative Agent"), and as collateral agent for the Lenders thereunder (in such capacity, the "Collateral Agent").

W I T N E S S E T H :

WHEREAS, the Borrower has requested and the Administrative Agent, the Collateral Agent and the Lenders have agreed, subject to the terms and conditions hereof, to amend the Credit Agreement for the purpose of, among other things, (i) modifying the definition of "Margin Reduction Percentage", (ii) modifying the definitions of "Borrowing Base" and "Borrowing Base Elimination Period", (iii) modifying the definition of "Change of Control", (iv) modifying the definition of "Termination Date", (v) modifying the definition of "Consolidated Funded Indebtedness", (vi) modifying the definition of "Consolidated EBITDA", (vii) modifying the definition of "Consolidated Interest Expense", (viii) modifying the Consolidated Net Worth covenant, (ix) modifying the covenant relating to the ratio of Consolidated Funded Indebtedness to Consolidated EBITDA, (x) increasing the permitted Indebtedness basket, (xi) increasing the basket for sale and leaseback transactions, (xii) modifying the basket for sales of assets, (xiii) deleting the capital expenditures covenant, (xiv) modifying the acquisitions covenant, (xv) releasing all of the Collateral and releasing the Collateral Agent from its obligations under the Credit Agreement and (xvi) increasing the Commitments by the aggregate amount of $85,000,000.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto hereby agree to amend the Credit Agreement as follows:

1. Defined Terms. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement, as amended by this First Amendment.

2. Amendment to Section 1 of the Credit Agreement.

a. Section 1 of the Credit Agreement is hereby amended by adding the following new definitions in proper alphabetical order:

"Bond Rating": the Moody's Bond Rating and the S&P Bond Rating.

"First Amendment": the First Amendment, dated as of February 13, 1998, to this Credit Agreement.

"First Amendment Effective Date": as defined in paragraph 12 of the First Amendment.

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

"Moody's Bond Rating": for any day, the actual rating of the Borrower's senior long-term unsecured debt by Moody's in effect at 9:00 A.M., New York City time, on such day. If Moody's shall have changed its system of classifications after the date of the First Amendment, the Moody's Bond Rating shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to such specified level under the old rating system.

"S&P": Standard and Poor's Ratings Service.

"S&P Bond Rating": for any day, the actual rating of the Borrower's senior long-term unsecured debt by S&P in effect at 9:00 A.M., New York City time, on such day. If S&P shall have changed its system of classifications after the date of the First Amendment, the S&P Bond Rating shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to such specified level under the old rating system.

b. Section 1 of the Credit Agreement is hereby amended by deleting the definitions of "Borrowing Base", "Borrowing Base Elimination Period", "Change of Control", "Consolidated EBITDA", "Consolidated Funded Indebtedness", "Consolidated Interest Expense", "Margin Reduction Percentage" and "Termination Date", each in its entirety and replacing each with the following:

"Borrowing Base": an amount equal to the aggregate Commitments.

"Borrowing Base Elimination Period": the period commencing on the First Amendment Effective Date and ending on the Termination Date.

"Change of Control": the occurrence of any one or more of the following events: (i) at any time prior to the date upon which shares of common stock of

Holdings shall have been sold in an underwritten public offering for aggregate gross cash proceeds of at least $150,000,000, CD&R, C&D Fund IV and the Affiliates of C&D Fund IV and CD&R shall in the aggregate beneficially own shares of Voting Stock of Holdings constituting less than 30% of the total voting power of all outstanding shares of Voting Stock of Holdings; or (ii) any Person or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) other than CD&R, C&D Fund IV and the Affiliates of C&D Fund IV and CD&R shall have acquired (a) beneficial ownership of more than 30% of the outstanding shares of Voting Stock of Holdings or (b) the power (whether or not exercised) to elect a majority of Holdings' directors; or (iii) Holdings shall cease for any reason to own beneficially and of record 100% of the Capital Stock of the Borrower; or (iv) the Borrower shall cease for any reason to own beneficially and of record 100% of the Capital Stock of the Canadian Borrower and of RealCo; or (v) except as permitted by subsection 8.5 or 8.6, the Borrower, directly or indirectly through one or more Additional Subsidiaries, shall cease for any reason to own beneficially and of record at least 80% of the Capital Stock of each Additional Subsidiary; (vi) except as permitted by subsection 9.1 or 9.2 of the Canadian Credit Agreement, the Canadian Borrower, directly or through one or more of its Subsidiaries, shall cease for any reason to own beneficially and of record 100% of the Capital Stock of each Subsidiary of the Canadian Borrower or (vii) during any two year period, individuals who at the beginning of such period constituted Holdings' board of directors (together with any new directors whose election by the board of directors of Holdings was approved by a vote of a majority of the directors of Holdings then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of Holdings; as used in this paragraph, "Voting Stock" shall mean
                                                                    ----
shares of Capital Stock entitled to vote generally in the election of directors.

"Consolidated EBITDA": of any Person, for any period, the

Consolidated Net Income of such Person for such period, adjusted to exclude the following items of income or expense to the extent that such items are included in the calculation of Consolidated Net Income: (a) Consolidated Interest Expense, (b) any non-cash interest expense and any other non-cash expenses and charges, (c) total income tax expense, (d) depreciation expense, (e) the expense associated with amortization of intangible and other assets, (f) non-cash provisions for reserves for discontinued operations, (g) any extraordinary, unusual or non-recurring gains or losses or charges or credits and (h) any gains or losses associated with the sale or write-up or write-down of assets, provided that in the event that such
                                        ----
Person makes an Investment in any other Person pursuant to subsection 8.10(g) on any date during such period, the Consolidated

EBITDA for such period shall be computed on the assumption that such Investment and any related financing thereof was completed on the first day of such period.

"Consolidated Funded Indebtedness": of the Borrower and its consolidated Subsidiaries, at the date of determination thereof, (i) all Indebtedness of the Borrower hereunder and of the Canadian Borrower under the Canadian Credit Agreement (in each case, regardless of when such Indebtedness matures), (ii) the aggregate then net unrecovered purchase price of any purchasers of receivables from the Borrower or any of its Subsidiaries in a transaction permitted by Section 8.6(i), and (iii) all other Indebtedness of the Borrower and its consolidated Subsidiaries (other than Indebtedness referred to in clause (e) of the definition thereof), determined on a consolidated basis in accordance with GAAP, which by its terms matures more than one year after such date, and any such Indebtedness maturing within one year from such date which is renewable or extendable at the option of the obligor to a date more than one year from such date;

provided that Indebtedness of the Borrower and its consolidated Subsidiaries in respect of the First Mortgage Notes shall be excluded from the calculation of Consolidated Funded Indebtedness.

"Consolidated Interest Expense": of any Person, for any period, cash interest expense of such Person for such period on its Indebtedness determined on a consolidated basis in accordance with GAAP, provided that in the event that the such Person makes an Investment in any other Person pursuant to subsection 8.10(g) on any date during such period the Consolidated Interest Expense for such period shall be computed on the assumption that such Investment and any related financing thereof was completed on the first day of such period.

"Margin Reduction Percentage": (a) during the period from and including the Closing Date to but excluding the Adjustment Date which occurs concurrently with the delivery by the Borrower pursuant to subsection 7.1(c) of its financial statements for the quarterly period ended June 30, 1995, zero and (b) during each Margin Adjustment Period which commences on or after the Adjustment Date referred to in clause (a) above, and

(i) if the Borrower's Moody's Bond Rating and/or S&P Bond Rating on the last day of the quarter immediately proceeding the commencement of such Margin Adjusted Period is at or above Baa3/BBB-, and if either the Moody's Bond Rating or the S&P Bond Rating on such day is (A) at or above A3/A-, .85% (when used in the definitions of Applicable Margin and L/C Commission Rate) and .425% (when used in the definition of Facility Fee Rate), (B) at or above Baa1/BBB+, but below A3/A-, .81% (when used in the definitions of

Applicable Margin and L/C Commission Rate) and .415% (when used in the definition of Facility Fee Rate), (C) at or above Baa2/BBB, but below Baa1/BBB+, .775% (when used in the definitions of Applicable Margin and L/C Commission Rate) and .40% (when used in the definition of Facility Fee Rate), (D) at or above Baa3/BBB-, but below Baa2/BBB, .75% (when used in the definitions of Applicable Margins and L/C Commission Rate) and .35% (when used in the definition of Facility Fee Rate);

(ii if the Borrower's Moody's Bond Rating and/or S&P Bond Rating on the last day of the quarter immediately preceding the commencement of such Margin Adjusted Period is below Baa3/BBB-, and if the Fixed Charge Coverage Ratio for the four consecutive fiscal quarters of the Borrower ending immediately preceding the commencement of such Margin Adjustment Period (determined by reference to the certificates delivered pursuant to subsection 7.2(b) concurrently with the financial statements delivered under subsection 7.1(a) or (c), or the Annual Unaudited Financial Statements (as defined below in this definition), as the case may be, with respect to such four consecutive fiscal quarters) is (i) less than 3.00:1, zero, (ii) less than 3.50:1 but greater than or equal to 3.00:1, 0.125% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.125% (when used in the definition of Facility Fee Rate), (iii) less than 4.00:1 but greater than or equal to 3.50:1, 0.375% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.125% (when used in the definition of Facility Fee Rate), (iv) less than 4.50:1 but greater than or equal to 4.00:1, 0.5625% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.1875% (when used in the definition of Facility Fee Rate), (v) less than 5.00:1 greater than or equal to 4.50:1, 0.65% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.25% (when used in the definition of Facility Fee Rate), (vi) greater than or equal to 5.00:1, .725% (when used in the definitions of Applicable Margin and L/C Commission Rate) and 0.275% (when used in the definition of Facility Fee Rate);

provided that notwithstanding the forgoing paragraph (b):

(w) if at any time the percentage determined pursuant to paragraph (b)(i) by reference to a Bond Rating exceeds the percentage determined by reference to the other respective Bond Rating, the Margin Reduction Percentage shall be the higher percentage (unless the difference between the two Bond Ratings is two or more levels, in which case the Margin Reduction Percentage shall be determined by reference

to the Bond Rating which is one level higher than the lower of such two Bond Ratings);

(x) during any period from and including the date on which an Event of Default has occurred to but excluding the date on which such Event of Default is no longer continuing, the Margin Reduction Percentage shall be zero;

(y) if for any Margin Adjustment Period the rate is determined pursuant to paragraph (b)(ii), above, and the Borrower delivers to the Administrative Agent any financial statements referred to in clause (b) of the definition of Adjustment Date (each, an "Annual Unaudited Financial Statement") and thereafter the financial statements delivered pursuant to subsection 7.1(a) in respect of the period covered by such Annual Unaudited Financial Statement demonstrates a Fixed Charge Coverage Ratio for such period which differs from that demonstrated by such Annual Unaudited Financial Statement, any change in the Margin Reduction Percentage occurring as a result of such difference shall be given retroactive effect to the first Business Day after delivery of such Annual Unaudited Financial Statement; and

(z) if any Financial Statement Delivery Default becomes an Event of Default, the Margin Reduction Percentage (if greater than zero) that was in effect for the period commencing on the date such Financial Statement Delivery Default occurred to the date such Financial Statement Delivery Default became an Event of Default shall be retroactively adjusted to zero for such period and shall remain zero until the first Business Day following receipt by the Administrative Agent of the financial statements the failure to deliver which gave rise to such Financial Statement Delivery Default, which date shall constitute an Adjustment Date and upon which date the Margin Adjustment Percentage shall be determined in accordance with the other provisions of this definition.

If payments are made hereunder on the basis of a Margin Reduction Percentage that is retroactively adjusted as a result of the occurrence of any of the events described in clauses (x), (y) or (z) of the proviso to the immediately preceding sentence, the Lenders and the Borrower shall make such payments to the Administrative Agent (which shall credit the account of the Borrower or allocate such payments among the Lenders in accordance with their respective interests in the payments theretofore made hereunder, as the case may be, on the basis of the Margin Reduction Percentage that was so retroactively adjusted) as may be necessary to give effect to such adjustment, such payments to be calculated by the Administrative Agent (which shall notify the Borrower

and the Lenders thereof) and to be made as soon as practicable (but in any event no later than two Business Days after such notice is given by the Administrative Agent) and to include interest at the applicable Federal Funds Effective Rate for the period from the date to which the Margin Reduction Percentage has been retroactively adjusted to the date of the applicable payment on any amounts required to be paid as a result of such retroactive adjustment.

"Termination Date": February 28, 2001.

3. Amendment of Sections 8.1(a) and 8.1(b) to the Credit Agreement. Sections 8.1(a) and 8.1(b) are hereby amended by deleting them in their entirety and substituting in lieu thereof the following:

"(a) Maintenance of Net Worth. Permit Consolidated Net Worth of Holdings and its consolidated Subsidiaries at any time to be less than $100,000,000.

(b) Ratio of Consolidated Funded Indebtedness to Consolidated EBITDA. Permit, on the last day of any fiscal quarter of Holdings ending during any period set forth below (each a "Test Period"), the ratio of Consolidated Funded Indebtedness to Consolidated EBITDA of Holdings and its consolidated Subsidiaries for the period of four consecutive fiscal quarters of Holdings ending on such day to be greater than the ratio set forth opposite such Test Period below:

Test Period	Ratio
12/31/97-3/30/98	5.00 : 1.0
3/31/98-6/29/98	4.50 : 1.0
6/30/98-9/29/98	4.25 : 1.0
9/30/98-3/30/00	4.00 : 1.0
Thereafter	3.75 : 1.0"

4. Amendment of Section 8.2(e) to the Credit Agreement. Section 8.2(e) is hereby amended by deleting it in its entirety and substituting in lieu thereof the following:

"(e) Indebtedness of the Borrower and any of its Subsidiaries incurred to finance the acquisition of fixed or capital assets (whether pursuant to a loan, a Financing Lease, a sale and leaseback transaction or otherwise) otherwise permitted pursuant to this Agreement in an aggregate principal amount not exceeding in the aggregate as to the Borrower and its Subsidiaries $35,000,000 at any one time outstanding."

5. Amendment of Section 8.2(m) to the Credit Agreement. Section 8.2(m) is hereby amended by deleting it in its entirety and substituting in lieu thereof the following:

"(m) additional Indebtedness of the Borrower or any of its Subsidiaries not exceeding $30,000,000 in aggregate principal amount at any one time outstanding; and"

6. Amendment of Section 8.6(g) to the Credit Agreement. Section 8.6(g) is hereby amended by deleting it in its entirety and substituting in lieu thereof the following:

"(g) Dispositions of assets in a transaction or series of related transactions where (i) the amount, if any, by which the aggregate book value of the assets subject to any single Disposition or series of related Dispositions exceeds the aggregate Net Cash Proceeds of such Disposition or series of Dispositions not greater than $30,000,000 and (ii) after giving effect to any such Disposition, the amount, if any, by which the aggregate book value of all assets subject to Dispositions during the period from the First Amendment Effective Date to and including the date of such Disposition exceeds the aggregate Net Cash Proceeds of all Dispositions during such period is not greater than $60,000,000, provided that (i) no Default or Event of Default shall occur and shall be continuing on the date of any such Disposition or would occur as a result thereof, (ii) such Net Cash Proceeds are applied to the repayment of the Extensions of Credit pursuant to subsection 4.4(c), (iii) the proceeds of such Disposition consist solely of cash and are in an amount not less than the fair market value of the assets subject to such Disposition and (iv) notwithstanding the foregoing, no Disposition constituting a Mixed Asset Sale shall be permitted hereunder if, after giving effect thereto, the sum of (A) the Aggregate Asset Sale Shortfall Amount and (B) the U.S. Dollar equivalent (determined on the basis of then Current Exchange Rates from time to time) of the Canadian Aggregate Asset Shortfall Amount would exceed $15,000,000;"

7. Amendment of Section 8.6 to the Credit Agreement. Section 8.6 is hereby amended by adding the following as new paragraph (i):

"(i) sales without recourse of receivables, provided that (i) the aggregate Net Cash Proceeds of all such sales does not exceed $100,000,000, (ii) no Default or Event of Default shall have occurred and shall be continuing on the date of any such sale or would occur as a result thereof, (iii) such Net Cash Proceeds are applied to the repayment of the Extensions of Credit pursuant to subsection 4.4(c), and (iv) the proceeds of such sales consist solely of cash and are in an amount not less than the fair market value of the receivables sold."

8. Amendment of Section 8.9 to the Credit Agreement. Section 8.9 is hereby amended by deleting it in its entirety.

9. Amendment of Section 8.10(g) to the Credit Agreement. Section 8.10(g) is hereby amended by deleting it in its entirety and substituting in lieu thereof the following:

"(g) Investments by the Borrower or any of its Subsidiaries consisting of the acquisition by purchase or otherwise of all or substantially all of the business or assets of, or evidences of beneficial ownership of, any Person or any division thereof; provided that on or prior to the date which is 5 Business Days prior to such Investment, the Borrower shall have delivered to each Lender a certificate of a Responsible Officer confirming and setting forth in reasonable detail computations showing that after giving effect to such Investment (i) the Borrower would be in compliance with the provisions of subsection 8.1 as at and for the applicable period ending on the last day of the then most recently ended fiscal quarter for which financial statements shall have been delivered to the Lenders pursuant to subsection 7.1 after giving pro forma effect to such Investment by assuming such Investment and any related financing thereof was completed on the first day of such period, (ii) immediately before and after giving effect to such Investment or series of related Investments, no Default or Event of Default shall have occurred or be continuing and (iii) the Available Commitments would exceed $25,000,000."

10. Amendment of Section 8.13 to the Credit Agreement. Section 8.13 is hereby amended by deleting it in its entirety.

11. Amendment of Schedule 1 to the Credit Agreement. The table of Commitment Amounts set forth in Part A of Schedule 1 of the Credit Agreement is hereby deleted in its entirety and replaced by the table set forth in Part A of Schedule 1 to this First Amendment.

12. Termination of Existing Security Documents. The Administrative Agent and the Lenders hereby agree to (i) terminate all "Security Documents" (as defined in the Credit Agreement), and (ii) release and return, without recourse, representation or warranty, all collateral security delivered under such Security Documents. The Collateral Agent is hereby released by the Lenders, the Borrower and the Administrative Agent from any duties and obligations in its capacity as Collateral Agent under the Agreement.

13. Conditions of Effectiveness. This First Amendment shall become effective upon satisfaction of each of the following conditions: (i) the signing of this First Amendment, or, as the case may be, the consent hereto provided for below, by the Lenders

(after giving effect to this First Amendment), the Borrower, the Canadian Borrower, the Canadian Lenders, Holdings and each Subsidiary Guarantor, (ii) the occurrence of the "First Amendment Effective Date" under and as defined in the First Amendment, dated as of February __, 1998 to the Canadian Credit Agreement and (iii) the first date upon which each of the conditions precedent set forth below are satisfied (the date upon which all the conditions set forth in clauses (i), (ii) and (iii) above shall be satisfied, the "First Amendment Effective Date").

a. Representations and Warranties. Each of the representations and warranties made by any Loan Party (other than RealCo) pursuant to the Credit Agreement, this First Amendment or any other Loan Document (or in any amendment, modification or supplement hereto or thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any such Loan Party pursuant to this Agreement or any other Loan Document shall, except to the extent that they relate to a particular date, be true and correct in all material respects on and as of the First Amendment Effective Date as if made on and as of such date.

b. No Default. No Default or Event of Default shall have occurred and be continuing on and as of the First Amendment Effective Date.

c. Revolving Credit Notes. The Administrative Agent shall have received on behalf of each Lender a new Revolving Credit Note duly executed and delivered by the Borrower which shall be exchanged for the existing Revolving Credit Note payable to such Lender (which existing Revolving Credit Note shall be returned to the Borrower).

d. Legal Opinions. The Administrative Agent shall have received, with a copy for each Lender, the executed legal opinions of (A) Debevoise & Plimpton, special counsel to the Borrower and the other Credit Parties, substantially in the form of Exhibit A and (B) the General Counsel of the Borrower, substantially in the form of Exhibit B.

e. Corporate Proceedings of the Borrower. The Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors of the Borrower authorizing (i) the execution, delivery and performance of this First Amendment, the Revolving Credit Notes to be delivered pursuant to clause (c) of this paragraph 3 and the other related documents to which it is or will be a party and (ii) the increase in the amount of the Commitments contemplated hereby, certified by the Secretary or an Assistant Secretary of the Borrower as of the First Amendment

Effective Date, which certificate shall be in form and substance reasonably satisfactory to the Administrative Agent and shall state that the resolutions thereby certified have not been amended, modified (except as any later such resolution may modify any earlier such resolution), revoked or rescinded.

f. Incumbency Certificates of the Borrower. The Administrative Agent shall have received, with a copy for each Lender, a certificate of a Responsible Officer of the Borrower, dated the First Amendment Effective Date, as to the incumbency and signature of the officers of the Borrower executing this First Amendment and any related document, reasonably satisfactory in form and substance to the Administrative Agent.

14. Prepayment of Loans. On the First Amendment Effective Date, the Borrower agrees to prepay all of the Loans outstanding under the Credit Agreement as well as any unpaid and accrued interest thereon and any amounts payable pursuant to subsections 4.5, 4.8 and 4.13 of the Credit Agreement therewith.

15. APPLICABLE LAW. THIS FIRST AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

16. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one instrument.

17. Headings. Section headings used in this First Amendment are for convenience of reference only, are not part of this First Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this First Amendment.

18. Credit Agreement. Except as expressly amended hereby, the Credit Agreement shall continue in full force and effect in accordance with the provisions thereof in effect on the date hereof. As used therein, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereunder", "hereto" and words of similar import shall mean, from and after the First Amendment Effective Date, unless the context otherwise specifically requires, the Credit Agreement as amended by this First Amendment.

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

WESCO DISTRIBUTION, INC.

By: /s/

Name:
Title:

BARCLAYS BANK PLC, as Administrative Agent, Collateral Agent, Issuing Bank, Swing Line Lender and a Lender

By: /s/

Name:
Title:

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as a Co-Agent and a Lender

By: /s/

Name:
Title:

THE BANK OF NEW YORK, as a Co-Agent and
a Lender

By: /s/

Name:
Title:

THE BANK OF NOVA SCOTIA, as a Co-Agent
and Lender

By: /s/

Name:
Title:

THE CHASE MANHATTAN BANK, as a Co-Agent
and a Lender

By: /s/

Name:
Title:

THE FIRST NATIONAL BANK OF CHICAGO, as a
Co-Agent and a Lender

By: /s/

Name:
Title:

MELLON BANK, N.A., as a Co-Agent and a Lender

By: /s/

Name:
Title:

NATIONSBANK, N.A., as a Co-Agent and a Lender

By: /s/

Name:
Title:

PNC BANK, National Association, as a Co-Agent
and Lender

By: /s/

Name:
Title:

ABN AMRO BANK, N.V., as a Lender

By: /s/

Name:
Title:

NATIONAL CITY BANK OF PENNSYLVANIA, as
a Lender

By: /s/

Name:
Title:

THE TORONTO-DOMINION BANK, as a Lender

By: /s/

Name:
Title:

Consented and Agreed to:

THE BANK OF NOVA SCOTIA, as
Administrative Agent under the Canadian
Credit Agreement, Canadian Swing Line
Lender and a Canadian Lender

By: /s/

Name:
Title:

BARCLAYS BANK PLC, as Collateral Agent
under the Canadian Credit Agreement

By: /s/

Name:
Title:

MELLON BANK CANADA, as a Co-Agent under
the Canadian Credit Agreement and a
Canadian Lender

By: /s/

Name:
Title:

THE TORONTO-DOMINION BANK, as a
Canadian Lender

By: /s/

Name:
Title:

CDW HOLDINGS CORPORATION, as a
Guarantor under the Credit Agreement

By: /s/

Name:
Title:

WESCO DISTRIBUTION CANADA, INC.,
as the Borrower under the
Canadian Credit Agreement

By: /s/

Name:
Title:

COMMITMENTS; ADDRESSES

A. Commitment Amounts

Lender	Commitment
Barclays Bank PLC	62,841,558
First Chicago/NBD	39,000,000
NationsBank	42,500,000
PNC Bank	47,500,000
Bank of Nova Scotia	23,500,000
Toronto Dominion	20,908,442
Mellon	30,250,000
Bank of America	35,000,000
Chase	30,000,000
Bank of New York	25,000,000
National City Bank	25,000,000
ABN-AMRO	18,500,000
TOTAL	$400,000,000

[FORM OF LEGAL OPINION OF DEBEVOISE & PLIMPTON-
SPECIAL COUNSEL TO THE BORROWER AND OTHER CREDIT PARTIES]

See attached

[FORM OF LEGAL OPINION OF GENERAL COUNSEL OF THE BORROWER]

See attached

EXHIBIT 4.2

EXECUTION COPY

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AMENDED AND RESTATED
CREDIT AGREEMENT

among

WESCO DISTRIBUTION-CANADA, INC.,
AS BORROWER,

THE SEVERAL LENDERS
FROM TIME TO TIME PARTIES HERETO,

THE BANK OF NOVA SCOTIA,
as Administrative Agent

and

BARCLAYS BANK PLC,
as Collateral Agent

DATED AS OF MARCH 14, 1997

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SCHEDULES

EXHIBITS

AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 14, 1997, among WESCO DISTRIBUTION-CANADA, INC., a corporation organized and existing under the laws of the Province of Ontario (the "Borrower"), the several banks and other financial institutions from time to time parties to this Agreement (the "Lenders"), THE BANK OF NOVA SCOTIA, a Canadian chartered bank ("Bank of Nova Scotia"), as administrative agent for the Lenders hereunder (in such capacity, the "Administrative Agent") and BARCLAYS BANK PLC, a banking corporation organized under the laws of the United Kingdom ("Barclays"), as collateral agent (in such capacity, the "Collateral Agent").

W I T N E S S E T H :

WHEREAS, the Borrower is a wholly owned Subsidiary of WESCO Distribution, Inc., a Delaware corporation (the "U.S. Borrower"; the U.S. Borrower and the Borrower, collectively, the "Borrowers");

WHEREAS the Borrowers are companies organized by Clayton, Dubilier & Rice, Inc. ("CD&R");

WHEREAS, the U.S. Borrower is a wholly owned Subsidiary of CDW Holding Corporation, a Delaware corporation ("Holdings");

WHEREAS, the Borrower is a party to the Credit Agreement, dated as of February 24, 1995 (as amended by the First Amendment, dated as of March 29, 1996, and the Second Amendment, dated as of August 5, 1996, the "Existing Credit Agreement"), with the banks and other financial institutions party thereto and Bank of Nova Scotia, as administrative agent, and Fleet Capital Corporation (as successor to Shawmut Capital Corporation), as collateral agent, and the U.S. Borrower is a party to the U.S. Credit Agreement (as such term is defined in the Existing Credit Agreement, the "Existing U.S. Credit Agreement");

WHEREAS, concurrently with the execution and delivery of this Agreement, the Existing U.S. Credit Agreement is being amended and restated (as amended, supplemented or otherwise modified from time to time, the "U.S. Credit Agreement"), among the U.S. Borrower and the financial institutions from time to time parties thereto (the "U.S. Lenders"), Barclays Bank PLC ("Barclays"), as administrative agent for the U.S. Lenders (in such capacity, the "U.S. Administrative Agent") and Barclays, as collateral agent (in such capacity, the "U.S. Collateral Agent");

WHEREAS, the Company has requested that the Existing Credit Agreement be amended and restated to extend the period during which loans may be made thereunder and to modify the adjustments to the interest rate margin to be charged on the loans made thereunder;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree that, effective on the Effective Date (as hereinafter defined), the Existing Credit Agreement shall be amended and restated to read in its entirety as follows:

SECTION 1. DEFINITIONS

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

"Acceptances": a Draft drawn by the Borrower and accepted by a Lender which is (i) denominated in Canadian Dollars, (ii) in an undiscounted face amount equal to C$500,000 or a whole multiple of C$100,000 in excess thereof, (iii) for a term of not less than 30 days nor more than 180 days and matures prior to the Termination Date and (iv) issuable and payable only in Canada; provided that, to the extent the context shall require, each Acceptance Note shall be deemed to be an Acceptance.

"Acceptance Note": as defined in subsection 3.8(b).

"Acceptance Purchase Price": in respect of an Acceptance of a
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specified maturity, the result (rounded to the nearest whole cent, and with one-half cent being rounded up) obtained by dividing the face amount of such Acceptance by the sum of (i) one and (ii) the product of (A) the Reference Discount Rate for Acceptances of the same maturity expressed as a decimal and (B) a fraction, the numerator of which is the term to maturity of such Acceptance and the denominator of which is equal to 365.

"Acceptance Reimbursement Obligation": the obligation of the Borrower
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to each Lender pursuant to subsection 3.5.

"Account Collateral": as defined in subsection 8.7(d).

"Accounts": as defined in the Personal Property Security Act; and,
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with respect to the Borrower or any of its Subsidiaries, all such accounts of the Borrower or any such Subsidiary, whether now existing or existing in the future, including, without limitation (i) all accounts receivable of the Borrower or any such Subsidiary (whether or not specifically listed on schedules furnished to the Collateral Agent) including, without limitation, all accounts created by or arising from all of the Borrower's or any such Subsidiary's sales of goods or rendition of services made under any of its trade names, or through any of its divisions, (ii) all rights to any goods represented by any of the foregoing, including returned or repossessed goods, (iii) all reserves and credit balances held by the Borrower or any such Subsidiary with respect to any such accounts receivable or Obligors, (iv) all letters of credit, guarantees or collateral for any of the

foregoing and (v) all insurance policies or rights relating to any of the foregoing.

"Acquisition": the collective reference to (i) the acquisition by
Holdings of substantially all of the U.S.-based assets of WESCO, the transfer of such assets (other than certain real property) on its behalf by Westinghouse U.S. to the U.S. Borrower and the transfer of such real property by Westinghouse U.S. on its behalf to RealCo, in each case pursuant to the U.S. Acquisition Agreement and certain of the Collateral Documents (as defined in the U.S. Acquisition Agreement) and (ii) the acquisition by the Borrower of substantially all of the Canadian-based assets of WESCO pursuant to the Acquisition Agreement and certain of the Collateral Documents (as defined in the U.S. Acquisition Agreement).

"Acquisition Agreement": the Asset Acquisition Agreement, dated as of
February 28, 1994, between the Canadian Borrower and Westinghouse Canada, as amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8 of the U.S. Credit Agreement.

"Acquisition Agreements": the collective reference to the Acquisition
Agreement and the U.S. Acquisition Agreement.

"Acquisition Documents": as defined in the U.S. Credit Agreement.

"Additional Subsidiary": as defined in the U.S. Credit Agreement.

"Adjustment Date": the first Business Day following receipt by the
Administrative Agent of (a) the financial statements required to be delivered pursuant to subsection 8.1(a) and (c), as the case may be, for the then most recently completed fiscal period

or (b) unaudited financial statements which (i) comply with all requirements of subsection 8.1(a) (other than the requirement that such financial statements be reported on by a certified public accountant) and (ii) are certified by a Responsible Officer of the U.S. Borrower as being fairly stated in all material respects.

"Administrative Agent": as defined in the preamble hereto.

"Administrative Agents": the collective reference to the Administrative Agent and the U.S. Administrative Agent.

"Affiliate": as to any Person, any other Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 20% or more of the securities having ordinary voting power for the election of directors of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Aggregate Asset Sale Shortfall Amount": as of any date of determination, with respect to all Mixed Asset Sales (or series of related Mixed Asset Sales) consummated on or prior to such date, the difference between (i) the sum of all Asset Sale Shortfall Amounts in respect of such Mixed Asset Sales (or series of related Mixed Asset Sales) which are determined to be a positive number in accordance with the definition of Asset Sale Shortfall Amount, minus (ii) the sum of the absolute value of all Asset Sale Shortfall Amounts in respect of such Mixed Asset Sales (or series of related Mixed Asset Sales) which are determined to be a

negative number in accordance with the definition of Asset Sale Shortfall Amount.

"Aggregate Majority Lenders": as defined in the U.S. Credit Agreement.

"Aggregate Outstandings": as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (b) the aggregate undiscounted face amount of all Acceptances then outstanding, (c) such Lender's Commitment Percentage of the L/C Obligations then outstanding and (d) such Lender's Commitment Percentage of the Swing Line Loans then outstanding.

"Aggregate Supermajority Lenders": as defined in the U.S. Credit Agreement.

"Aggregate U.S. Outstandings": the meaning ascribed to the term "Aggregate Outstandings" in the U.S. Credit Agreement.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to open a Letter of Credit.

"Asset Sale": any sale, issuance, conveyance, transfer, lease or other disposition (any of the foregoing, a "Disposition") by the Borrower or any Subsidiary of the Borrower, in one or a series of related transactions, of any real or personal, tangible or intangible property (including, without limitation, Capital Stock) of the Borrower or any such Subsidiary to any Person other than the Borrower or any Subsidiary of the Borrower.

"Asset Sale Shortfall Amount": with respect to any Mixed Asset Sale
or series of related Mixed Asset Sales, the U.S. Dollar equivalent (determined on the basis of the Current Exchange Rate in effect on the Business Day immediately preceding the date such Mixed Asset Sale or series of related Mixed Asset Sales is consummated) of the difference between (i) the book value of all Inventory of the Borrower or any of its Subsidiaries and all other Collateral sold or to be sold in connection with such Mixed Asset Sale or series of related Mixed Asset Sales (or, at the option of the Borrower in lieu of such book value, the purchase price allocated to such Inventory and other Collateral by the Borrower or one of its Subsidiaries and the purchaser thereof in good faith and set forth in the related purchase agreement) minus (ii) the Net Cash Proceeds of such Mixed Asset Sale or series of related Mixed Asset Sales; the Asset Sale Shortfall Amount with respect to any Mixed Asset Sale or series of related Mixed Asset Sales may be either a positive or a negative number.

"Assignee": as defined in subsection 12.6(c).

"Available Commitment": as to any Lender at any time, an amount equal to the excess, if any, of (a) the amount of such Lender's Commitment at such time over (b) the sum of (i) the aggregate unpaid principal amount at such time of all Revolving Credit Loans made by such Lender, (ii) the aggregate undiscounted face amount of all the then outstanding Acceptances of such Lender, (iii) an amount equal to such Lender's Commitment Percentage of the aggregate unpaid principal amount at such time of all Swing Line Loans, provided that for purposes of calculating Available Commitments pursuant to subsection 5.3(a) such amount shall be deemed to be zero and (iv) an amount equal to such Lender's Commitment Percentage of the outstanding L/C Obligations at such time; collectively, as to all the Lenders, the "Available Commitments".

"Available U.S. Commitment": the meaning ascribed to the term
"Available Commitment" in the U.S. Credit Agreement.

"Bank Act (Canada)": the Bank Act (Canada), as amended from time to time.

"Bank Act Security": security granted by the Borrower pursuant to Section 427 of the Bank Act (Canada).

"Bank of Canada Rate": the Bank of Canada's rate for 30-day funds as established on Tuesday of each week, plus .25%.

"Bankruptcy and Insolvency Act (Canada)": the Bankruptcy and Insolvency Act (Canada), as amended from time to time.

"Borrower": as defined in the preamble hereto.

"Borrowers": as defined in the recitals hereto.

"Borrowing Base": an amount, calculated on a monthly basis based upon the most recent Monthly Borrowing Base Certificate delivered pursuant to subsection 8.2(c), equal to the sum (without duplication) of (a) 85% of Eligible Accounts plus (b) the lesser of (1) the Canadian Inventory Sublimit Amount and (2) 60% of Eligible Inventory; provided, however, that the Borrowing Base shall be deemed to be infinite in amount at all times during any Borrowing Base Elimination Period. All determinations in connection with the Borrowing Base shall be made by the Borrower and certified to the Collateral Agent by a Responsible Officer of the Borrower; provided, however, that the Collateral Agent shall have the final right to review and adjust any such determination to the extent the Collateral Agent determines, in its

reasonable judgment after consultation with the Borrower and the Administrative Agent, that such determination is not in accordance with this Agreement. The Borrower shall from time to time provide such assistance to the Collateral Agent as the Collateral Agent reasonably may request for the purpose of determining compliance by the Borrower with the Borrowing Base.

"Borrowing Base Default": any Default or Event of Default which occurs solely because the Aggregate Outstandings of all Lenders exceed the Borrowing Base then in effect.

"Borrowing Base Elimination Period": any period commencing on an Adjustment Date and ending on the Business Day immediately preceding the next succeeding Adjustment Date, provided that (a) the Fixed Charge Coverage Ratio for the four consecutive fiscal quarters of the U.S. Borrower reflected in the financial statements delivered by the Borrower hereunder for the period ending immediately prior to the first such Adjustment Date is greater than or equal to 4.00:1 and (b) no Borrowing Base Elimination Period may exist so long as an Event of Default shall have occurred and be continuing.

"Borrowing Date": any Business Day specified in a notice pursuant to subsection 2.3 or 2.5 as a date with respect to which the Borrower has requested the Lenders to make Loans hereunder or, with respect to a Request for Acceptances, the date with respect to which the Borrower has requested the Lenders to accept Drafts.

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by law to close.

"Canada-U.S. Transfer": as defined in subsection 2.4(b).

"Canadian Cash Collateral Agreement": the Cash Collateral and Security Agreement, dated as of February 28, 1994, between the Borrower and Westinghouse Canada, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 9.6 hereof and subsection 8.8 of the U.S. Credit Agreement.

"Canadian Dollar Increase Amount": as defined in subsection 2.4(b).

"Canadian Dollar Reduction Amount": as defined in subsection 2.4(b).

"Canadian Dollars" and "C$": dollars in the lawful currency of Canada.

"Canadian First Mortgage Notes": the First Mortgage Note, dated as of February 28, 1994, originally issued by the Borrower to Westinghouse Canada, and all notes issued in exchange therefor and in exchange for such exchanged notes, in each case, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 9.6 hereof and subsection 8.8 of the U.S. Credit Agreement.

"Canadian First Mortgage Note Documents": the collective reference to the Canadian First Mortgage Notes, the Canadian Mortgages, the Holdings Canadian First Mortgage Note Guarantees, the U.S. Borrower Canadian First Mortgage Note Guarantees, the RealCo Canadian First Mortgage Note Guarantees and the Canadian Cash Collateral Agreement.

"Canadian Inventory Sublimit Amount": at any date of determination, an amount equal to 45% of the Commitments of all Lenders then in effect.

"Canadian Mortgaged Property": each parcel of real property owned by the Borrower and encumbered by a Canadian Mortgage.

"Canadian Mortgages": the collective reference to (i) each of the fee mortgages, each dated as of February 28, 1994, each made by the Borrower in favor of Westinghouse Canada and (ii) any other mortgage made from time to time by the Borrower in favor of Westinghouse Canada pursuant to the Canadian First Mortgage Notes, each of such mortgages encumbering one of the Canadian Mortgaged Properties with a first mortgage lien securing the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 9.6 hereof and subsection 8.8 of the U.S. Credit Agreement.

"Canadian Pension Plan": any plan, program, arrangement or understanding that is a pension plan for the purposes of any applicable pension benefits or tax laws of Canada or a province or territory thereof (whether or not required to be registered under any such laws) which is maintained, administered or contributed to by (or to which there is or may be an obligation to contribute by) the Borrower or any of its Subsidiaries in respect of any person's employment in Canada or a province or territory thereof, all related funding agreements and all related agreements, arrangements and understandings in respect of, or related to, any benefits to be provided thereunder.

"Canadian Prepayment Percentage": as of any date of determination, the percentage of the sum of the aggregate Commitments and the aggregate U.S.

Commitments which is constituted by the aggregate Commitments.

"Canadian Subsidiary Collateral Covenant Agreement": each agreement executed and delivered by a Subsidiary of the Borrower pursuant to subsection 9.4, each such agreement to be of substantially the same import, tenor and substance as the Collateral Covenant Agreement, with such changes thereto (as agreed between the Borrower and the Administrative Agent) as may be required or advisable under the laws of the jurisdiction of incorporation of such Subsidiary (and the laws of any other jurisdiction as may apply to such Canadian Subsidiary Collateral Covenant Agreement (including any jurisdiction where such Subsidiary owns material assets)) in connection with all security granted by such Subsidiary pursuant to subsection 9.4.

"Canadian Subsidiary Debenture Pledge Agreement": each agreement executed and delivered by a Subsidiary of the Borrower pursuant to subsection 9.4, each such agreement to be of substantially the same import, tenor and substance as the Debenture Pledge Agreement, with such changes thereto (as agreed between the Borrower and the Administrative Agent) as may be required or advisable under the laws of the jurisdiction of incorporation of such Subsidiary (and the laws of any other jurisdiction as may apply to such Canadian Subsidiary Debenture Pledge Agreement (including any jurisdiction where such Subsidiary owns material assets)) in connection with the Canadian Subsidiary Demand Debenture.

"Canadian Subsidiary Demand Debenture": each deed or instrument executed and delivered by a Subsidiary of the Borrower pursuant to subsection 9.4, each such agreement to be of substantially the same import, tenor and substance as the Security Agreement, with such changes thereto (as agreed between the Borrower and the Administrative Agent) as may be required or advisable

to create, under the laws of the jurisdiction of incorporation of such Subsidiary (and the laws of any other jurisdiction as may apply to such Canadian Subsidiary Demand Debenture (including any jurisdiction where such Subsidiary owns material assets)), in favor of the Administrative Agent and the Lenders, a valid, binding and enforceable mortgage, charge, assignment and security interest in and to all of the assets of such Subsidiary, other than real estate, motor vehicles and other assets of the type excluded from Collateral pursuant to the Security Agreement.

"Canadian Subsidiary Guarantee": each Guarantee to be executed and delivered by each Subsidiary of the Borrower in favor of the Administrative Agent, each agreement executed and delivered by a Subsidiary of the Borrower pursuant to subsection 9.4, each such agreement to be of substantially the same import, tenor and substance as the Canadian Subsidiary Guarantee as attached to the Existing Credit Agreement as Exhibit J, with such changes thereto (as agreed between the Borrower and the Administrative Agent) as may be required or advisable under the laws of the jurisdiction of incorporation of such Subsidiary (and the laws of any other jurisdiction as may apply to such Canadian Subsidiary Guarantee (including any jurisdiction where such Subsidiary owns material assets) in connection with the Canadian Subsidiary Guarantee.

"Canadian Subsidiary Stock Pledge Agreement": each Stock Pledge Agreement to be executed and delivered by the Borrower and/or any Subsidiary of the Borrower that owns any Capital Stock of any Subsidiary of the Borrower in favor of the Administrative Agent, each such agreement to be of substantially the same import, tenor and substance as the form of U.S. Borrower Canadian Stock Pledge Agreement, with such changes (as agreed between the Borrower and the Administrative Agent) as may be required or advisable

under the laws of Ontario (in the case of the Borrower) and under the laws of its jurisdiction of incorporation (in the case of a Subsidiary of the Borrower) (and the laws of any other jurisdiction as may apply to such Canadian Subsidiary Stock Pledge Agreement).

"Canadian Transfer Commitment Percentage": as to any Common Lender at any time, the percentage of the aggregate Commitments of all Lenders then constituted by the Commitment of such Common Lender (in its capacity as a Lender hereunder) or the Lender which is a subsidiary or an affiliate of such Common Lender.

"Capital Call Agreement": as defined in the U.S. Credit Agreement.

"Capital Expenditures": with respect to any Person for any period, the sum of the aggregate of all expenditures (whether paid in cash, capitalized as an asset or accrued as a liability) by such Person and its consolidated Subsidiaries during such period which, in accordance with GAAP, are or should be included in "capital expenditures" or similar items reflected in the consolidated statement of cash flows of such Person for such period.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"C&D Fund IV": The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership.

"CD&R": as defined in the recitals hereto.

"Closing Date": the date on which all the conditions precedent set forth in subsection 7.1 of the Existing Credit Agreement were satisfied or waived.

"Closing Date Exchange Rate": $1.00 equals C$1.39310.

"Co-Agents": each Lender designated as such on the signature pages hereof.

"Collateral": all assets of the Loan Parties, now owned or hereinafter acquired, upon which a Lien is purported to be created by any Security Document (other than a U.S. Security Document).

"Collateral Agent": as defined in the preamble hereto.

"Collateral Covenant Agreement": the Collateral Covenant Agreement executed and delivered by the Borrower in favor of the Administrative Agent, substantially in the form of Exhibit M to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Commercial Letter of Credit": as defined in subsection 4.1.

"Commitment": as to any Lender, its obligation to make Revolving Credit Loans to, and/or participate in Swing Line Loans made to, and/or create Acceptances (or, in lieu thereof, to make loans pursuant to the Acceptance Notes), and/or participate in Letters of Credit issued on behalf of, the Borrower in an aggregate amount not to exceed at any one time outstanding the amount set forth opposite such Lender's name in Schedule 1 under the heading "Commitment", as such amount may be reduced or increased from time to time as provided in subsection 2.4 and the other

applicable provisions hereof; collectively, as to all the Lenders, the "Commitments".

"Commitment Fee Rate": 0.50% per annum, less the Margin Reduction Percentage in effect from time to time.

"Commitment Percentage": as to any Lender at any time, the percentage of the aggregate Commitments then constituted by its Commitment (or, if the Commitments have terminated or expired, the percentage which (i) the sum of (a) such Lender's then outstanding Revolving Credit Loans plus (b) such Lender's participations in the aggregate L/C Obligations and Swing Line Loans then outstanding plus (c) such Lender's Acceptances then outstanding constitutes of (ii) the sum of (a) the aggregate Revolving Credit Loans of all the Lenders then outstanding plus (b) the aggregate L/C Obligations then outstanding plus (c) the aggregate Swing Line Loans then outstanding plus (d) the aggregate Acceptances then outstanding).

"Commitment Period": the period from and including the Closing Date to but not including the Termination Date, or such earlier date as the Commitments shall terminate as provided herein.

"Common Lender": each U.S. Lender which is also a Lender or the parent or a subsidiary or affiliate thereof.

"Consolidated Adjusted EBITDA": of any Person, for any period, the difference between (i) Consolidated EBITDA of such Person for such period, minus (ii) Capital Expenditures (excluding any expenses incurred in connection with normal replacement and maintenance programs properly charged to current operations and excluding the amount of any Net Cash Proceeds of Dispositions of assets pursuant to subsection 9.2(g) which are reinvested in the business of the Borrower or

a Subsidiary of the Borrower and the amount of any U.S. Net Cash Proceeds of U.S. Dispositions of assets pursuant to subsection 8.6(g) of the U.S. Credit Agreement which are reinvested in the business of the U.S. Borrower or an Additional Subsidiary) paid in cash during such period.

"Consolidated EBITDA": of any Person, for any period, the
Consolidated Net Income of such Person for such period, adjusted to exclude the following items of income or expense to the extent that such items are included in the calculation of Consolidated Net Income: (a) Consolidated Interest Expense, (b) any non-cash interest expense and any other non-cash expenses and charges, (c) total income tax expense, (d) depreciation expense, (e) the expense associated with amortization of intangible and other assets, (f) non-cash provisions for reserves for discontinued operations, (g) any extraordinary, unusual or non-recurring gains or losses or charges or credits and (h) any gain or loss associated with the sale or write-up or write-down of assets.

"Consolidated Interest Expense": of any Person, for any period, cash
interest expense of such Person for such period on its Indebtedness determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income": of any Person, for any period, net income
of such Person for such period, determined on a consolidated basis in accordance with GAAP, provided that, for purposes of determining
Consolidated Net Income of the U.S. Borrower and its consolidated Subsidiaries for any period, all Dividends for such period shall be deducted therefrom as an expense.

"Contractual Obligation": as to any Person, any provision of any
security issued by such Person or of any agreement, instrument or other undertaking to which

such Person is a party or by which it or any of its property is bound.

"Credit Documents": the collective reference to the Loan Documents and the U.S. Loan Documents.

"Credit Parties": the collective reference to the Loan Parties and U.S. Loan Parties.

"Current Exchange Rate": as at any date of determination, the average of the bid/ask spot rates specified on the WRLD screen of Reuters Information Services Inc. at 10:00 A.M., New York City time, on such date, with respect to the purchase and sale of Canadian Dollars for U.S. Dollars.

"Debenture Pledge Agreement": the Debenture Pledge Agreement executed and delivered by the Borrower in favor of the Administrative Agent, substantially in the form of Exhibit D-2 to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Default": any of the events specified in Section 10 prior to the satisfaction of any requirement for the giving of notice, the lapse of time, or both, or any other condition.

"Defaulted Receivable": any Account of the Borrower or any of its Subsidiaries which:

(i) has been or should have been charged-off as not creditworthy in conformity with the accounting policies of the Borrower as in effect on the Closing Date; or

(ii) is owed by an account debtor described in clause (l) of the definition of Eligible Accounts.

"Depositary Account": as defined in subsection 8.7(b).

"Depositary Bank": as defined in subsection 8.7(a).

"Disposition": as defined in the definition of the term "Asset Sale".

"Dividends": for any period, all dividends and other distributions
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paid by the U.S. Borrower to Holdings in cash during such period other than (i) the payment permitted by subsection 8.7(g) of the U.S. Credit Agreement and (ii) dividends and other distributions permitted by subsection 8.7(d) of the U.S. Credit Agreement (but only to the extent such dividends or distributions are made in respect of repurchases by Holdings of its common stock or options, warrants or other rights to purchase its common stock from Permitted Equity Purchasers referred to in clauses (i) and (ii) of the definition thereof contained in the U.S. Credit Agreement) which are paid by the U.S. Borrower to or on behalf of Holdings and used by Holdings for the purposes described in the immediately preceding parenthetical.

"Draft": a draft substantially in the form of Exhibit B or in such
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other form as the Administrative Agent may from time to time reasonably request (or to the extent the context shall require, an Acceptance Note, delivered in lieu of a draft), as the same may be amended, supplemented or otherwise modified from time to time.

"Effective Date": as defined in subsection 6.1.

"Eligible Accounts": at any time, an amount equal to the aggregate
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outstanding balance of all Accounts of the Borrower and its Subsidiaries payable in Canadian Dollars as of such time, provided that, unless
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otherwise approved in writing by the Collateral Agent, no Account shall be deemed to be an Eligible Account if:

(a) either (i) the Account is unpaid more than 60 days after the original statement due date (including, without limitation, the aggregate credit balance determined on an Account by Account basis more than 60 days old) or (ii) the Account is unpaid more than 120 days after the date on which an invoice therefor has been sent to the Obligor in respect of such Account;

(b) the Obligor has been obligated in respect of a Defaulted Receivable at any time during the immediately preceding 12-month period, unless the payment of Accounts from such Obligor is secured in a manner satisfactory to the Collateral Agent or, if the Account from such Obligor arises subsequent to a decree or order for relief with respect to such Obligor under any bankruptcy or insolvency laws (or other similar laws), as now or hereafter in effect, the Collateral Agent shall have determined that the timely payment and collection of such Account will not be impaired;

(c) it is payable by an Obligor (or any known Subsidiary or Affiliate thereof) and 50% or more, in face amount, of all Accounts payable by such Obligor (and its known Affiliates) are ineligible pursuant to (a) above;

(d) it is payable by an Obligor (or any known Subsidiary or Affiliate thereof) and all Accounts payable by such Obligor (and its known Subsidiaries and Affiliates) exceed 10% of all Eligible Accounts; provided that Accounts of such an Obligor (and its known Subsidiaries and Affiliates) shall only be deemed ineligible

pursuant to this clause (d) to the extent of such excess;

(e) it arises out of a sale or an administrative charge made by the Borrower or any of its Subsidiaries to the U.S. Borrower or any Affiliate (other than Westinghouse or any division, Subsidiary or Affiliate of Westinghouse) or Subsidiary of the Borrower or the U.S. Borrower;

(f) the sale is to an Obligor located outside of Canada;

(g) the Account is the result of a charge-back or a reinvoice of a disputed Account, the disposition of which has not been resolved, or the Account is a Defaulted Receivable;

(h) the Account has been or should have been charged off as not creditworthy in conformity with the accounting policies of the Borrower as in effect on the Closing Date;

(i) it is an Account which may be set-off or charged against any security deposit, progress payment or other similar advance or deposit made by or for the benefit of the applicable Obligor; provided that
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any Account deemed ineligible pursuant to this clause (i) shall only be ineligible to the extent of such set-off or charge against such security deposit, progress payment or other similar advance or deposit;

(j) the sale to the Obligor giving rise to the Account is on a bill-and-hold, guarantied sale, sale-and-return, sale on approval or consignment basis or made pursuant to any other written agreement providing for repurchase or return, provided, however, that no Account
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shall

be excluded pursuant to this clause (j) solely as a result of the customary quality warranties or the general right to return goods provided by the Borrower or any of its Subsidiaries to its customers; provided, further, that, with respect to Accounts arising from sales
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to an Obligor on a bill-and-hold basis, if such Obligor has requested that the goods subject to such sales be held by the Borrower or one of its Subsidiaries and has nonetheless agreed to make payment on such Accounts, such Accounts shall not be considered ineligible pursuant to this clause (j); provided, further, that in no event shall the U.S.
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Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the aggregate amount of all Accounts included as Eligible Accounts pursuant to the immediately preceding proviso exceed the product of (i) the Canadian Prepayment Percentage in effect from time to time, multiplied by (ii) $2,500,000;

(k) (i) the Obligor has disputed its liability on, or the Obligor has made any claim or defense with respect to, such Account or any other account due from such Obligor to the Borrower, the U.S. Borrower or any of their respective Subsidiaries, which has not been resolved or (ii) the Account otherwise is, or is reasonably expected to become, subject to any right of set-off by the Obligor; provided that any
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Account deemed ineligible pursuant to this clause (k) shall only be ineligible to the extent of the amount owed by the Borrower, the U.S. Borrower or any of their respective Subsidiaries to the Obligor, the amount of such dispute, claim or defense, or the maximum amount at any time of such right of set-off, as applicable; provided, further, that
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routine adjustments to an Account common in the industry in which the Borrower, the U.S. Borrower or any of their respective

Subsidiaries conduct business and common to such businesses, such as for volume or quantity differences or returned goods, will be deemed not to constitute a dispute, claim, defense or setoff;

(l) a proceeding under any bankruptcy or insolvency laws (or any similar laws) has occurred and is continuing with respect to the Obligor, unless the payment of Accounts from such Obligor is secured in a manner satisfactory to the Collateral Agent or, if the Account from such Obligor arises subsequent to a decree or order for relief with respect to such Obligor under any bankruptcy or insolvency laws (or any similar laws), as now or hereafter in effect, the Collateral Agent shall have determined that the timely payment and collection of such Account will not be impaired;

(m) Accounts in respect of which the Obligor is Canada or any province, department, agency or instrumentality thereof; provided that
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Accounts otherwise ineligible pursuant to this clause (m) shall only be ineligible to the extent that the aggregate amount of all such Accounts is in excess of C$1,000,000; and provided further that
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amounts in excess of C$1,000,000 in respect of such Accounts shall nonetheless be considered eligible to the extent that the Borrower or any applicable Subsidiary duly assigns its rights to payment of such Accounts to the Administrative Agent pursuant to the Financial Administration Act (Canada) or similar or equivalent provincial legislation;

(n) (i) except to the extent set forth in the second and third provisos to clause (j) above, the goods giving rise to such Account have not been delivered, and are not in transit, to the Obligor, (ii) the services giving rise to such Account have not been performed or (iii) the

Account otherwise does not represent a final sale or transfer of title to the Obligor;

(o) the Account (or the sale giving rise thereto) does not comply in all material respects with all applicable legal requirements, including, where applicable, any consumer protection legislation applicable to credit transactions;

(p) the Account is subject to any material restrictions on the transfer, assignability or sale thereof, enforceable against the assignee, except as described in clause (m) above;

(q) the Administrative Agent does not have a valid and perfected first priority security interest in such Account or the Account does not otherwise conform in all material respects to the representations and warranties contained in this Agreement or any of the Security Agreements;

(r) any portion of an Account to the extent such portion is for interest or finance charges accrued on past due balances of any Accounts;

(s) to the extent the Account represents an amount of billed receivables resulting from the shipping and invoicing of finished product which will not be subsequently collected because payment has already been received on account of progress payment billing (as such progress billings may be reduced by adjustment thereto);

(t) to the extent an Account is to be reduced as a result of pending price decreases relating to the agreement giving rise to such Account, such reduction of such Account; provided that an Account
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otherwise ineligible pursuant to this clause (t) shall not be considered ineligible to the extent that the pending price decrease

consists of a discount for early payment which is not then determinable or a credit for volume purchases which is not then determinable; or

(u) Accounts classified as "Legal Accounts" on the books of the Borrower or one of its Subsidiaries in conformity with the accounting policies of the Borrower as in effect of the Closing Date.

"Eligible Inventory": all Inventory of the Borrower and its Subsidiaries that consists of finished goods or spare parts available for sale to customers to the extent not excluded pursuant to clauses (a) through (g) below. In determining the amount to be so included, the amount of such Inventory shall be valued at the lower of average cost or market value on a basis consistent with the Borrower's or the relevant Subsidiary's accounting practice as in effect on the Closing Date less reserves taken, if any, on account of physical inventory adjustments (in respect of aged Inventory, excess Inventory or otherwise) as recorded in the Borrower's or the relevant Subsidiary's accounting records and goods in transit from third parties that are not excluded pursuant to clauses (a) through (g) below. Unless otherwise approved in writing by the Collateral Agent, no Inventory shall be deemed Eligible Inventory of the Borrower or any of its Subsidiaries if:

(a) the Inventory is not owned solely by the Borrower or a Subsidiary of the Borrower or the Borrower or any such Subsidiary does not have good, valid and marketable title to such Inventory;

(b) the Inventory is (i) not located at property that is owned or leased by the Borrower or any Subsidiary of the Borrower and (ii) subject to a Lien other than Liens pursuant to the

Security Agreements, Liens arising by operation of law (appropriate reserves for which have been reasonably established by the Borrower or any such Subsidiary) and Liens for normal and customary warehousing and transportation charges (appropriate reserves for which have been reasonably established by the Borrower or any such Subsidiary);

(c) the Inventory is not subject to a perfected first priority Lien in favor of the Administrative Agent except for Liens arising by operation of law (appropriate reserves for which have been reasonably established by the Borrower or any of its Subsidiaries) and, with respect to Eligible Inventory located at sites described in clause (b) above, for Liens for normal and customary warehousing and transportation charges (appropriate reserves for which have been reasonably established by the Borrower or any of its Subsidiaries);

(d) the Inventory is not located in Canada;

(e) the Inventory does not conform in all material respects to the representations and warranties contained in this Agreement or any of the Security Agreements;

(f) Specialized Inventory (other than New Inventory) of a particular stock keeping unit to the extent that the number of such stock keeping units held by the Borrower or any of its Subsidiaries on any date of determination exceeds the number of such stock keeping units sold by Westinghouse Canada, the Borrower or any of its Subsidiaries during the 12 consecutive fiscal month period immediately preceding such date of determination; provided that in no event shall
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the U.S. Dollar equivalent (determined from time to

time on the basis of then Current Exchange Rates) of the value of all Specialized Inventory included as Eligible Inventory pursuant to this clause (f) exceed at any time the product of (i) the Canadian Prepayment Percentage in effect from time to time, multiplied by (ii) $5,000,000; or

(g) Inventory (other than Specialized Inventory and New Inventory) of a particular stock keeping unit to the extent that the number of stock keeping units held by the Borrower or any of its Subsidiaries on any date of determination exceeds (i) for any determination during the period from the Closing Date to May 31, 1995, two times, and (ii) for any determination thereafter, one times, the number of such stock keeping units sold by Westinghouse Canada, the Borrower or any of its Subsidiaries during the 12 consecutive fiscal month period immediately preceding such date of determination; provided that in no event shall the U.S. Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the value of all Inventory included as Eligible Inventory pursuant to subclause (i) of this clause (g) exceed in the aggregate at any time the sum of (x) the product of (1) the Canadian Prepayment Percentage in effect from time to time, multiplied by (2) $8,500,000 and (y) the U.S. Dollar equivalent (determined from time to time on the basis of then Current Exchange Rates) of the value of such Inventory that would have been included as Eligible Inventory pursuant to such subclause (i) had the reference therein to the number "two" been a reference to the number "one".

"Environmental Costs": any and all costs or expenses (including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses),

of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way relating to any violation of, noncompliance with or liability under any Environmental Laws or any orders, requirements, demands, or investigations of any person related to any Environmental Laws. Environmental Costs include any and all of the foregoing, without regard to whether they arise out of or are related to any past, pending or threatened proceeding of any kind.

"Environmental Laws": any and all applicable foreign (including, without limitation, laws of the United States), federal, territorial, provincial, local or municipal laws, rules, orders, regulations, statutes, by-laws, ordinances, codes, decrees, requirements (including, without limitation, guidelines) of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Event of Default": any of the events specified in Section 10, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Existing Credit Agreement": as defined in the recitals hereto.

"Existing U.S. Credit Agreement": as defined in the recitals hereto.

"Extension of Credit": as to any Lender, the making of a Loan by such Lender, the acceptance of a Draft or an Acceptance Note by such Lender or the issuance of, or participation in, a Letter of Credit by such Lender.

"Financial Statement Delivery Default": any Default which occurs solely as a result of a failure by the Borrower to deliver the financial statements required to be delivered under subsection 8.1(a), (b) or (c) (as applicable).

"Financing Lease": any lease of property, real or personal, the obligations of the lessee in respect of which are required in accordance with GAAP to be capitalized on a balance sheet of the lessee.

"First Mortgage Notes": the collective reference to the Canadian First Mortgage Notes and the RealCo First Mortgage Notes.

"Fixed Charge Coverage Ratio": for any period, the ratio of Consolidated Adjusted EBITDA of the U.S. Borrower and its consolidated Subsidiaries for such period to Consolidated Interest Expense of the U.S. Borrower and its consolidated Subsidiaries for such period.

"Foreign Subsidiary": any Subsidiary of the Borrower which is not organized under the laws of the United States or any state thereof or the District of Columbia.

"GAAP": generally accepted accounting principles in effect from time to time in the United States of America or, as the context otherwise requires, in Canada.

"General Assignment of Book Debts": the General Assignment of Book Debts executed and delivered by the Borrower, substantially in the form of Exhibit P to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Governmental Authority": any nation or government, any state or province or other political

subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any such obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing

person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantees": the collective reference to the U.S. Borrower Guarantee, each U.S. Guarantee and each Canadian Subsidiary Guarantee.

"Guarantor": each Person party to a Guarantee.

"Holdings": as defined in the recitals hereto.

"Holdings Canadian First Mortgage Note Guarantees": the guarantees included on the Canadian First Mortgage Notes and made by Holdings in favor of the holders of the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 9.6 hereof and subsection 8.8 of the U.S. Credit Agreement.

"Holdings Guarantee": as defined in the U.S. Credit Agreement.

"Indebtedness": of any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (c) all obligations of such Person under Financing Leases, (d) all obligations of such Person in respect of acceptances issued or

created for the account of such Person, (e) all obligations of such Person in respect of interest rate protection agreements, interest rate futures, interest rate options, interest rate caps and any other interest rate hedge arrangements and (f) all indebtedness or obligations of the types referred to in the preceding clauses (a) through (e) secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof.

"Intellectual Property": the meaning ascribed to such term in the U.S. Credit Agreement.

"Interest Act": the Interest Act (Canada), as amended from time to time.

"Interest Payment Date": as to any Prime Rate Loan, the last day of each March, June, September and December to occur while such Loan is outstanding.

"Inventory": as defined in the Personal Property Security Act; and, with respect to the Borrower or any of its Subsidiaries, all such inventory of the Borrower or such Subsidiary, including, without limitation: (i) all finished goods, parts, components, assemblies, supplies, labor, burden and materials used or consumed in its business; (ii) all goods, wares and merchandise, finished or unfinished, held for sale; and (iii) all goods returned to or repossessed by the Borrower or such Subsidiary.

"Issuing Lender": Bank of Nova Scotia, in its capacity as issuer of any Letter of Credit.

"Landlord's Waiver": a Landlord's Waiver, substantially in the form of Exhibit D.

"L/C Commission Rate": 1.50% per annum, less the Margin Reduction Percentage in effect from time to time.

"L/C Commitment": C$5,000,000.

"L/C Fee Payment Date": with respect to any Letter of Credit, the last day of each March, June, September and December occurring after the date of issuance thereof and prior to the expiration thereof.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to subsection 4.5(a).

"L/C Participants": the collective reference to all Lenders other than the Issuing Lender.

"Lenders": as defined in the preamble hereto.

"Lending Parties": the collective reference to the Lenders and the U.S. Lenders; individually, a "Lending Party".

"Letters of Credit": as defined in subsection 4.1(a).

"Lien": any mortgage, pledge, hypothecation, assignment, security deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any Financing Lease having substantially the same economic effect as any of the foregoing).

"Loans": the collective reference to loans (including, without limitation, Swing Line Loans) made by Lenders pursuant to this Agreement.

"Loan Documents": this Agreement, the Notes, the Applications, the Drafts, the Acceptances, the Acceptance Notes, the Guarantees, the Security Documents, the Collateral Covenant Agreement and the Canadian Subsidiary Collateral Covenant Agreements.

"Loan Parties": Holdings, the Borrower, the U.S. Borrower and each Additional Subsidiary and each Subsidiary of the Borrower which is or becomes a party to a Loan Document; individually, a "Loan Party".

"Majority Lenders": at any time, Lenders which, in the aggregate, have Commitments (or, if the Commitments have terminated or expired, Aggregate Outstandings) aggregating at least 51% of the Commitments of all Lenders (or, if the Commitments have terminated or expired, the Aggregate Outstandings of all Lenders).

"Margin Adjustment Period": each period commencing on an Adjustment Date and ending on the Business Day immediately preceding the next succeeding Adjustment Date.

"Margin Reduction Percentage": (a) during the period from and including the Closing Date to but excluding the Adjustment Date which occurs concurrently with the delivery by the Borrower pursuant to subsection 8.1(b) or (c) (as applicable) of the financial statements of the U.S. Borrower for the quarterly period ended June 30, 1995, zero and (b) during each Margin Adjustment Period which occurs on or after the Adjustment Date referred to in clause (a) above and in respect of which the Fixed Charge Coverage Ratio for the four consecutive fiscal quarters of

the U.S. Borrower immediately preceding the commencement of such Margin Adjustment Period (determined by reference to the certificates delivered pursuant to subsection 8.2(b) concurrently with the financial statements delivered under subsection 8.1(a), (b) or (c) (as applicable), or the Annual Unaudited Financial Statements (as defined below in this definition), as the case may be, with respect to such four consecutive fiscal quarters) is (i) less than 3.00:1, zero, (ii) less than 3.50:1 but greater than or equal to 3.00:1, 0.25% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and 0.125% (when used in the definition of Commitment Fee Rate), (iii) less than 4.00:1 but greater than or equal to 3.50:1, 0.50% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and 0.125% (when used in the definition of Commitment Fee Rate), (iv) less than 4.50:1 but greater than or equal to 4.00:1, 0.75% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and 0.1875% (when used in the definition of Commitment Fee Rate), (v) less than 5.00:1 but greater than or equal to 4.50:1, 0.90% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and 0.25% (when used in the definition of Commitment Fee Rate) and (vi) greater than or equal to 5.00:1, 1.0% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and 0.275% (when used in the definition of Commitment Fee Rate), provided that:

(x) notwithstanding the foregoing, during any period from and including the date on which an Event of Default has occurred to but excluding the date on which such Event of Default is no longer

continuing, the Margin Reduction Percentage shall be zero;

(y) if the Borrower delivers to the Administrative Agent any financial statements referred to in clause (b) of the definition of Adjustment Date (each, an "Annual Unaudited Financial Statement") and
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thereafter the financial statements delivered pursuant to subsection 8.1(a) in respect of the period covered by such Annual Unaudited Financial Statement demonstrates a Fixed Charge Coverage Ratio for such period which differs from that demonstrated by such Annual Unaudited Financial Statement, any change in the Margin Reduction Percentage occurring as a result of such difference shall be given retroactive effect to the first Business Day after delivery of such Annual Unaudited Financial Statement; and

(z) if any Financial Statement Delivery Default becomes an Event of Default, the Margin Reduction Percentage (if greater than zero) that was in effect for the period commencing on the date such Financial Statement Delivery Default occurred to the date such Financial Statement Delivery Default became an Event of Default shall be retroactively adjusted to zero for such period and shall remain zero until the first Business Day following receipt by the Administrative Agent of the financial statements the failure to deliver which gave rise to such Financial Statement Delivery Default, which date shall constitute an Adjustment Date and upon which date the Margin Adjustment Percentage shall be determined in accordance with the other provisions of this definition.

If payments are made hereunder on the basis of a Margin Reduction Percentage that is retroactively adjusted as a result of the occurrence of any of the

events described in clauses (x), (y) or (z) of the proviso to the immediately preceding sentence, the Lenders and the Borrower shall make such payments to the Administrative Agent (which shall credit the account of the Borrower or allocate such payments among the Lenders in accordance with their respective interests in the payments theretofore made hereunder, as the case may be, on the basis of the Margin Reduction Percentage that was so retroactively adjusted) as may be necessary to give effect to such adjustment, such payments to be calculated by the Administrative Agent (which shall notify the Borrower and the Lenders thereof), to be made as soon as practicable (but in any event no later than two Business Days after such notice is given by the Administrative Agent) and to include interest at the applicable Bank of Canada Rate for the period from the date to which the Margin Reduction Percentage has been retroactively adjusted to the date of the applicable payment on any amounts required to be paid as a result of such retroactive adjustment.

"Material Adverse Effect": as defined in the U.S. Credit Agreement.

"Mixed Asset Sale": any Disposition constituting a "Mixed Asset Sale" under and as defined in the Canadian First Mortgage Notes.

"Monthly Borrowing Base Certificate": as defined in subsection 8.2(c).

"Net Cash Proceeds": with respect to any Asset Sale (including any Asset Sale that constitutes a sale and leaseback transaction permitted under subsection 8.12 of the U.S. Credit Agreement), any sale or issuance of equity securities of Holdings (but excluding any sale or issuance of equity securities of Holdings to one or more Permitted Equity Purchasers to the extent such sale or issuance is permitted by the

Holdings Guarantee) or any incurrence by the Borrower or any of its Subsidiaries of any Indebtedness for borrowed money (excluding any Indebtedness permitted by subsection 8.2 of the U.S. Credit Agreement), an amount equal to the gross cash proceeds of such Asset Sale, issuance or incurrence, net of the following amounts (but only to the extent such amounts are paid or incurred by Holdings, the Borrower or any of its Subsidiaries): (i) reasonable attorneys' fees, accountants' fees, brokerage, consultant and other customary fees, underwriting commissions and other reasonable fees and expenses actually incurred in connection with such Asset Sale, issuance or incurrence, (ii) taxes paid or reasonably estimated to be payable as a result thereof, after taking into account all available deductions and credits in connection with such Asset Sale, (iii) appropriate amounts to be provided by the Borrower or any of its Subsidiaries as a reserve, in accordance with GAAP as in effect from time to time in Canada, against any liabilities associated with such Asset Sale and retained by the Borrower or such Subsidiary, as the case may be, after such Asset Sale, and (iv) in the case of a sale or sale and leaseback of or involving an asset subject to a Lien securing (a) any Indebtedness (other than the Canadian First Mortgage Notes), payments made and installment payments required to be made to repay such Indebtedness, including payments in respect of principal, interest and prepayment premiums and penalties or (b) the Canadian First Mortgage Notes, the Net Proceeds Allocable to Payee and any Reserved Amounts (as each such term is defined in the Canadian First Mortgage Notes) to the extent such Reserved Amounts are not paid to the Borrower, with respect to such Asset Sale.

"New Inventory": Inventory of a particular stock keeping unit which has been sold or offered for sale by the Borrower or any of its Subsidiaries for a period of only fifteen months or less.

"Non-Excluded Taxes": as defined in subsection 5.9.

"Notes": the collective reference to the Revolving Credit Notes and the Swing Line Notes.

"Obligor": any purchaser of goods or services or other Person obligated to make payment to the Borrower or any of its Subsidiaries in respect of a purchase of such goods or services.

"Obligations": as of any date of determination, (i) the aggregate outstanding principal amount of the Loans, together with all accrued and unpaid interest thereon, (ii) the outstanding Reimbursement Obligations, together with all accrued and unpaid interest thereon, (iii) the aggregate outstanding Acceptance Reimbursement Obligations, (iv) all accrued and unpaid fees payable pursuant to subsections 4.3 and 5.3 and (v) all other amounts then due and payable hereunder or under any of the other Loan Documents.

"Operating Fund Limit": as defined in subsection 8.7(c).

"Participants": as defined in subsection 12.6(b).

"Permitted Equity Purchasers": as defined in the U.S. Credit Agreement.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Personal Property Security Act" or "PPSA": the Personal Property Security Act (Ontario), as amended from time to time.

"Prime Rate": at any date, the greater on such date of (i) the rate designated by Bank of Nova Scotia from time to time as its prime rate for Canadian Dollar commercial loans made in Canada and (ii) 3/4 of 1% above the Reference Discount Rate for Acceptances having a term to maturity of 30 days, as advised by the Administrative Agent to the Borrower on such date. The Prime Rate is not intended to be the lowest rate of interest charged by Bank of Nova Scotia in connection with extensions of credit in Canadian Dollars to debtors.

"Prime Rate Loans": Loans denominated in Canadian Dollars which bear interest at a rate based upon the Prime Rate.

"Prime Rate Margin": for each Prime Rate Loan, 0.75% per annum, less the Margin Reduction Percentage in effect from time to time, provided that the Prime Rate Margin shall never be less than zero.

"Principal Loan Documents": as defined in Section 12.1.

"Properties": as defined in the U.S. Credit Agreement.

"Qualifying Canadian Institutions": (a) banks incorporated under the Bank Act (Canada) and named in Schedule I or Schedule II thereof which are resident in Canada within the meaning of the Tax Act and (b) other financial institutions incorporated in Canada and resident in Canada within the meaning of the Tax Act.

"Quebec Moveable Hypothec": the hypothec executed and delivered by the Borrower, substantially in the form of Exhibit O to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"RealCo": as defined in the recitals to the Existing Credit Agreement.

"RealCo Cash Collateral Agreement": as defined in the U.S. Credit Agreement.

"RealCo First Mortgage Notes": as defined in the U.S. Credit Agreement.

"RealCo First Mortgage Note Guarantees": as defined in the U.S. Credit Agreement.

"RealCo Mortgaged Property": as defined in the U.S. Credit Agreement.

"RealCo Mortgages": as defined in the U.S. Credit Agreement.

"Reference Banks": Bank of Nova Scotia, Toronto-Dominion Bank and National Bank of Canada.

"Reference Discount Rate": on any date with respect to each Draft requested to be accepted by a Lender, the arithmetic average of the discount rates (expressed as a percentage calculated on the basis of a year of 365 days) quoted by the Toronto offices of each of the Reference Banks, at 10:00 A.M. (Toronto time) on the Borrowing Date as the discount rate at which each such Reference Bank would, in the normal course of its business, purchase on such date Acceptances having an aggregate face amount equal to C$1,000,000 and having the term to maturity as designated by the Borrower pursuant to subsection 3.2. The Administrative Agent shall advise the Borrower and the Lenders, either in writing or verbally, by 11:00 A.M. (Toronto time) on the Borrowing Date as to the applicable Reference Discount Rate and corresponding Acceptance Purchase Price in respect of Acceptances having the maturities selected by the Borrower.

"Refunded Swing Line Loans": as defined in subsection 2.5(c).

"Register": as defined in subsection 12.6(d).

"Reimbursement Obligations": the obligation of the Borrower to reimburse the Issuing Lender pursuant to subsection 4.5(a) for amounts drawn under Letters of Credit.

"Request for Acceptances": as defined in subsection 3.2(a).

"Requirement of Law": as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, guideline or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its material property or to which such Person or any of its material property is subject.

"Responsible Officer": as to any Person, any of the following officers of such Person: (i) the chief executive officer or the president of such Person and, with respect to financial matters, the chief financial officer, the treasurer or the controller of such Person and (ii) any vice president of such Person or, with respect to financial matters, any assistant treasurer or assistant controller of such Person, who has been designated in writing to the Administrative Agent as a Responsible Officer by such chief executive officer or president of such Person or, with respect to financial matters, by such chief financial officer of such Person; the Borrower shall ensure that at least one vice president is designated to the Administrative Agent as a Responsible Officer by the chief executive officer or president of the Borrower pursuant to the foregoing clause (ii) from time to time.

"Revolving Credit Loans": as defined in subsection 2.1.

"Revolving Credit Note": as defined in subsection 2.2.

"Security Agreement": the Demand Debenture executed and delivered by the Borrower in favor of the Administrative Agent, substantially in the form of Exhibit D-1 to the Existing Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Security Agreements": the collective reference to the Security Agreement, the Quebec Moveable Hypothec, the General Assignment of Book Debts, the Debenture Pledge Agreement, the Bank Act Security, the Subsidiary Security Agreements, and instruments, documents and agreements described in Schedule 9.

"Security Documents": the collective reference to the Security Agreements, the Canadian Subsidiary Stock Pledge Agreements and each U.S. Security Document (other than the U.S. Borrower Canadian Stock Pledge Agreement).

"Solvent" and "Solvency": with respect to any Person on a particular date, the condition that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its existing debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (d) such Person is not engaged in business or a transaction, and is not

about to engage in business or a transaction, for which such Person has an unreasonably small amount of capital.

"Specialized Inventory": Inventory not customarily offered by the Borrower or any of its Subsidiaries for general sale to its customers and which has been manufactured in accordance with specifications provided to the Borrower or any such Subsidiary by or on behalf of a particular customer which render such Inventory unsuitable for general sale to customers.

"Standby Letter of Credit": as defined in subsection 4.1.

"Subordinated Indebtedness": as defined in the U.S. Credit Agreement.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Security Agreements": the collective reference to the Canadian Subsidiary Demand Debentures and the Canadian Subsidiary Debenture Pledge Agreements.

"Supermajority Lenders": at any time, Lenders which, in the aggregate, have Commitments (or, if the Commitments have terminated or expired, Aggregate Outstandings) aggregating at least 75% of the Commitments of all Lenders (or, if the Commitments have terminated or expired, the Aggregate Outstandings of all Lenders).

"Swing Line Commitment": the Swing Line Lender's obligation to make Swing Line Loans pursuant to subsection 2.5.

"Swing Line Lender": Bank of Nova Scotia in its capacity as provider of the Swing Line Loans.

"Swing Line Loans": as defined in subsection 2.5(a).

"Swing Line Note": as defined in subsection 2.5(b).

"Tax Act": the Income Tax Act (Canada), as amended from time to time.

"Termination Date": February 28, 2000.

"Transferee": as defined in subsection 12.6(f).

"Uniform Customs: the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"U.S. Acquisition Agreement": the Acquisition Agreement, dated as of February 15, 1994, between Holdings and Westinghouse U.S., as amended, supplemented or otherwise modified from time to time in accordance with subsection 8.8.

"U.S. Administrative Agent": as defined in the recitals hereto.

"U.S. Aggregate Asset Sale Shortfall Amount": the meaning ascribed to the term "Aggregate Asset Sale Shortfall Amount" in the U.S. Credit Agreement.

"U.S. Borrower": as defined in the recitals hereto.

"U.S. Borrower Canadian First Mortgage Note Guarantees": the guarantees included on the Canadian First Mortgage Note and made by the U.S. Borrower in favor of the holders of the Canadian First Mortgage Notes, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 9.6 hereof and subsection 8.8 of the U.S. Credit Agreement.

"U.S. Borrower Canadian Stock Pledge Agreement": the meaning ascribed to the term "Borrower Canadian Stock Pledge Agreement" in the U.S. Credit Agreement.

"U.S. Borrower Guarantee": the Guarantee, substantially in the form of Exhibit L to the Existing Credit Agreement, made by the U.S. Borrower in favor of the Administrative Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"U.S. Borrowing Base": the meaning ascribed to the term "Borrowing Base" in the U.S. Credit Agreement.

"U.S. Borrowing Base Default": the meaning ascribed to the term "Borrowing Base Default" in the U.S. Credit Agreement.

"U.S.-Canada Transfer": as defined in subsection 2.4(b).

"U.S. Collateral": the meaning ascribed to the term "Collateral" in the U.S. Credit Agreement.

"U.S. Collateral Agent": Barclays in its capacity as collateral agent for the U.S. Administrative Agent and the Administrative Agent under each U.S. Security Document (other than the U.S. Borrower Canadian Stock Pledge Agreement).

"U.S. Commitment" and "U.S. Commitments": the meanings ascribed to the term "Commitment" and "Commitments", respectively, in the U.S. Credit Agreement.

"U.S. Credit Agreement": as defined in the recitals hereto.

"U.S. Default": the meaning ascribed to the term "Default" in the U.S. Credit Agreement.

"U.S. Disposition": the meaning ascribed to the term "Disposition" in the U.S. Credit Agreement.

"U.S. Dollar Increase Amount": as defined in subsection 2.4(b).

"U.S. Dollar Reduction Amount": as defined in subsection 2.4(b).

"U.S. Dollars" and "$": dollars in lawful currency of the United States of America.

"U.S. Event of Default": the meaning ascribed to the term "Event of Default" in the U.S. Credit Agreement.

"U.S. Extensions of Credit": the meaning ascribed to the term "Extensions of Credit" in the U.S. Credit Agreement.

"U.S. Guarantees": the meaning ascribed to the term "Guarantees" in the U.S. Credit Agreement.

"U.S. L/C Obligations": the meaning ascribed to the term "L/C Obligations" in the U.S. Credit Agreement.

"U.S. Lenders": as defined in the recitals hereto.

"U.S. Letters of Credit": the meaning ascribed to the term "Letters of Credit" in the U.S. Credit Agreement.

"U.S. Loan Documents": the meaning ascribed to the term "Loan Documents" in the U.S. Credit Agreement.

"U.S. Loans": the meaning ascribed to the term "Loans" in the U.S. Credit Agreement.

"U.S. Net Cash Proceeds": the meaning ascribed to the term "Net Cash Proceeds" in the U.S. Credit Agreement.

"U.S. Security Documents": the meaning ascribed to the term "Security Documents" in the U.S. Credit Agreement.

"U.S. Transfer Commitment Percentage": as to any Common Lender or any Lender at any time, the percentage of the aggregate U.S. Commitments of all Common Lenders then constituted by the U.S. Commitment of (i) in the case of a Common Lender or a Lender which is a Common Lender, such Common Lender or (ii) in the case of a Lender which is not a Common Lender, the Common Lender which is the parent or a subsidiary or an affiliate of such Lender.

"WESCO": an unincorporated division of Westinghouse U.S. that carried on business under the

names of "Westinghouse Electric Supply Company", "WESCO", and at certain branch locations, under the names of "Caribe Industrial and Electric Supplier", "Electra" and "Superior Electric", together with an unincorporated division of Westinghouse Canada, that carried on business under the name of "WESCO".

"Westinghouse": the collective reference to Westinghouse U.S. and Westinghouse Canada.

"Westinghouse Canada": Westinghouse Canada, Inc., a Canadian corporation and a wholly owned Subsidiary of Westinghouse U.S.

"Westinghouse U.S.": Westinghouse Electric Corporation, a Pennsylvania corporation.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes and any other Loan Document, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to the Borrower and its Subsidiaries not defined in subsection 1.1 and accounting terms partly defined in subsection 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans ("Revolving Credit Loans") to the Borrower from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding which, when added to the sum of the aggregate undiscounted face amount of all outstanding Acceptances of such Lender and such Lender's Commitment Percentage of the then outstanding L/C Obligations and the then outstanding Swing Line Loans, does not exceed the lesser of (i) the amount of such Lender's Commitment and (ii) such Lender's Commitment Percentage of the Borrowing Base then in effect. During the Commitment Period the Borrower may use the Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Revolving Credit Loans shall be Prime Rate Loans.

2.2 Revolving Credit Notes. The Revolving Credit Loans made by each Lender shall be evidenced by a promissory note of the Borrower, substantially in the form of Exhibit A-1, with appropriate insertions as to payee, date and principal amount (each, as amended, supplemented, replaced or otherwise modified from time to time, a "Revolving Credit Note"), payable to the order of such Lender and representing the obligation of the Borrower to pay an amount equal to the lesser of (a) the amount set forth opposite such Lender's name in Schedule 1 under the heading "Commitment" and (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by such Lender. Each Lender is hereby authorized to record the date and amount of each Revolving

Credit Loan made by such Lender, each continuation thereof and the date and amount of each payment or prepayment of principal thereof on its internal books and records and/or on the schedule annexed to and constituting a part of its Revolving Credit Note, and any such recordation on such schedule shall constitute prima facie evidence of the accuracy of the information so recorded, provided that the failure by any Lender to make any such recordation or any error in any such recordation shall not affect the obligations of the Borrower under this Agreement or the Revolving Credit Notes. Each Revolving Credit Note shall (x) be dated the Closing Date, (y) be stated to mature on the Termination Date and (z) provide for the payment of interest in accordance with subsection 5.1.

2.3 Procedure for Revolving Credit Borrowing. The Borrower may borrow under the Commitments during the Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 10:00 A.M., Toronto time, on the requested Borrowing Date), specifying the amount to be borrowed as a Prime Rate Loan and the requested Borrowing Date. Each borrowing under the Commitments (other than a borrowing made pursuant to subsection 2.4(c)), except any Prime Rate Loan to be used solely to pay a like amount of outstanding Reimbursement Obligations or Swing Line Loans, shall be in an amount equal to C$100,000 or a whole multiple of C$100,000 in excess thereof (or, if the then Available Commitments are less than C$100,000, such lesser amount). Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make the amount of its pro rata share (or, in the case of a borrowing under subsection 2.4(c), its applicable share of such borrowing determined in accordance with subsection 2.4(c)) of each borrowing of Revolving Credit Loans available to the Administrative Agent for the account of the Borrower at the office of the Administrative Agent specified in subsection 12.2 prior to 12:00 P.M., Toronto time, on the Borrowing Date requested by

the Borrower in Canadian Dollars and in funds immediately available to the Administrative Agent. Except as otherwise provided in subsections 2.4(c) and 4.5(c), such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

2.4 Termination or Reduction of Commitments; Transfers of the Commitment and the U.S. Commitment. (a) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Commitments or, from time to time, to reduce the amount of the Commitments; provided that no such termination or reduction shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Credit Loans and the Swing Line Loans made on the effective date thereof, the aggregate principal amount of the Revolving Credit Loans then outstanding, when added to the then outstanding L/C Obligations, the aggregate undiscounted face amount of all then outstanding Acceptances and the then outstanding Swing Line Loans, would exceed the Commitments then in effect. Any such reduction shall be in an amount equal to C$5,000,000 or a whole multiple of C$500,000 in excess thereof and shall reduce permanently the Commitments then in effect.

(b) From time to time prior to August 31, 1995, but on no more than two (2) occasions, the Borrowers shall have the right, upon not less than five (5) Business Days' prior written notice (a "Transfer Notice") to the Administrative Agent and the U.S. Administrative Agent, to transfer (i) all or a portion (which shall not exceed the aggregate Available Commitments of all Lenders immediately before giving effect to the applicable transfer) of the Commitments to the U.S. Commitments (a "Canada-U.S. Transfer") or (ii) a portion (which shall not exceed the aggregate Available U.S. Commitments of all Common Lenders

immediately before giving effect to the applicable transfer) of the U.S. Commitments to the Commitments (a "U.S.-Canada Transfer"); provided that (i) after giving effect to any U.S.-Canada Transfer, the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the aggregate Commitments of all Lenders does not exceed U.S. $50,000,000, (ii) after giving effect to any Canada-U.S. Transfer, the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of the aggregate Commitments of all Lenders does not fall below U.S. $5,000,000 unless the entire Commitments of all Lenders are transferred to the U.S. Commitments, in which case the rights of the Borrower under this subsection 2.4(b) shall thereafter terminate, (iii) no Default or Event of Default (other than a Borrowing Base Default in the case of a U.S.-Canada Transfer or a U.S. Borrowing Base Default in the case of a Canada-U.S. Transfer) shall have occurred and be continuing immediately before giving effect to any such transfer, (iv) no Default or Event of Default shall have occurred and be continuing immediately after giving effect to any such transfer and (v) in the case of a U.S.-Canada Transfer, no Acceptances are outstanding on (or all outstanding Acceptances mature on) the date such transfer is made. Each Transfer Notice shall specify (i) the effective date of the proposed commitment transfer (the "Transfer Effective Date"), (ii) in the case of a Canada-U.S. Transfer, the aggregate amount in Canadian Dollars (the "Canadian Dollar Reduction Amount") to be transferred from the Commitments to the U.S. Commitments and the U.S. Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of such amount (the "U.S. Dollar Increase Amount"), (iii) in the case of a U.S.-Canada Transfer, the aggregate amount in U.S. Dollars (the "U.S. Dollar Reduction Amount") to be transferred from the U.S. Commitments to the Commitments and the Canadian Dollar equivalent (determined on the basis of the Closing Date Exchange Rate) of such amount (the "Canadian Dollar Increase Amount"), and (iv) the aggregate amount to be borrowed from the Lenders on the Transfer Effective Date in accordance with subsection 2.4(c). Upon receipt of any Transfer Notice, the

Administrative Agent shall promptly notify each Lender thereof, which notice shall specify, with respect to each Lender, (i) any change in such Lender's Commitment which occurs pursuant to this subsection 2.4(b) as a result of the Canada-U.S. Transfer or U.S.-Canada Transfer specified in such Transfer Notice and (ii) in the case of a U.S.-Canada Transfer, the aggregate principal amount of the Revolving Credit Loan to be made by such Lender or the aggregate principal amount (and accrued interest thereon) of the Revolving Credit Loans of such Lender to be prepaid, as the case may be, in each case pursuant to subsection 2.4(c) as a result of such U.S.-Canada Transfer. The Administrative Agent shall provide a copy of such notice to the Borrower. On the Transfer Effective Date with respect to any Canada-U.S. Transfer, (i) the Commitment of each Lender shall be reduced by an amount equal to such Lender's Commitment Percentage of the Canadian Dollar Reduction Amount specified in the Transfer Notice delivered in respect of such Canada-U.S. Transfer and (ii) as provided in the U.S. Credit Agreement, the U.S. Commitment of each Common Lender shall be increased by an amount equal to such Common Lender's Canadian Transfer Commitment Percentage of the U.S. Dollar Increase Amount specified in such Transfer Notice. On the Transfer Effective Date with respect to any U.S.-Canada Transfer, (i) as provided in the U.S. Credit Agreement, the U.S. Commitment of each Common Lender shall be reduced by an amount equal to such Common Lender's U.S. Transfer Commitment Percentage of the U.S. Dollar Reduction Amount specified in the Transfer Notice delivered in respect of such U.S.-Canada Transfer and (ii) the Commitment of each Lender shall be increased by an amount equal to such Lender's U.S. Transfer Commitment Percentage of the Canadian Dollar Increase Amount specified in such Transfer Notice. On each Transfer Effective Date, each Lender shall surrender its outstanding Revolving Credit Note to the Administrative Agent, and the Borrower shall execute and deliver to the Administrative Agent (in exchange for the outstanding Revolving Credit Note of each Lender) a new Revolving Credit Note to the order of such Lender reflecting the change in such Lender's Commitment pursuant to this subsection 2.4(b)

on such Transfer Effective Date and otherwise conforming to the requirements of this Agreement.

(c) On the Transfer Effective Date with respect to any U.S.-Canada Transfer, each Lender shall make a Revolving Credit Loan to the Borrower in an amount equal to the excess (if any) of (1) the product of (A) that percentage which such Lender's Commitment will constitute of the aggregate Commitments of all Lenders after giving effect to such U.S.-Canada Transfer, multiplied by (B) the aggregate principal amount of all Revolving Credit Loans outstanding immediately before giving effect to such transfer, over (2) the aggregate principal amount of all Revolving Credit Loans made by such Lender which are outstanding immediately before giving effect to such transfer, the proceeds of which Revolving Credit Loans shall be made available to the Administrative Agent by each Lender on such Transfer Effective Date in accordance with the penultimate sentence of subsection 2.3 and applied by the Administrative Agent on such Transfer Effective Date to the prepayment of the principal of the then outstanding Revolving Credit Loans of each Lender that was not required to make a Revolving Credit Loan pursuant to this sentence on such Transfer Effective Date so that, after giving effect to such application, the outstanding principal amount of each Lender's Revolving Credit Loans will equal the product of (1) that percentage which such Lender's Commitment will constitute of the aggregate Commitments of all Lenders after giving effect to such U.S.-Canada Transfer, multiplied by (2) the aggregate principal amount of all Revolving Credit Loans outstanding immediately before such transfer.

2.5 Swing Line Commitments. (a) (i) Subject to the terms and conditions hereof, the Swing Line Lender agrees to make swing line loans (individually, a "Swing Line Loan"; collectively, the "Swing Line Loans") to the Borrower from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed C$5,000,000, provided that at no time may the sum of the then outstanding Swing Line Loans, Revolving Credit

Loans, L/C Obligations and the aggregate undiscounted face amount of all then outstanding Acceptances exceed the lesser of (x) the Commitments and (y) the Borrowing Base then in effect. Amounts borrowed by the Borrower under this subsection 2.5 may be repaid and, through but excluding the Termination Date, reborrowed. All Swing Line Loans shall be made as Prime Rate Loans and shall not be entitled to be converted into Acceptances. The Borrower shall give the Swing Line Lender irrevocable notice (which notice must be received by the Swing Line Lender prior to 12:00 P.M., Toronto time) on the requested Borrowing Date specifying the amount of the requested Swing Line Loan. The proceeds of the Swing Line Loan will be made available by the Swing Line Lender to the Borrower at the office of the Swing Line Lender by crediting the account of the Borrower at such office with such proceeds in Canadian Dollars.

(ii) Provided that the conditions precedent contained in subsection 7.2 to its obligation to make a Swing Line Loan have been satisfied and that there is sufficient availability under the Swing Line Commitment, on each Interest Payment Date, the Swing Line Lender shall, on behalf of the Borrower (which hereby irrevocably authorizes and directs the Swing Line Lender to act on its behalf), make a Swing Line Loan to the Borrower in an amount equal to the amount of interest due and payable on such Interest Payment Date pursuant to subsection 5.1. The proceeds of such Swing Line Loan shall be made available by the Swing Line Lender to the Administrative Agent and applied by the Administrative Agent to the payment of such interest on such Interest Payment Date; the Swing Line Lender shall notify the Borrower as soon as reasonably practicable of the amount of each such Swing Line Loan.

(b) The Swing Line Loans shall be evidenced by a promissory note of the Borrower substantially in the form of Exhibit A-2, with appropriate insertions (as the same may be amended, supplemented, replaced or otherwise modified from time to time, the "Swing Line Note"), payable to the order of the
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Swing Line Lender and representing the obligation of

the Borrower to pay the amount of the Swing Line Commitment or, if less, the unpaid principal amount of the Swing Line Loans, with interest thereon as prescribed in subsection 5.1. The Swing Line Lender is hereby authorized to record the Borrowing Date, the amount of each Swing Line Loan and the date and amount of each payment or prepayment of principal thereof, on its internal books and records and/or on the schedule annexed to and constituting a part of the Swing Line Note and any such recordation on such schedule shall constitute prima facie evidence of the accuracy of the information so recorded, provided that the failure by the Swing Line Lender to make any such recordation or any error in any such recordation shall not affect the obligations of the Borrower under this Agreement or the Swing Line Note. The Swing Line Note shall (a) be dated the Closing Date, (b) be stated to mature on the Termination Date and (c) provide for the payment of interest in accordance with subsection 5.1.

(c) The Swing Line Lender, at any time in its sole and absolute discretion may, and, at any time when Swing Line Loans are outstanding for more than seven Business Days, the Swing Line Lender shall, on behalf of the Borrower (which hereby irrevocably directs and authorizes the Swing Line Lender to act on its behalf), request each Lender to make a Revolving Credit Loan in an amount equal to such Lender's Commitment Percentage of the principal amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date such notice is given; provided that the provisions of this subsection shall not affect the Borrower's obligations to prepay Swing Line Loans in accordance with the provisions of subsection 5.2(d). Unless the Commitments shall have expired or terminated (in which event the procedures of paragraph (d) of this subsection 2.5 shall apply), each Lender will make the proceeds of the Revolving Credit Loan made by it pursuant to the immediately preceding sentence available to the Administrative Agent for the account of the Swing Line Lender at the office of the Administrative Agent prior to 10:00 A.M., Toronto time, in funds immediately available on the Business Day next

succeeding the date such notice is given. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the Refunded Swing Line Loans.

(d) If the Commitments shall expire or terminate at any time while Swing Line Loans are outstanding, each Lender shall, at the option of the Swing Line Lender exercised reasonably, either (i) notwithstanding the expiration or termination of the Commitments, make a Revolving Credit Loan or (ii) purchase an undivided participating interest in such Swing Line Loans, in either case in an amount equal to such Lender's Commitment Percentage determined on the date of, and immediately prior to, expiration or termination of the Commitments of the aggregate principal amount of such Swing Line Loans. Each Lender will make the proceeds of any Revolving Credit Loan made by it pursuant to the immediately preceding sentence available to the Administrative Agent for the account of the Swing Line Lender at the office of the Administrative Agent prior to 10:00 A.M., Toronto time, in funds immediately available on the Business Day next succeeding the date on which the Commitments expire or terminate. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the Swing Line Loans outstanding on the date of termination or expiration of the Commitments. In the event that the Lenders purchase undivided participating interests pursuant to the first sentence of this paragraph (d), each Lender shall immediately transfer to the Swing Line Lender, in immediately available funds, the amount of its participation and upon receipt thereof the Swing Line Lender will deliver to any such Lender that so requests a confirmation of such Lender's undivided participating interest in the Swing Line Loans dated the date of receipt of such funds and in such amount.

(e) Whenever, at any time after the Swing Line Lender has received from any Lender such Lender's participating interest in a Swing Line Loan, the Swing Line Lender receives any payment on account thereof, the Swing Line Lender will distribute to such Lender its participating

interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that in the event that such payment received by the Swing Line Lender is required to be returned, such Lender will return to the Swing Line Lender any portion thereof previously distributed by the Swing Line Lender to it.

SECTION 3. AMOUNT AND TERMS OF ACCEPTANCE SUB-FACILITY

3.1 Acceptance Commitments. (a) Subject to the terms and conditions hereof, each Lender agrees to create Acceptances for the Borrower on any Business Day during the Commitment Period by accepting Drafts drawn by the Borrower; provided that no Lender shall be obligated to accept any Draft if, after giving effect to such acceptance, (i) the Available Commitment of such Lender would be less than zero or (ii) the Aggregate Outstandings of all Lenders would exceed the lesser of (A) the Borrowing Base then in effect and (B) the aggregate Commitments of all Lenders.

(b) The Borrower may utilize the Commitments in the manner contemplated by this Section 3 by authorizing each Lender in the manner provided for in subsection 3.2(b) to draw Drafts on such Lender and having such Drafts accepted pursuant to subsection 3.2, paying its obligations with respect thereto pursuant to subsection 3.5, and again authorizing Drafts to be drawn on the Lenders and having them presented for acceptance, all in accordance with the terms and conditions of this Section 3.

(c) For the purposes of this Agreement, all Acceptances shall be considered a utilization of the Commitments in an amount equal to the undiscounted face amount of such Acceptance.

3.2 Creation of Acceptances. (a) The Borrower may request the creation of Acceptances hereunder by submitting to the Administrative Agent at its office specified in subsection 12.2 prior to 2:00 P.M., Toronto time, one Business Day prior to the requested Borrowing Date, (i) a request for acceptances ("Request for Acceptances") completed in a manner in form and substance reasonably satisfactory to the Administrative Agent and specifying, among other things, the Borrowing Date, maturity and amount of the Drafts to be accepted and discounted, (ii) to the extent not theretofore supplied to each Lender, a sufficient number of Drafts to be drawn on the Lenders, to be appropriately completed in accordance with subsection 3.2(d) and (iii) such other certificates, documents and other papers and information as the Administrative Agent may reasonably request.

(b) In connection with each utilization by it of the Commitments by way of Acceptances, the Borrower hereby agrees that it shall deliver to the Administrative Agent on the Closing Date Powers of Attorney substantially in the form annexed hereto as Exhibit C (each, a "Power of Attorney") authorizing each Lender to draw Drafts on such Lender on behalf of the Borrower and to complete such Drafts in accordance with the Requests for Acceptances submitted from time to time pursuant to Section 3.2(a) hereof.

(c) Each Draft requested by or on behalf of the Borrower for acceptance hereunder shall be denominated in Canadian Dollars, shall have an undiscounted face amount equal to C$500,000 or whole multiple of C$100,000 in excess thereof, shall be dated the Borrowing Date specified in the Request for Acceptances with respect thereto and shall be stated to mature on a Business Day which is 30, 60, 90 or 180 days after the date thereof (and, in any event, prior to the Termination Date).

(d) Not later than 12:00 P.M., Toronto time, on the Borrowing Date specified in the relevant Request for Acceptances, and upon fulfillment of the applicable

conditions set forth in Section 7, each Lender will, in accordance with such Request for Acceptances, (i) sign each Draft on behalf of the Borrower pursuant to the Power of Attorney, (ii) complete the date, amount and maturity of each Draft to be accepted, (iii) accept such Drafts and give notice to the Administrative Agent of such acceptance and (iv) upon such acceptance, discount such Acceptances to the extent contemplated by subsection 3.3.

3.3 Discount of Acceptances. (a) Each Lender hereby agrees, on the terms and subject to the conditions set forth in this Agreement, to discount Acceptances created by it on the Borrowing Date with respect thereto at the applicable Reference Discount Rate by making available to the Borrower an amount in immediately available funds equal to the Acceptance Purchase Price in respect thereof, and to notify the Administrative Agent that such Draft has been accepted and discounted by the accepting Lender.

(b) In the event that the Borrower has made a Request for Acceptances, then (i) prior to 11:00 A.M., Toronto time, on the Borrowing Date with respect thereto, Bank of Nova Scotia will notify the Borrower and the Lenders of the Reference Discount Rate applicable to such Acceptance and (ii) if such Reference Discount Rate is acceptable to the Borrower, the Lenders shall make the Acceptance Purchase Price for the Acceptance discounted by it available to the Administrative Agent, for the account of the Borrower, at the office of the Administrative Agent specified in subsection 12.2 prior to 12:00 P.M., Toronto time, on the Borrowing Date, in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

(c) Acceptances discounted by any Lender may be held by it for its own account until maturity or sold by it

at any time prior thereto in the relevant market therefor in Canada in such Lender's sole discretion.

3.4 Stamping Fees. On the Borrowing Date with respect to each Acceptance, the Borrower shall pay to the Administrative Agent, for the account of the Lenders, a stamping fee at a rate per annum equal to 1.50% minus the Margin Reduction Percentage, computed for the period from and including the Borrowing Date with respect to such Acceptance to the maturity of such Acceptance, calculated on the basis of a 365-day year of the undiscounted face amount of such Acceptance.

3.5 Acceptance Reimbursement Obligations. (a) The Borrower hereby unconditionally agrees to pay to each Lender, on the maturity date (whether at stated maturity, by acceleration or otherwise) for each Acceptance created by such Lender for the account of the Borrower, the aggregate undiscounted face amount of each such then-maturing Acceptance.

(b) The obligation of the Borrower to reimburse the Lenders for then-maturing Acceptances may be satisfied by the Borrower by:

(i) paying to the Administrative Agent, for the account of the Lenders, the aggregate undiscounted face amount of all Acceptances created for the account of the Borrower hereunder which are then maturing by 12:00 P.M., Toronto time, on such maturity date; provided that the Borrower shall have given one Business Day's prior notice to the Administrative Agent (which shall promptly notify each Lender thereof) of its intent to reimburse the Lenders in the manner contemplated by this clause (i);

(ii) having new Drafts accepted and discounted by the Lenders in the manner contemplated by subsections 3.2 and 3.3 in substitution for the then-maturing Acceptances; provided that (A) the Borrower shall have

delivered to the Administrative Agent (which shall promptly provide a copy thereof to each Lender) a duly completed Request for Acceptances not later than 2:00 P.M., Toronto time, one Business Day prior to such maturity date, together with the documents, instruments, certificates and other papers and information contemplated by subsections 3.2(a)(ii) and 3.2(a)(iii), (B) if any Default or Event of Default (other than a Default or an Event of Default under Section 10(j) which occurs solely as result of the occurrence of a U.S. Borrowing Base Default) has occurred and is then continuing and the Administrative Agent or the Majority Lenders shall have given notice to the Borrower that creation of Acceptances is not appropriate, the Request for Acceptances shall be deemed to be a request for a Prime Rate Loan, (D) each Lender shall retain the Acceptance Purchase Price for the Acceptance created by it and apply such Acceptance Purchase Price to the Acceptance Reimbursement Obligations of the Borrower in respect of the maturing Acceptance and (E) if the Acceptance Purchase Price so retained by such Lender is less than the undiscounted face amount of the then-maturing Acceptance, the Borrower shall have made arrangements reasonably satisfactory to such Lender for payment of such deficiency; or

(iii) to the extent that the Borrower has not given to the Administrative Agent a notice contemplated by clause (i) or (ii) above, then the Borrower shall be deemed to have requested a borrowing pursuant to subsection 2.3 of Prime Rate Loans in the undiscounted face amount of such Acceptance. The Borrowing Date with respect to such borrowing shall be the maturity date (or such earlier date as the Commitment shall be terminated) for such Acceptance. Except to the extent that any of the events contemplated by Section 10(f)(i) or (ii) with respect to the Borrower has occurred and is then continuing (in which case the Borrower shall be obligated to pay to each Lender the undiscounted face

amount of the Acceptances created by such Lender which are then maturing), each Lender shall be obligated to make the Prime Rate Loan contemplated by this subsection 3.5(b)(iii) regardless of whether the conditions precedent to borrowing set forth in this Agreement are then satisfied. The proceeds of any Prime Rate Loans made pursuant to this subsection 3.5(b)(iii) shall be retained by the Lenders and applied by them to the Acceptance Reimbursement Obligations of the Borrower in respect of the then-maturing Acceptance.

(c) The unpaid amount of any such Acceptance Reimbursement Obligations shall be treated as a Prime Rate Loan for the purposes hereof and interest shall accrue on the amount of any such unpaid Acceptance Reimbursement Obligation from the date such amount becomes due until paid in full at a fluctuating rate per annum equal to the rate which would then be payable on Prime Rate Loans. Such interest shall be payable by the Borrower on demand by the Administrative Agent.

(d) In no event shall the Borrower claim from any Lender any grace period with respect to the payment at maturity of any Acceptances created by such Lender pursuant to this Agreement.

3.6 Converting Loans to Acceptances and Acceptances to Loans. (a) Subject to subsection 3.6(b), the Borrower may at any time and from time to time request that any then outstanding Revolving Credit Loan owing by it be converted into an Acceptance by delivering to the Administrative Agent (which shall promptly provide a copy thereof to each Lender) a Request for Acceptances, together with a statement that the Acceptances so requested are to be created pursuant to this subsection 3.6(a), such notice to be given not later than three Business Days prior to the requested conversion date.

(b) In the event that the Administrative Agent receives such a Request for Acceptances and the accompanying statement described in subsection 3.6(a), then the Borrower shall pay on the requested Borrowing Date to the Administrative Agent, for the account of the Lenders, the principal amount of the then outstanding Revolving Credit Loans being so converted, and each Lender shall accept and discount the Borrower's Drafts having an aggregate face amount at least equal to the principal amount of the Revolving Credit Loans of such Lender which are then being repaid; provided that, following the occurrence and during the continuance of a Default or an Event of Default (other than a Default or an Event of Default arising under Section 10(j) which occurs solely as a result of the occurrence of a U.S. Borrowing Base Default), (i) no Acceptance may be created when the Administrative Agent has or the Majority Lenders have given notice to the Borrower that creation of Acceptances is not appropriate and (iii) no Acceptance which is permitted to be created hereunder shall have a maturity that extends beyond the Termination Date.

(c) The creation of Acceptances pursuant to this subsection 36 shall not be subject to the satisfaction of the conditions precedent to borrowing set forth in this Agreement.

(d) The Borrower may elect from time to time to convert outstanding Acceptances to Revolving Credit Loans by giving the Administrative Agent at least one Business Day's irrevocable notice of such election prior to the maturity of such Acceptances, provided that any such conversion of Acceptances may only be made on the maturity thereof.

3.7 Acceptances to be Supplemented by Prime Rate Loans in order to be Created Ratably. The Borrower hereby agrees that each Request for Acceptances, reimbursement of Acceptances and conversion of Revolving Credit Loans to Acceptances shall be made in a manner so that any such Request for Acceptances, reimbursement or conversion shall apply ratably to all Lenders and so that, after giving

effect to such Request for Acceptances, reimbursement or conversion, as the case may be, each Lender shall hold its ratable share of the aggregate amount of Acceptances which mature on the same day. In the event that the aggregate amount of Acceptances requested by the Borrower to be created by all Lenders hereunder pursuant to any Request for Acceptances is an amount which, if divided ratably among the Lenders, would not result in each Lender accepting a Draft which has an undiscounted face amount equal to C$500,000 or a whole multiple of C$100,000 in excess thereof, then each Lender's ratable share of such Acceptance shall be rounded downward to an amount which is equal to C$500,000 or a whole multiple of C$100,000 in excess thereof, and the Borrower shall be deemed to have requested that such Lender make a Prime Rate Loan to the Borrower (which Loan need not satisfy the minimum borrowing requirements of subsection 2.3) on the date upon which such Draft is to be accepted in the amount by which such Lender's ratable share of the Acceptance requested in such Request for Acceptances was rounded downward.

3.8 Special Provisions Relating to Non-Chartered Banks. (a) The Borrower and each Lender hereby acknowledge and agree that from time to time certain Lenders which are not Canadian chartered banks or which are Canadian "Schedule II" chartered banks may not be authorized to or may, as a matter of general corporate policy, elect not to accept Drafts, and the Borrower and each Lender agrees that any such Lender may purchase Acceptance Notes of the Borrower in accordance with the provisions of subsection 3.8(b) in lieu of creating Acceptances for its account.

(b) In the event that any Lender described in subsection 3.8(a) above is unable to, or elects as a matter of general corporate policy not to, create Acceptances hereunder, such Lender shall not create Acceptances hereunder, but rather the Borrower requesting the creation of such Acceptances shall deliver to such Lender non-interest bearing promissory notes (the "Acceptance Notes") of the Borrower, substantially in the form of Exhibit E to

the Existing Credit Agreement, having the same maturity as the Acceptances to be created and in an aggregate principal amount equal to the undiscounted face amount thereof. Each such Lender hereby agrees to purchase its Acceptance Note at a purchase price equal to the Acceptance Purchase Price which would have been applicable if a Draft had been accepted by it (less any stamping fee which would have been paid pursuant to subsection 3.4 if such Lender had created an Acceptance) and such Acceptance Notes shall be governed by the provisions of this Section 3 as if they were Acceptances.

SECTION 4. LETTERS OF CREDIT

4.1 L/C Commitment. (a) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Lenders set forth in subsection 4.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day during the Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the Aggregate Outstandings of all Lenders would exceed the lesser of (x) the aggregate Commitments and (y) the Borrowing Base then in effect. Each Letter of Credit shall (i) be denominated in Canadian Dollars and shall be either (x) a standby letter of credit issued to support obligations of the Borrower or any of its Subsidiaries, contingent or otherwise, which finance the working capital and business needs of the Borrower and its Subsidiaries incurred in the ordinary course of business (a "Standby Letter of Credit"), or (y) a commercial letter of credit in respect of the purchase of goods or services by the Borrower or any of its Subsidiaries in the ordinary course of business (a "Commercial Letter of Credit"), (ii) expire no later than the Termination Date, and (iii) expire no later than 365 days after its date of issuance.

(b) Each Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the Province of Ontario and the laws of Canada applicable therein.

(c) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

4.2 Procedure for Issuance of Letters of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender, at its address for notices specified herein, an Application therefor, completed to the reasonable satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof.

4.3 Fees, Commissions and Other Charges. (a) The Borrower shall pay to the Administrative Agent, for the account of the Issuing Lender and the L/C Participants, a letter of credit commission with respect to each Letter of Credit, for the period from and including the date of issuance of such Letter of Credit to the expiration date of

such Letter of Credit, computed at the L/C Commission Rate, calculated on the basis of a 365- (or 366-, as the case may be) day year, on the aggregate amount available to be drawn under such Letter of Credit, payable quarterly in arrears on each L/C Fee Payment Date to occur during such period and on the expiration date of such Letter of Credit. Such commissions shall be payable to the Lenders to be shared ratably among them in accordance with their respective Commitment Percentages. In addition, the Borrower shall pay to the Administrative Agent, for the account of the Issuing Bank, a fronting fee with respect to each Letter of Credit, for the period from and including the date of issuance of such Letter of Credit to the expiration date of such Letter of Credit, computed at a rate of 1/8 of 1% per annum, calculated on the basis of a 365- (or 366-, as the case may be) day year, on the product of (i) the aggregate of the Commitment Percentages of the L/C Participants multiplied by (ii) the aggregate amount available to be drawn under such Letter of Credit, payable quarterly in arrears on each L/C Fee Payment Date to occur during such period and on the expiration date of such Letter of Credit. Such fees and commissions shall be nonrefundable.

(b) In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, effecting payment under, amending or otherwise administering any Letter of Credit.

(c) The Administrative Agent shall, promptly following its receipt thereof, distribute to the Issuing Lender and the L/C Participants all fees and commissions received by the Administrative Agent for their respective accounts pursuant to this subsection.

4.4 L/C Participations. (a) The Issuing Lender irrevocably agrees
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to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant

irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Commitment Percentage (as in effect from time to time) in the Issuing Lender's obligations and rights under each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with subsection 4.5(a), such L/C Participant shall pay to the Issuing Lender at the Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Commitment Percentage (in effect on the date of such demand) of the amount of such draft, or any part thereof, which is not so reimbursed, such payment to be made by such L/C Participant on the date (which shall be a Business Day) a demand therefor is made by the Issuing Lender (if such demand is made prior to 12:00 P.M. Toronto time on such date) or the next Business Day (if such demand is made after 12:00 P.M. Toronto time on such date).

(b) If any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to subsection 4.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the weekly average Bank of Canada Rate, during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 365 (or 366, as the case may be). If any such amount required to be paid by any L/C Participant pursuant to subsection 4.4(a) is not in fact made available to the

Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to Prime Rate Loans hereunder. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with subsection 4.4(a), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of Collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will, if such payment is received prior to 12:00 Noon, Toronto time, on a Business Day, distribute to such L/C Participant its pro rata share thereof prior to the end of such Business Day and otherwise the Issuing Lender will distribute such payment on the next succeeding Business Day; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

4.5 Reimbursement Obligation of the Borrower. (a) The Borrower agrees to reimburse the Issuing Lender, upon receipt of notice from the Issuing Lender of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Lender, for the amount of (i) such draft so paid and (ii) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Except as and to the extent otherwise provided in subsection 4.5(c), each such payment shall be made to the Issuing Lender, at its address for notices specified herein in Canadian Dollars and in

immediately available funds, on the date on which the Borrower receives such notice, if received prior to 11:00 A.M., Toronto time, on a Business Day and otherwise on the next succeeding Business Day.

(b) Interest shall be payable on any and all amounts payable under subsection 4.5(a) and remaining unpaid by the Borrower (i) from the date the draft presented under the affected Letter of Credit is paid to the earlier of the third Business Day after the date on which the Borrower is required to pay such amounts pursuant to subsection 4.5(a) and the date on which the Borrower pays all such amounts at the rate which would then be payable on any outstanding Prime Rate Loans and (ii) thereafter until payment in full at the rate which would be payable on any outstanding Prime Rate Loans which were then overdue.

(c) By 12:00 P.M., Toronto time, on the first Business Day after each date on which a draft is presented under any Letter of Credit and paid by the Issuing Lender, the Administrative Agent shall, on behalf of the Borrower (which hereby irrevocably directs and authorizes the Administrative Agent to act on its behalf), request (in accordance with the applicable provisions of subsection 2.3) each Lender to make a Revolving Credit Loan in an amount equal to such Lender's Commitment Percentage of the amount of such draft so paid. Each Lender agrees to make each Revolving Credit Loan so requested available to the Administrative Agent in accordance with subsection 2.3, provided that the
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conditions precedent contained in subsection 7.2 to its obligation to make such Revolving Credit Loan have been satisfied. The proceeds of such Revolving Credit Loans shall be made available by the Administrative Agent to the Issuing Lender and applied to the payment (whether or not then due) of the obligations of the Borrower under subsection 4.5(a)(i); upon such payment, the Borrower shall be deemed to have satisfied such obligations to the extent of such payment. The Issuing Lender shall notify the Administrative Agent and the Borrower as soon as reasonably practicable of each drawing

made under a Letter of Credit and the aggregate principal amount of the Revolving Credit Loans made under this subsection 4.5(c) in respect thereof.

4.6 Obligations Absolute. (a) The Borrower's obligations under this Section 4 shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Lender or any beneficiary of a Letter of Credit, provided that this paragraph shall not relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct.

(b) The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under subsection 4.5(a) shall not be affected by, among other things, (i) the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or (ii) any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or (iii) any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee, provided that this paragraph shall not relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct.

(c) The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except

for errors or omissions caused by the Issuing Lender's gross negligence or willful misconduct.

(d) The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Customs, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

4.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower, the Swing Line Lender and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit, provided that this paragraph shall not relieve the Issuing Lender of any liability resulting from the gross negligence or willful misconduct of the Issuing Lender, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct.

4.8 Application. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 4, the provisions of this Section 4 shall apply.

SECTION 5. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT

5.1 Interest Rates and Payment Dates. (a) Each Prime Rate Loan (including each Swing Line Loan) shall bear interest for each day that it is outstanding at a rate per annum equal to the Prime Rate for such day plus the Prime Rate Margin in effect for such day.

(b) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon or (iii) any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum which is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this subsection plus 2% or (y) in the case of overdue interest, commitment fee or other amount, the rate described in paragraph (a) of this subsection plus 2%, in each case from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(c) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (b) of this subsection shall be payable from time to time on demand.

(d) It is the intention of the parties hereto to comply strictly with applicable usury laws; accordingly, it is stipulated and agreed that the aggregate of all amounts which constitute interest under applicable usury laws, whether contracted for, charged, taken, reserved, or received, in connection with the indebtedness evidenced by this Agreement or the Notes, or any other document relating or referring hereto or thereto, now or hereafter existing, shall never exceed under any circumstance whatsoever the maximum amount of interest allowed by applicable usury laws including the Criminal Code of Canada.

5.2 Optional and Mandatory Prepayments. (a) The Borrower may at any time and from time to time repay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice given to the Administrative Agent no later than 12:00 P.M., Toronto time on the immediately preceding Business Day specifying the date and amount of repayment and whether the repayment is of Revolving Credit Loans or Swing Line Loans or a combination thereof, and, in each case if a combination thereof, the amount allocable to each. Upon the receipt of any such notice the Administrative Agent shall promptly notify each affected Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein together with accrued interest to such date on the amount prepaid. Repayments of the Loans shall be applied first, to payment of the Swing Line Loans then outstanding and second, to payment of the Revolving Credit Loans then outstanding.

(b) If, at any time during the Commitment Period, the Aggregate Outstandings of all Lenders exceed the lesser of (i) the Borrowing Base then in effect and (ii) the aggregate Commitments then in effect (whether as result of a reduction in the Commitments pursuant to subsection 2.4(b), subsection 5.2(c)(i) or otherwise), the Borrower shall, without notice or demand, immediately (in the case of clause (ii) above) or within three Business Days (in the case of clause (i) above) repay the Loans and any then outstanding Reimbursement Obligations in an aggregate principal amount equal to such excess, together with interest accrued to the date of such payment. Such payments shall be applied first, to pay Swing Line Loans then outstanding, second, to pay any Reimbursement Obligations then outstanding, third, to pay Revolving Credit Loans then outstanding and fourth, to cash collateralize its then outstanding Acceptances upon terms reasonably satisfactory to the Administrative Agent. To the extent that after giving effect to any repayment of the Loans or Reimbursement Obligations or the cash collateralization of any Acceptances required by the preceding sentence, the Aggregate Outstandings of all

Lenders exceed the lesser of (i) the Borrowing Base then in effect and (ii) the aggregate Commitments then in effect, the Borrower shall, without notice or demand, immediately cash collateralize the then outstanding L/C Obligations in an amount equal to such excess upon terms reasonably satisfactory to the Administrative Agent.

(c) (i) Unless otherwise agreed in writing by the Majority Lenders in the case of clause (A) below or the Aggregate Majority Lenders in the case of clause (B) below, if at any time (A) the Borrower or any of its Subsidiaries shall incur Indebtedness for borrowed money (excluding any Indebtedness permitted by subsection 8.2 of the U.S. Credit Agreement) pursuant to a public offering or private placement or otherwise or (B) Holdings or any of its Subsidiaries shall sell or issue shares of its Capital Stock (except for shares of Capital Stock of Holdings or an Additional Subsidiary issued or sold to one or more Permitted Equity Purchasers to the extent such sale or issuance is permitted pursuant to the U.S. Credit Agreement and the Holdings Guarantee), then the Commitments shall be permanently reduced by an amount equal to (1) 100% of the Net Cash Proceeds thereof (in the case of clause (A) above) or (2) the Canadian Prepayment Percentage (as in effect on the date of such sale or issuance) of 66-2/3% of the Net Cash Proceeds thereof (in the case of clause (B) above), with such reductions to be effective on the date of receipt of any such Net Cash Proceeds.

(ii) Unless otherwise agreed in writing by the Majority Lenders, if at any time the Borrower or any of its Subsidiaries shall make an Asset Sale pursuant to subsection 9.2(g), the Borrower shall repay the Loans and any then outstanding Reimbursement Obligations in an aggregate amount equal to 100% of the Net Cash Proceeds thereof, together with accrued interest on such Loans and Reimbursement Obligations to the date of such payment, such payments to be made promptly upon receipt of such Net Cash Proceeds and to be applied to the Extensions of Credit in the same order as that specified in subsection 5.2(b).

(d) The Borrower shall prepay all Swing Line Loans then outstanding simultaneously with each borrowing of Revolving Credit Loans and may prepay (without premium or penalty) any outstanding Swing Line Loans upon at least one Business Day's notice to the Administrative Agent.

5.3 Commitment Fees; Agency Fees; Other Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender, a commitment fee for the period from and including the Closing Date to but excluding the Termination Date (or such earlier date as the Commitments shall terminate as provided herein), computed at the Commitment Fee Rate on the average daily amount of the Available Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Termination Date or such earlier date as the Commitments shall terminate as provided herein, commencing on the first such date to occur after the date hereof.

(b) The Borrower shall pay (without duplication of any fee payable under subsection 5.3(a)) to the Administrative Agent and the Collateral Agent, for their respective accounts, the other fees required to be paid pursuant to the Agency Fee Letter, dated February 24, 1995 between the U.S. Borrower, the U.S. Administrative Agent and the U.S. Collateral Agent, in each case in the amounts and on the dates set forth therein.

5.4 Computation of Interest and Fees. (a) Interest based on the Prime Rate and commitment fees and interest (other than the interest component of the Reference Discount Rate) shall be calculated on the basis of a 365-(or 366-, as the case may be) day year for the actual days elapsed. Any change in the interest rate on a Loan resulting from a change in the Prime Rate shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the

Lenders of the effective date and the amount of each such change in interest rate.

(b) For purposes of the Interest Act, (i) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement; and (ii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

(c) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing in reasonable detail the calculations used by the Administrative Agent in determining any interest rate pursuant to subsection 5.1.

5.5 Pro Rata Treatment and Payments. (a) Except as provided in subsection 2.4(b) and (c), each borrowing of Loans (other than Swing Line Loans) by the Borrower from the Lenders hereunder shall be made, each payment by the Borrower on account of any commitment fee hereunder shall be allocated by the Administrative Agent, and any reduction of the Commitments of the Lenders shall be allocated by the Administrative Agent, pro rata according to the relevant Commitment Percentages of the Lenders. Except as provided in subsection 2.4(c), each payment (including each prepayment) by the Borrower on account of principal of and interest on any Revolving Credit Loans shall be allocated by the Administrative Agent pro rata according to the respective outstanding principal amounts of such Revolving Credit Loans then held by the Lenders. All payments (including prepayments) to be made by the Borrower hereunder and under any Notes, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 P.M., Toronto time, on the due date thereof to the Administrative Agent, for the account of the Lenders holding such Notes, at the Administrative Agent's office specified in subsection 12.2, in Canadian Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to such Lenders, if any such payment is received prior to 12:00 Noon, Toronto time, on a Business Day, in like funds as received prior to the end of such Business Day, and otherwise the

Administrative Agent shall distribute such payment to such Lenders on the next succeeding Business Day. If any payment hereunder (other than payments on the Acceptances) becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(b) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such

amount with interest thereon at a rate equal to the Administrative Agent's reasonable estimate of its daily average cost of funds for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, (x) the Administrative Agent shall notify the Borrower of the failure of such Lender to make such amount available to the Administrative Agent and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Prime Rate Loans hereunder, on demand, from the Borrower and (y) the Borrower may, without waiving any rights it may have against such Lender, borrow a like amount on an unsecured basis from any commercial bank for a period ending on the date upon which such Lender does in fact make such borrowing available, provided that (i) at the time
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such borrowing is made and at all times while such amount is outstanding the Borrower would be permitted to borrow such amount pursuant to subsection 2.1 of this Agreement and (ii) the commercial bank from whom such borrowing is made waives in a written agreement reasonably satisfactory to the Administrative Agent any right of set-off it may have against the Collateral.

5.6 Borrowing Base Compliance. The Collateral Agent or another
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financial institution satisfactory to the Collateral Agent (including any Affiliate of the Collateral Agent) shall, from time to time during the Commitment Period, (except during any Borrowing Base Elimination Period) review and confirm the information set forth in each Monthly Borrowing Base Certificate delivered by the Borrower in order to determine whether, at such time, the Borrower is in compliance with the requirements in respect of the Borrowing Base under this Agreement, and the Borrower shall reimburse the Collateral Agent for its reasonable out-of-pocket expenses (excluding fees) in respect thereof. If the Borrower is not in compliance with such requirements, the Collateral Agent shall promptly notify the Borrower, the Administrative Agent and the Lenders of such noncompliance, and the Borrower shall make all mandatory prepayments required pursuant to subsection 5.2(b).

5.7 Illegality. Notwithstanding any other provision herein, if the
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adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the date hereof shall make it unlawful for any Lender to create or maintain Acceptances as contemplated by this Agreement, (a) such Lender shall as soon as reasonably practicable thereafter give written

notice of such circumstances to the Borrower and the Administrative Agent (which notice shall be withdrawn whenever such circumstances no longer exist), (b) the commitment of such Lender hereunder to accept Drafts, purchase Acceptances and convert Prime Rate Loans to Acceptances shall forthwith be cancelled, and, until such time as it shall no longer be unlawful for such Lender to create or maintain Acceptances, such Lender shall then have a commitment only to make a Prime Rate Loan when an Acceptance is requested and (c) all outstanding Acceptances, if any, shall be converted automatically to Prime Rate Loans on the respective maturities thereof or within such earlier period as required by law.

5.8 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the date hereof (or, if later, the date on which such Lender becomes a Lender):

(i) shall subject such Lender to any tax of any kind whatsoever with respect to this Agreement, any Note, any Letter of Credit, any Application or any Acceptance made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by subsection 5.9 (including Non-Excluded Taxes imposed solely by reason of any failure of such Lender to comply with its obligations under subsection 5.9(a)) and changes in rate of tax on the overall net income, or franchise tax (imposed in lieu of such net income tax), of such Lender or its applicable lending office, branch, or any affiliate thereof);

(ii) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of creating, converting into, continuing or maintaining Acceptances or issuing or participating in Letters of Credit or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice to the Borrower from such Lender, through the Administrative Agent, in accordance herewith, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable, provided that, in any such case, the Borrower may elect to convert any
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Acceptances made available by such Lender hereunder to Prime Rate Loans by cash collateralizing all outstanding Acceptances and by giving the Administrative Agent at least three Business Days' notice of such election. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection, it shall as soon as reasonably practicable thereafter provide notice thereof to the Borrower, through the Administrative Agent, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority, in each

case, made subsequent to the date hereof (or, if later, the date on which such Lender becomes a Lender), does or shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within ten Business Days after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor certifying (x) that one of the events described in this paragraph (b) has occurred and describing in reasonable detail the nature of such event, (y) as to the reduction of the rate of return on capital resulting from such event and (z) as to the additional amount or amounts demanded by such Lender and a reasonably detailed explanation of the calculation thereof, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

5.9 Taxes. (a) Except as provided below in this subsection, all
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payments made by the Borrower under this Agreement and the Notes shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding in the case of each Lender or its applicable lending office, or any branch or affiliate thereof (i) net income taxes, doing business and franchise and similar taxes, branch taxes or taxes on the overall capital or net worth of any Lender or its applicable lending office, or any branch or affiliate thereof imposed by any jurisdiction under the laws of which such Lender, applicable lending office, branch or affiliate is organized or is located, or in which its principal executive office is located, or any nation within which such jurisdiction is located or any political subdivision thereof

and (ii) any such taxes or other tax, levy, impost, duty, charge, fee, deduction or withholding imposed by reason of any connection between the jurisdiction imposing such tax and such Lender, applicable lending office, branch or affiliate other than a connection arising solely from such Lender having executed, delivered or performed its obligations, or received payment under or enforced, this Agreement or the Notes. If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder or under the Notes, the amounts so payable to the Administrative Agent or such Lender shall be increased by any additional amounts to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes on such additional amounts) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes; provided, however, that the Borrower shall be entitled to deduct and withhold any Non-Excluded Taxes and shall not be required to pay any such additional amounts to any Lender that is not incorporated under the laws of Canada or a province thereof or is not a resident of Canada for purposes of the Tax Act. Whenever any Non-Excluded Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and each Lender from any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure. The agreements in this subsection 5.9 shall survive the termination of this Agreement and the payment of the Loans,

Acceptance Reimbursement Obligations, Letters of Credit and all other amounts payable hereunder.

(b) Any Lender that is not incorporated under the laws of Canada or a province thereof or is not a resident of Canada for purposes of the Tax Act shall, on or before the date of any payment by the Borrower under this Agreement, notify the Borrower and the Administrative Agent in writing of the jurisdiction in which the Lender is resident.

5.10 Certain Rules Relating to the Payment of Additional Amounts.

(a) Upon the request, and at the expense, of the Borrower, each Lender to which the Borrower is required to pay any additional amount pursuant to subsection 5.8 or 5.9, and any Participant in respect of whose participation such payment is required, shall reasonably afford the Borrower the opportunity to contest, and reasonably cooperate with the Borrower in contesting, the imposition of any Non-Excluded Tax giving rise to such payment; provided that (i) such Lender shall not be required to afford the Borrower the opportunity to so contest unless the Borrower shall have confirmed in writing to such Lender its obligation to pay such amounts pursuant to this Agreement and (ii) the Borrower shall reimburse such Lender for its reasonable attorneys' and accountants' fees and disbursements incurred in so cooperating with the Borrower in contesting the imposition of such Non-Excluded Tax.

(b) If a Lender changes its applicable lending office (other than pursuant to paragraph (c) below) and the effect of the change, as of the date of the change, would be to cause the Borrower to become obligated to pay any additional amount under subsection 5.8 or 5.9, the Borrower shall not be obligated to pay such additional amount.

(c) If a condition or an event occurs which would, or would upon the passage of time or giving of notice, result in the payment of any additional amount to any Lender by the Borrower pursuant to subsection 5.8 or 5.9, such Lender shall as soon as reasonably practicable

thereafter notify the Borrower and the Administrative Agent and shall take such steps as may reasonably be available to it and acceptable to the Borrower to mitigate the effects of such condition or event (which shall include efforts to rebook the Loans held by such Lender at another lending office, or through another branch or an affiliate, of such Lender); provided that such Lender shall
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not be required to take any step that, in its reasonable judgment, would be materially disadvantageous to its business or operations or would require it to incur additional costs (unless the Borrower agrees to reimburse such Lender for all such reasonable and actual additional costs).

(d) If (and for so long as) the Borrower shall become obligated to pay additional amounts pursuant to subsection 5.8 or 5.9 and any affected Lender shall not have promptly taken the steps necessary to avoid the need for payments under subsection 5.8 or 5.9, the Borrower shall have the right, upon payment in full of all amounts then due from it under subsections 5.8 and 5.9, (i) with the assistance of the Administrative Agent, to seek one or more substitute Lenders reasonably satisfactory to the Administrative Agent and the Borrower to purchase in accordance with the provisions of subsection 12.6(c) the affected Loan, in whole or in part, at an aggregate price no less than the principal amount of such Loan or part thereof being purchased plus accrued and unpaid interest thereon to the date of purchase and all fees and other amounts owing to the affected Lender hereunder (or under the other Loan Documents) and accrued to the date of the purchase (but without payment to the affected Lender of any premium or penalty) and to assume the obligations of the affected Lender under this Agreement and the other Loan Documents, or (ii) after the Borrower has made a good faith effort to seek a substitute Lender in accordance with clause (i) above and provided that no Default or Event of Default has occurred and is continuing, upon at least three Business Days' irrevocable notice to the Administrative Agent and the affected Lender, to terminate the entire Commitment of the affected Lender and to repay the affected Loan, together

with accrued and unpaid interest thereon to date of repayment, and all fees and other amounts accrued to the date of repayment and owing to the affected Lender hereunder (or under the other Loan Documents) (but without payment to the affected Lender of any premium or penalty). In the case of the substitution of a Lender, the Borrower, the Administrative Agent, the affected Lender, and any substitute Lender shall execute and deliver an appropriately completed Assignment and Acceptance pursuant to subsection 12.6(c) to effect the assignment of rights to, and the assumption of obligations by, the substitute Lender.

(e) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to receive any additional amounts pursuant to subsection 5.8 or 5.9 unless such Lender represents to the Borrower that, at the time of any request by such Lender that such amounts be paid, it is the policy or general practice of such Lender to demand such compensation for comparable costs or deductions, if any, in similar circumstances, if any, under comparable provisions of other credit agreements for comparable customers.

(f) The obligations of the Borrower and a Lender or Participant under this subsection 5.10 shall survive the termination of this Agreement and the payment of the Notes and all amounts payable.

SECTION 6. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Collateral Agent and each Lender to enter into and perform their respective obligations under this Agreement, and to induce each Lender to make the initial Extension of Credit requested to be made by it on the Effective Date and to accept and discount Drafts (or discount Acceptance Notes), the Borrower hereby represents and warrants, on the Effective Date and on each date that any Extension of Credit is made thereafter, to the Administrative Agent, the Collateral Agent and each Lender that:

6.1 Solvent. As of the Effective Date, the Borrower is Solvent.

6.2 Corporate Existence. The Borrower is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

6.3 Corporate Power; Authorization; Enforceable Obligations. (a) The Borrower has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement, the Notes, the Drafts, the Acceptance Notes and the Applications and to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of the Borrower in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents to which the Borrower is a party, except (i) for consents, authorizations, notices and filings described in Schedule 6.3, all of which have been obtained or made, (ii) for filings to perfect the Liens created by the Security Agreements and (iii) any consents pursuant to the Financial Administration Act (Canada) or equivalent legislation in respect of Accounts of the Borrower the Obligor in respect of which is Canada or any province, department, agency or instrumentality thereof. This Agreement and each other Loan Document to which the Borrower is a party has been duly executed and delivered on behalf of the Borrower. This Agreement and each other Loan Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights

generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) Each Loan Party (other than the Borrower) has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of any such Loan Party in connection with the execution, delivery, performance, validity or enforceability of the Loan Documents to which it is a party, except (i) for consents, authorizations, notices and filings described in Schedules 6.3, all of which have been obtained or made, (ii) for filings to perfect the Liens created by the Security Agreements, and (iii) consents pursuant to the Financial Administration Act or equivalent legislation in respect of Accounts of such Loan Party the Obligor of which is Canada or any province, department, agency or instrumentality thereof. Each Loan Document to which any such Loan Party is a party has been duly executed and delivered on behalf of each such Loan Party. Each Loan Document to which any such Loan Party is a party when executed and delivered by such Loan Party will constitute a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

6.4 No Legal Bar. The execution, delivery and performance of the Loan Documents to which the Borrower is a party, the borrowings hereunder and the use of the proceeds thereof and the creation and perfection of the Liens contemplated by the Security Agreements (a) will not violate any Requirement of Law or Contractual Obligation of the

Borrower or any of its Subsidiaries in any respect that would reasonably be expected to have a Material Adverse Effect and (b) will not result in, or require, the creation or imposition of any Lien (other than the Liens created by the Security Documents) on any of its properties or revenues pursuant to any such Requirement of Law or material Contractual Obligation (as defined in the U.S. Credit Agreement).

6.5 No Default. No Default or Event of Default has occurred and is continuing.

6.6 Collateral. Upon filing of the financing statements and other documents delivered to the Administrative Agent by the Borrower on or prior to the Closing Date in the jurisdictions listed on Schedule 6.6 (which financing statements and other documents are in proper form for filing in such jurisdictions), upon the filing of a Notice of Intention (the "Notice of Intention") to give security pursuant to Section 427 of the Bank Act at the office of the Bank of Canada, upon the filing of the Security Agreement in the Trademarks Office and upon the registration of the Security Agreements and the making of filings in any other jurisdiction as may be necessary under any Requirement of Law on or after the Closing Date, the Liens created pursuant to each Security Agreement, when executed and delivered, will constitute valid Liens on and, perfected security interests, mortgages and charges in or on the collateral referred to in such Security Agreement in favor of the Administrative Agent for the ratable benefit of the Lenders (and with respect to the Notice of Intention and other Bank Act Security, in favor of those Lenders holding Bank Act Security), prior to all other Liens of all other Persons, except, to the extent such Liens have priority by law, Liens permitted pursuant to subsection 8.3 of the U.S. Credit Agreement, and enforceable as such as against all other Persons, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable

principles (whether enforcement is sought by proceedings in equity or at law).

6.7 Subsidiaries. As of the Closing Date, the Borrower had no Subsidiaries. No Person other than the Borrower or Subsidiaries of the Borrower owns any Capital Stock of any Subsidiary of the Borrower.

6.8 Purpose of Loans. The proceeds of the Loans shall be used by the Borrower to finance the working capital and business requirements of the Borrower and its Subsidiaries.

6.9 Canadian Pension Plans. (a) (i) The only Canadian Pension Plans of the Borrower are one or more defined contribution pension plans; (ii) each Canadian Pension Plan, when established by the Borrower, will be in compliance in all material respects with all applicable pension benefits and tax laws; (iii) all contributions (including employee contributions made by authorized payroll deductions) required to be made to the appropriate funding agency in accordance with all applicable laws and the terms of each Canadian Pension Plan, once established, will be made in accordance with applicable laws and the terms of each Canadian Pension Plan; and (iv) no event has occurred or will occur and no condition exists or will exist with respect to any Canadian Pension Plan that has resulted or could reasonably be expected to result in any Canadian Pension Plan having its registration revoked or refused for the purposes of any applicable pension benefits or tax laws or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any taxes or penalties under any applicable pension benefits or tax laws; except in each case under clauses (i) through (iv) above, to the extent that any of the foregoing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) With respect to any retirement or other deferred compensation plan maintained, administered or

contributed to by or to which there may be an obligation to contribute by the Borrower or any of its Subsidiaries in respect of employees in Canada which is not a Canadian Pension Plan, all required contributions have been made and there are no unfunded liabilities in respect of such plans (either on a "going concern" or on a "winding up" basis and determined in accordance with all applicable laws and using assumptions and methods that are appropriate in the circumstances and in accordance with generally accepted actuarial principles and practices in Canada), except to the extent that all such unfunded liabilities and failures to make required contributions could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.10 Representations and Warranties in the U.S. Credit Agreement.

The representations and warranties made by the U.S. Borrower in the U.S. Credit Agreement are true and correct in all material respects.

6.11 No Default. Immediately prior to the occurrence of the Effective Date, no Default or Event of Default (as defined in each of the Existing Credit Agreement and the Existing U.S. Credit Agreement) has occurred and is continuing.

SECTION 7. CONDITIONS PRECEDENT

7.1 Conditions to Effectiveness. This Agreement shall become effective on the date (the "Effective Date") upon which each of the following conditions shall be satisfied: (i) the execution and delivery of this Agreement by each party hereto, (including, without limitation, the Guarantors' signature lines which are set forth at the foot of this Agreement), (ii) the occurrence of the "Effective Date" under and as defined in subsection 6.1 of the U.S. Credit Agreement, and (iii) the first date upon which each of the conditions precedent set forth in this subsection 7.1 are satisfied (the "Effective Date"):

(a) Legal Opinions. The Administrative Agent shall have received (with a copy for each Lender) and the Administrative Agent and the Lenders shall be reasonably satisfied with, the legal opinions referred to in subsection 6.1 of the U.S. Credit Agreement, and each such legal opinion shall state, or be accompanied by a separate letter to the effect, that the Administrative Agent and the Lenders are entitled to rely thereon as if such legal opinions were addressed to the Administrative Agent and the Lenders.

(b) Corporate Proceedings of the Loan Parties. The Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors of the Borrower authorizing, as applicable, (i) the execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which it is or will be a party and (ii) the borrowings contemplated hereunder.

(c) Incumbency Certificates of the Loan Parties. The Administrative Agent shall have received, with a copy for each Lender, a certificate of the Borrower dated the Closing Date, as to the incumbency and signature of the officers of the Borrower executing any Loan Document, reasonably satisfactory in form and substance to the Administrative Agent, executed by the Secretary or any Assistant Secretary of the Borrower.

7.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any Extension of Credit requested to be made by it on any date (including, without limitation, the initial Extension of Credit and each Swing Line Loan) is subject to the satisfaction or waiver of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party pursuant to this Agreement or any other Loan Document

(or in any amendment, modification or supplement hereto or thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to this Agreement or any other Loan Document shall, except to the extent that they relate to a particular date, be true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default (other than a Default or an Event of Default arising under Section 10(j) which occurs solely as a result of the occurrence of a U.S. Borrowing Base Default) shall have occurred and be continuing on such date or after giving effect to the Extensions of Credit requested to be made on such date.

(c) Borrowing Base. After giving effect to the Extensions of Credit requested to be made on such date, the Aggregate Outstandings of all the Lenders shall not exceed the lesser of (i) the Borrowing Base then in effect and (ii) the aggregate Commitments.

Each Extension of Credit made to (or on behalf of) the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such Extension of Credit that the conditions contained in this subsection 7.2 have been satisfied.

SECTION 8. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, from and after the Closing Date and so long as the Commitments remain in effect, and thereafter until payment in full of the Notes, the Acceptance Reimbursement Obligations, all Reimbursement Obligations and any other amount then due and owing to any Lender, the Collateral Agent or the Administrative Agent hereunder or under any other Loan Document and termination

or expiration of all Letters of Credit, the Borrower shall and (except in the case of subsections 8.1, 8.2 and 8.6) shall cause each of its Subsidiaries to:

8.1 Financial Statements. Furnish to each Lender:

(a) as soon as available, but in any event not later than 90 days after the end of each fiscal year of each of the U.S. Borrower and the Borrower, (i) a copy of the consolidated balance sheet of Holdings and its consolidated Subsidiaries (other than Realco) and (ii) a copy of the consolidated balance sheet of the Borrower and its consolidated Subsidiaries (if any), in each case as at the end of each such year and together with copies of the related consolidated statements of operations, changes in common stockholders' equity and cash flows for each such year, setting forth in the case of such balance sheets as at the end of the 1995 fiscal year of Holdings and the Borrower and in the case of such balance sheets and statements of operations, changes in common stockholders' equity and cash flows for the 1996 and subsequent fiscal years of Holdings and the Borrower, in each case in comparative form the figures for the previous year, and in the case of (i) above such consolidated financial statements to be reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Coopers & Lybrand or other independent certified public accountants of nationally recognized standing and such financial statements to be certified by a Responsible Officer of Holdings or the Borrower, as the case may be, as being fairly stated in all material respects;

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Holdings, a copy of the unaudited consolidated and consolidating balance sheet of Holdings and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated and consolidating statements of operations, changes in common stockholders' equity and cash flows of Holdings and its

consolidated Subsidiaries for such quarter and the portion of the fiscal year through the end of such quarter, setting forth, (x) in the case of each such consolidated and consolidating balance sheet as of the end of the second fiscal quarter of 1995 and thereafter, in comparative form the budgeted figures (as adjusted consistent with past practice) for the relevant period and the figures as at the end of the previous fiscal year and (y) in the case of each such consolidated and consolidating statements of operations and cash flows for the second fiscal quarter of 1995 and thereafter, in comparative form the budgeted figures (as adjusted consistent with past practice) for the relevant period and the figures for the corresponding period of the previous fiscal year, certified by a Responsible Officer of Holdings as being fairly stated in all material respects (subject to normal year-end audit and other adjustments and except for the absence of notes);

(c) as soon as available, but in any event not later than 30 days after the end of each fiscal month of each fiscal year of Holdings, a copy of the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as of the end of such month and the related unaudited consolidated statement of operations, the sales figures with respect to which shall be broken down between Holdings and the Borrower, setting forth with respect to months ending after March 1, 1995, in the case of such consolidated balance sheets, in comparative form the figures as at the end of the previous fiscal year and, in the case of such consolidated statements of operations, in comparative form the figures for the corresponding fiscal month of the previous year, certified by a Responsible Officer of Holdings as being fairly stated in all material

respects (subject to normal year-end audit and other adjustments and except for the absence of notes) provided that during any Borrowing Base Elimination Period the Borrower shall not be required to make any delivery pursuant to this subsection 8.1(c); and

(d) as soon as available, a copy of the consolidated balance sheet of Holdings and its consolidated Subsidiaries as of March 1, 1994, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Coopers & Lybrand or other independent certified public accountants of nationally recognized standing and certified by a Responsible Officer of the Borrower as being fairly stated in all material respects;

all such financial statements shall be (and, in the case of financial statements delivered pursuant to subsection 8.1(a) (but only with respect to the consolidating financial statements referred to therein), (b), (c) and (d) above, shall be certified by a Responsible Officer of Holdings as being) fairly stated in all material respects in conformity with GAAP and shall be (and, in the case of financial statements delivered pursuant to subsection 8.1(a) (but only with respect to the consolidating financial statements referred to therein), (b), (c) and (d) above, shall be certified by a Responsible Officer of Holdings as being) prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein, and except, in the case of the financial statements delivered pursuant to subsection 8.1(b) and (c), for the absence of certain notes).

8.2 Certificates; Other Information. Furnish to each Lender:

(a) concurrently with the delivery of the financial statements referred to in subsection 8.1(a) a certificate of the independent certified public accountants reporting on such financial statements stating that in making the audit necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsections 8.1(a), (b) and (c), and in clause (b) of the definition of Adjustment Date, a certificate of a Responsible Officer of the U.S. Borrower or Holdings, as the case may be, (i) stating that, to the best of such Officer's knowledge, the U.S. Borrower and the Borrower or Holdings, as the case may be, during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in the U.S. Credit Agreement and this Agreement and in the Notes and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default hereunder or under the U.S. Credit Agreement, except, in each case, as specified in such certificate and (ii) setting forth the calculations required to determine (A) the Margin Reduction Percentage and compliance with the covenants set forth in subsection 8.1 of the U.S. Credit Agreement (in the case of a certificate furnished with the financial statements referred to in subsections 8.1(a) and (b) hereof and in clause (b) of the definition of Adjustment Date) and (B) compliance with the covenant set forth in subsection 8.9 of the U.S. Credit Agreement (in the case of a certificate furnished with the financial statements referred to in subsection 8.1(a) hereof);

(c) on or prior to the first Friday that is after the 15th day of each calendar month after the Closing Date (except during any Borrowing Base Elimination Period), a certificate substantially in the form of Exhibit E (a "Monthly Borrowing Base Certificate"), certified by a
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Responsible Officer of the Borrower as true and correct, setting forth the amount of Accounts of the Borrower and its Subsidiaries, Eligible Accounts, Inventory of the Borrower and its Subsidiaries and Eligible Inventory, in each case as of the last Business Day of the immediately preceding month, attached to which shall be reasonably detailed information including an aging schedule of Accounts of the Borrower and its Subsidiaries;

(d) as soon as available, but in any event not later than ninety days after the beginning of each fiscal year of the U.S. Borrower, a copy of the projections by the U.S. Borrower of the operating budget and cash flow budget of the U.S. Borrower and its Subsidiaries for such fiscal year, such projections to be accompanied by a certificate of a Responsible Officer of the U.S. Borrower to the effect that such Responsible Officer believes, as of the date of such certificate, such projections to have been prepared on the basis of reasonable assumptions;

(e) within five days after the same are sent, copies of all financial statements and reports which Holdings or the U.S. Borrower sends to its security holders, and within five days after the same are filed, copies of all financial statements and periodic reports which Holdings or the U.S. Borrower may file with the Securities and Exchange Commission or any successor or analogous Governmental Authority;

(f) within two days after the same are filed, copies of all registration statements and any amendments and exhibits thereto, which Holdings or the U.S. Borrower may file with the Securities and Exchange

Commission or any successor or analogous Governmental Authority;

(g) promptly after the consummation by the Borrower or any of its Subsidiaries of a Mixed Asset Sale, a certificate of a Responsible Officer of the Borrower setting forth (in reasonable detail) the calculations required to determine compliance with the requirement of clause (iii) of the proviso to subsection 9.2(g) and stating that, to the best of such officer's knowledge, no Default or Event of Default has occurred and is continuing or would occur as a result of such Mixed Asset Sale;

(h) upon the reasonable request of the Administrative Agent, copies of any certificates delivered to Westinghouse pursuant to Section 6(a)(1) of the RealCo First Mortgage Notes;

(i) copies of all material written amendments, waivers or modifications of the DCBU Supply Agreement (as defined in the U.S. Credit Agreement); and

(j) promptly, such additional financial and other information as the Administrative Agent, the Collateral Agent or any Lender may from time to time reasonably request.

8.3 Collateral Audit. Reimburse the Collateral Agent for any reasonable fees or expenses incurred by it in connection with one audit of any of the Collateral during each twelve month period after the Closing Date (without duplication of the fees and expenses with respect to a collateral audit referred to in subsection 7.6 of the U.S. Credit Agreement) provided that, if a Default or Event of Default shall have occurred and be continuing, the Borrower shall reimburse the Collateral Agent for any reasonable fees and expenses incurred by it in connection with any such audit reasonably requested in writing by the Majority Lenders.

8.4 Notices. (a) As soon as possible after a Responsible Officer of the Borrower knows thereof, promptly give notice to the Administrative Agent, the Collateral Agent and each Lender of the occurrence of any Default or Event of Default.

(b) Concurrently with the delivery thereof to the U.S. Administrative Agent and the U.S. Lenders, promptly give to the Administrative Agent, the Collateral Agent and each Lender copies of all notices delivered to the U.S. Administrative Agent, the U.S. Collateral Agent and the U.S. Lenders pursuant to subsection 7.7 of the U.S. Credit Agreement.

(c) Each notice (or copy of a notice) delivered pursuant to this subsection shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

8.5 Landlord Waivers. At its own expense, request, and use reasonable efforts to obtain, (i) a Landlord's Waiver from each landlord of each of the existing facilities in which Inventory of the Borrower is located as of the Closing Date, and (ii) prior to entering into a lease of a facility in which Inventory of the Borrower or any of its Subsidiaries will be located on or after the Closing Date, a Landlord's Waiver from each landlord of any such facility. To the extent that the Borrower shall have, prior to the Closing Date, obtained or used reasonable efforts to obtain a Landlord's Waiver in the form of Exhibit E to the Existing Credit Agreement in respect of any such existing facility, the Borrower shall be deemed to have satisfied the requirements of this subsection 8.5 with respect to such existing facility.

8.6 Loans to Cover U.S. Borrowing Base Defaults. If at any time Loans are made hereunder during the continuance of a U.S. Borrowing Base Default, cause that

portion of the proceeds of such Loans which is necessary to cure such U.S. Borrowing Base Default by repaying and/or cash collateralizing U.S. Extensions of Credit to be promptly exchanged for U.S. Dollars, dividended, loaned or advanced to the U.S. Borrower and used by the U.S. Borrower to repay and/or cash collateralize the U.S. Extensions of Credit.

8.7 Cash Management System. (a) Maintain bank or trust accounts only with the banks or other financial institutions listed on Schedule 8.7 and such other banks or other financial institutions of which the Administrative Agent and the Collateral Agent may be notified in writing by the Borrower from time to time (each, a "Depositary Bank").

(b) Cause all amounts representing Proceeds (as defined in the Collateral Covenant Agreement) of Collateral (other than Net Proceeds Allocable to Payee and Reserved Amounts (as such terms are defined in the Canadian First Mortgage Notes) and Specified Loss Proceeds (as defined in the Canadian Cash Collateral Agreement)) which are received by the Borrower or any of its Subsidiaries from time to time to be promptly deposited into a bank or trust account maintained with a Depositary Bank (each, a "Depositary Account").

(c) Instruct each Depositary Bank to transfer, on a daily basis, all available funds on deposit in each Depositary Account maintained by it to the Concentration Account established with, and in the name of, the Administrative Agent pursuant to the Collateral Covenant Agreement; provided that amounts not in excess of C$100,000 (the "Operating Fund Limit") in the aggregate with respect to all Depositary Accounts may be retained by the Depositary Banks on deposit in Depositary Accounts and withdrawn from time to time therefrom by the Borrower or any of its Subsidiaries to pay reasonable costs and expenses incurred by the Borrower or any of its Subsidiaries; provided that, upon the occurrence and during the continuance of an Event of Default, the Borrower shall instruct the Depositary Banks

to transfer all available funds in the Depositary Accounts to the Concentration Account on a daily basis and shall not revoke such instructions unless and until such Event of Default has been cured or waived.

(d) The Concentration Account shall be under the sole dominion and control of the Administrative Agent. Subject to applicable law, at any time when an Event of Default has occurred and is continuing, the Administrative Agent may apply all or any of the funds on deposit in the Concentration Account to the payment of the Obligations (as defined in the Collateral Covenant Agreement) in accordance with Section 4.9 of the Collateral Covenant Agreement. So long as no Event of Default has occurred and is continuing, the Administrative Agent shall promptly remit any funds on deposit in the Concentration Account to the General Fund Account (as defined in the Collateral Covenant Agreement). The Borrower shall have the right, at any time and from time to time, to withdraw such amounts from the General Fund Account, and to maintain such balances in the General Fund Account, as it shall deem to be necessary or desirable.

SECTION 9. NEGATIVE COVENANTS

The Borrower hereby agrees that, from and after the Closing Date and so long as the Commitments remain in effect, and thereafter until payment in full of the Notes, all Acceptance Reimbursement Obligations, all Reimbursement Obligations and any other amount then due and owing to any Lender, the Collateral Agent or the Administrative Agent hereunder or under any other Loan Document and termination or expiration of all Letters of Credit, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

9.1 Limitation on Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign,

transfer or otherwise dispose of, all or substantially all of its property, business or assets, except:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower or with or into any one or more wholly owned Subsidiaries of the Borrower;

(b) any wholly owned Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other wholly owned Subsidiary of the Borrower; and

(c) in the case of the Borrower or any of its Subsidiaries, as permitted by subsection 9.2.

9.2 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, receivables and leasehold interests), whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock, to any Person other than the Borrower or a Subsidiary of the Borrower, except:

(a) the sale or other Disposition of (i) obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business or (ii) any Inventory not included as Eligible Inventory by virtue of clause (f) or (g) of the definition of Eligible Inventory;

(b) the sale or other Disposition of any property (including Inventory and Intellectual Property) in the ordinary course of business;

(c) the sale or discount without recourse of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or

exchange of accounts receivable into or for notes receivable, in connection with the compromise or collection thereof;

(d) as permitted by subsection 9.1(b);

(e) the abandonment or other Disposition of patents, trademarks or other Intellectual Property that are, in the reasonable judgment of the Borrower, no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) Dispositions of any assets or property by the Borrower or any wholly owned Subsidiary of the Borrower (i) to the Borrower or any wholly owned Subsidiary of the Borrower or (ii) so long as no Default or Event of Default has occurred and is continuing, to the U.S. Borrower or any of its Subsidiaries (other than RealCo), provided that Dispositions of assets or property in the ordinary course of business to the U.S. Borrower or any of its Subsidiaries shall not be prohibited pursuant to this clause (ii) notwithstanding the occurrence and continuance of a Default or an Event of Default; and

(g) Dispositions of assets in a transaction or series of related transactions for Net Cash Proceeds not in excess of the Canadian Dollar equivalent (determined on the basis of the Current Exchange Rate in effect on the Business Day immediately preceding the date of such Disposition) of $15,000,000 in any such transaction or series of related transactions,

provided that (i) no Default or Event of Default has occurred or is continuing or would occur as a result thereof, (ii) such Net Cash Proceeds are applied to the repayment of the Extensions of Credit pursuant to subsection 5.2(c) and (iii) notwithstanding the foregoing, no Disposition constituting a Mixed Asset Sale shall be permitted hereunder if, after giving effect thereto, the sum of

(A) the U.S. Dollar equivalent (determined on the basis of then Current Exchange Rates from time to time) of the Aggregate Asset Sale Shortfall Amount and (B) the U.S. Aggregate Asset Sale Shortfall Amount would exceed U.S.$15,000,000.

9.3 Limitations on Dispositions of Collateral. Convey, sell, transfer, lease, or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so, except for (a) mergers, consolidations, sales, leases, transfers or other Dispositions permitted under subsection 9.1 and (b) sales or other Dispositions permitted under subsection 9.2, including sales of Inventory in the ordinary course of business; and the Administrative Agent shall, and the Lenders hereby authorize the Administrative Agent (or the U.S. Collateral Agent, as applicable) to, execute such releases of Liens and take such other actions as the Borrower may reasonably request in connection with the foregoing or in connection with subsection 8.13 of the U.S. Credit Agreement, as applicable.

9.4 Creation of Subsidiaries. (A) Create any Subsidiary unless (i) such Subsidiary is wholly owned by the Borrower and/or another wholly owned Subsidiary of the Borrower and organized under the laws of one of the ten provinces of Canada and (ii) concurrently with the creation thereof, (a) such Subsidiary executes and delivers to the Administrative Agent a valid and enforceable Canadian Subsidiary Guarantee as Guarantor under and as defined therein, (b) such Subsidiary executes and delivers to the Administrative Agent a valid and enforceable Canadian Subsidiary Demand Debenture, a Canadian Subsidiary Demand Debenture Pledge Agreement and a Canadian Subsidiary Collateral Covenant Agreement, (c) the Borrower and/or such other Subsidiary of the Borrower that owns any Capital Stock of such Subsidiary executes and delivers to the Administrative Agent a valid and enforceable Subsidiary Stock Pledge Agreement and delivers to the Administrative Agent all certificates or instruments evidencing such Capital Stock owned by it, along with evidence of any

transfer approval required by the directors or shareholders of such Subsidiary to enable such Capital Stock to be registered in the name of the Administrative Agent, (d) all actions necessary to perfect the liens created by each Security Document to which such Subsidiary is or becomes a party have been duly completed and (e) the Administrative Agent receives a favorable opinion of counsel (reasonably satisfactory to the Administrative Agent) to such Subsidiary as to the due organization and valid existence of such Subsidiary, the due authorization, execution and delivery by, and enforceability against, such Subsidiary of each Loan Document to which it is or becomes a party and such other customary matters (including the perfection of the liens contemplated by the Security Documents to which such Subsidiary is a party) as the Administrative Agent and its counsel may reasonably request; provided, however, -------- -------

that the Borrower may acquire a Subsidiary without complying with the foregoing requirements of this subsection 9.4 so long as the following conditions are satisfied: (x) the assets of such Subsidiary have a book-value equal to or less than $20,000,000, (y) at the time of the acquisition of such Subsidiary the Borrower intends to transfer all of the assets of such Subsidiary to the Borrower or another Subsidiary that has complied with the foregoing requirements of this subsection 9.4, and (z) such transfer is completed within sixty days of the acquisition of such Subsidiary.

(B) Notwithstanding the foregoing, with respect to any Person that is or becomes a Foreign Subsidiary and that has material assets, such Foreign Subsidiary shall be permitted hereunder so long as promptly upon the request of the Administrative Agent, the Borrower shall, or shall cause such Foreign Subsidiary to: (i) execute and deliver to the Administrative Agent a pledge agreement as the Administrative Agent shall deem necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a Lien on the Capital Stock of such Subsidiary which is owned by the Borrower or any of its Subsidiaries (provided that in no event shall more than 65% of the Capital Stock of any such Subsidiary be required to be so

pledged), (ii) deliver to the Administrative Agent any certificates representing such Capital Stock, together with undated stock powers executed and delivered in blank by a duly authorized officer of the Borrower or such Subsidiary, as the case may be, and take or cause to be taken all such other actions under the law of the jurisdiction of organization of such Foreign Subsidiary as may be necessary or advisable to perfect such Lien on such Capital Stock and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described in clauses (i) and (ii) immediately preceding, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. In addition, neither the Borrower nor any Foreign Subsidiary shall, at any time, without the express written permission of the Administrative Agent and the Majority Lenders, pledge the Capital Stock of any Foreign Subsidiary to any other Person (other than to the Administrative Agent on behalf of the Lenders).

9.5 Maintenance of Bank Accounts. Maintain any material bank accounts outside of Canada (including, without limitation, any such accounts which could reasonably be deemed to be "principal operating accounts").

9.6 Limitation on Certain Modifications and Certain Contractual Obligations. Without the prior consent of the Majority Lenders, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, any Canadian First Mortgage Note Document, (i) if such amendment, modification, waiver or change would have the effect of making any of the obligations and duties of the Borrower or any other Loan Party under any Canadian First Mortgage Note Document materially more onerous than those to which the Borrower or such Loan Party was subject immediately prior to such amendment, modification, waiver or change, (ii) in the case of any Canadian First Mortgage Note, if such amendment, modification, waiver or change would increase the amount, rate or nature of any interest payable thereunder or require that any interest thereunder

be paid in cash, or require that any principal thereof be paid prior to the final maturity thereof or (iii) in the case of any Canadian First Mortgage Note or the Canadian Cash Collateral Agreement, if such amendment, modification, waiver or change would require any amounts other than Net Proceeds Allocable to Payee and any Reserved Amounts (as each such term is defined in each of the Canadian First Mortgages Notes), to the extent such Reserved Amounts are not paid to the Borrower, to be paid to any holder of any Canadian First Mortgage Note prior to the date such amounts would otherwise be due and payable thereunder; provided that, notwithstanding the foregoing, without the prior
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written consent of the Majority Lenders, the Borrower shall not, and shall not permit any Subsidiary to, amend, modify, waive or change, or consent to any amendment, modification, waiver or change to, paragraphs 1, 3, 5, 6(3), 9(c) or 17 of, or clause (iv) of paragraph 14 of the Canadian First Mortgage Note or Article V or Section 6.02 of Canadian Cash Collateral Agreement (including any related defined terms used in any such paragraphs).

SECTION 10. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) (i) The Borrower shall fail to pay any principal of any Note, any Acceptance Reimbursement Obligation or any Reimbursement Obligation when due in accordance with the terms thereof or hereof; or (ii) the Borrower shall fail to pay any interest on any Note, or any other amount payable hereunder, within three Business Days after any such interest or other amount becomes due in accordance with the terms thereof or hereof; or

(b) Any representation or warranty made or deemed made by the Borrower or any other Loan Party in this Agreement (other than the representation and warranty

contained in subsection 6.10 hereof) or in any other Loan Document that does not also constitute a U.S. Loan Document (or in any amendment, modification or supplement hereto or thereto) or which is contained in any certificate furnished at any time by or on behalf of the Borrower pursuant to this Agreement or any such other Loan Document that does not also constitute a U.S. Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made, and, if susceptible to being cured, such inaccuracy shall not be cured within 30 days after a Responsible Officer of the Borrower knows or should have known thereof; or

(c) The Borrower or any other Loan Party shall default in the observance or performance of any agreement contained in Section 9 of this Agreement, or subsection 2.3 (other than the third and fourth sentences of such subsection) of the Collateral Covenant Agreement; or

(d) The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document that does not also constitute a U.S. Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period ending on the earlier of (i) the date which is 30 days after a Responsible Officer of the Borrower shall have discovered or should have discovered such default and (ii) the date which is 30 days after written notice has been given to the Borrower by the Administrative Agent or the Majority Lenders; or

(e) The Borrower or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than the Notes, the Acceptance Reimbursement Obligations or the Reimbursement Obligations) in excess of C$1,000,000 or

in the payment of any Guarantee Obligation in excess of C$1,000,000, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness or Guarantee Obligation referred to in clause (i) above or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice or lapse of time if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable, and such time shall have lapsed; or

(f) (i) the Borrower or any other Loan Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking, or with respect to, the appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any other Loan Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any other Loan Party any case, proceeding or other action pursuant to statute, contract or common law of a nature referred to

in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged, unstayed or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any other Loan Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) the Borrower or any other Loan Party shall take any corporate action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any other Loan Party shall be generally unable to, or shall admit in writing its general inability to, pay its debts as they become due; or

(g) One or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate at any time a liability (net of any insurance or indemnity payments actually received in respect thereof) of C$1,000,000 or more, and all such judgments or decrees shall not have been satisfied, vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(h) (i) Any of the Security Agreements or any Subsidiary Stock Pledge Agreements shall cease for any reason to be in full force and effect, or the Borrower or any other Loan Party which is a party to any of the Security Agreements or any of Subsidiary Stock Pledge Agreements shall so assert in writing, or (ii) the Lien created by any of the Security Agreements or any of Subsidiary Stock Pledge Agreements shall cease to be perfected and enforceable in accordance with its terms

or of the same effect as to perfection and priority purported to be created thereby with respect to any material portion of the Collateral, and the failure of such Lien to be perfected and enforceable with such priority shall have continued unremedied for a period of 20 days; or

(i) The U.S. Borrower Guarantee or the Subsidiary Guarantee shall cease for any reason to be in full force and effect or any Guarantor shall so assert in writing; or

(j) an "Event of Default" under and as defined in the U.S. Credit Agreement shall occur and be continuing; or

(k) an "Event of Default" under and as defined in the Canadian First Mortgage Notes shall occur and be continuing;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all Acceptance Reimbursement Obligations (regardless of whether or not such Acceptance Reimbursement Obligations are then due and payable) and all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and the Notes shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the

Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all Acceptance Reimbursement Obligations (regardless of whether or not such Acceptance Reimbursement Obligations are then due and payable) and all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable.

With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph and with respect to all outstanding Acceptance Reimbursement Obligations, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit and the aggregate undiscounted face amount of all unmatured Acceptances. The Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Lender, the L/C Participants and the Lenders, a security interest in such cash collateral to secure all obligations of the Borrower in respect of such Letters of Credit and outstanding Acceptance Reimbursement Obligations under this Agreement and the other Loan Documents. The Borrower shall execute and deliver to the Administrative Agent, for the account of the Issuing Lender, the L/C Participants and the Lenders, such further documents and instruments as the Administrative Agent may request to evidence the creation and perfection of such security interest in such cash collateral account. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of (i) drafts drawn under such Letters of Credit and (ii) maturing Acceptances, and the unused portion thereof after all such Letters of Credit shall have expired or been

fully drawn upon and all such Acceptances shall have matured, if any, shall be applied to repay other obligations of the Borrower hereunder and under the Notes. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations and Acceptance Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the Notes shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower.

Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 11. THE AGENT

11.1 Appointment. Each Lender hereby irrevocably designates and appoints (i) Bank of Nova Scotia as the Administrative Agent and (ii) Barclays as Collateral Agent of such Lender hereunder and under the other Loan Documents. The term "Agent", when used in this Section 11, shall refer to each of (i) Bank of Nova Scotia in its capacity as Administrative Agent and (ii) Barclays in its capacity as Collateral Agent. Each such Lender irrevocably authorizes Bank of Nova Scotia to act as Administrative Agent and Barclays to act as Collateral Agent of such Lender, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to it as Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. For greater certainty and without limiting the powers of the Administrative Agent herein, and solely for the purposes of constituting security on any property located in the Province of Quebec (including, without limitation, the Quebec Moveable Hypothec), the Borrower, each Lender and the Administrative Agent hereby acknowledge that the Administrative Agent shall

be the holder of a power of attorney for the Lenders, and the Administrative Agent accepts such appointment. The execution of an Assignment and Acceptance by any Assignee pursuant to Section 12.6 hereof shall constitute ratification of the power of attorney constituted hereby. Notwithstanding any provision to the contrary elsewhere in this Agreement, neither Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against either Agent. Each Lender acknowledges and consents (i) that the U.S. Administrative Agent is an Affiliate of the Administrative Agent, (ii) the Collateral Agent is also acting as U.S. Collateral Agent and (iii) to the appointment by the Administrative Agent of the U.S. Collateral Agent to act on its behalf and on behalf of the Lenders under the U.S. Security Documents (other than the U.S. Borrower Canadian Stock Pledge Agreement).

11.2 Delegation of Duties. Each Agent may execute any or all of its duties under this Agreement and the other Loan Documents by or through agents (which may include its Affiliates or attorneys-in-fact) and shall be entitled to advice of counsel concerning all matters pertaining to such duties. For the purposes of this Section 11 and all subsections thereof the word "Agent" shall be deemed to include any Affiliate or attorney-in-fact thereof. Neither Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

11.3 Exculpatory Provisions. Neither Agent nor any officer, director, employee, agent, attorney-in-fact or Affiliate of either Agent shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's gross negligence or willful misconduct) or (ii) responsible in any manner to

any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by either Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the Notes or any other Loan Document or for any failure of the Borrower or any other Loan Party to perform its obligations hereunder or thereunder. Neither Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower or any other Loan Party.

11.4 Reliance by Agent. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Agent. Each Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment or transfer thereof shall have been filed with the Administrative Agent. Each Agent shall be fully justified as between itself and the Lenders in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the requisite Lenders (and, if applicable, the requisite U.S. Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking

or continuing to take any such action. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Notes and the other Loan Documents in accordance with a request of the requisite Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

11.5 Notice of Default. Neither Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or of a U.S. Default or a U.S. Event of Default under the U.S. Credit Agreement unless such Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default or U.S. Default or U.S. Event of Default and stating that such notice is a "notice of default". In the event that an Agent receives such a notice, such Agent shall give notice thereof to the Lenders. Each Agent shall take such action reasonably promptly with respect to such Default or Event of Default or U.S. Default or U.S. Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until such Agent shall have received such directions, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders; and provided, further, that in the case of any U.S. Default or U.S. Event of Default such Agent shall be entitled to take such action provided for under the applicable U.S. Loan Documents.

11.6 Non-Reliance on Agent and Other Lenders. Each Lender expressly acknowledges that neither Agent nor any officer, director, employee, agent, attorney-in-fact or Affiliate of either Agent has made any representations or warranties to it and that no act by either Agent hereinafter taken, including any review of the affairs of the Borrower or any other Loan Party, shall be deemed to constitute any representation or warranty by such Agent to any Lender. Each Lender represents to each Agent that it has,

independently and without reliance upon either Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon either Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by an Agent hereunder, such Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower or any other Loan Party which may come into the possession of such Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

11.7 Indemnification. Each Lender agrees to indemnify each Agent in its respective capacities as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower or any other Loan Party to do so), ratably according to its Commitment Percentage in effect on the date on which indemnification is sought under this subsection (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans, Reimbursement Obligations and Acceptance Reimbursement Obligations shall have been paid in full, ratably in accordance with its Commitment Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties,

actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Notes) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any
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portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of such Agent. The agreements in this subsection shall survive the payment of the Notes and all other amounts payable hereunder.

11.8 Agent in Its Individual Capacity. Each Agent and its Affiliates
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may make loans to, accept deposits from and generally engage in any kind of business with the Borrower and/or the other Loan Parties as though such Agent was not an Agent hereunder and under the other Loan Documents. With respect to the Loans made or renewed by an Agent and any Note issued to it and with respect to any Acceptance completed and accepted by it or any Letter of Credit issued or participated in by it, such Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include such Agent in its individual capacity.

11.9 Successor Agent. Each of the Administrative Agent and the
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Collateral Agent may resign as such upon 30 days' notice to the Lenders. If an Agent shall resign as Administrative Agent or Collateral Agent (as applicable) under this Agreement and the other Loan Documents, then the Majority Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall

be approved by the Borrower, whereupon such successor agent shall succeed to the rights, powers and duties of the resigning Administrative Agent or Collateral Agent (as applicable), and the term "Administrative Agent" or "Collateral Agent" (as applicable) shall mean such successor agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as Administrative Agent or Collateral Agent (as applicable) shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes; provided that the resigning Agent
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shall execute all documents which the replacement Agent deems reasonably necessary or advisable to effect such substitution. After any resigning Agent's resignation as Administrative Agent or Collateral Agent (as applicable), the provisions of this subsection shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent (as applicable) under this Agreement and the other Loan Documents.

11.10 Swing Line Lender. The provisions of this Section 11 shall
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apply to the Swing Line Lender in its capacity as such to the same extent that such provisions apply to the Agent.

11.11 Co-Agents. Each party hereto agrees that the Co-Agents have no
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rights or obligations hereunder or under the other Credit Documents in their respective capacities as such.

SECTION 12. MISCELLANEOUS

12.1 Amendments and Waivers. Neither this Agreement, any Note or any
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other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this subsection 12.1. The Majority Lenders may, or, with the written consent of the Majority Lenders, the Administrative

Agent may, from time to time, (a) enter into with the Borrower and the other Loan Parties written amendments, supplements or modifications hereto and to the Notes, the Applications, the Drafts, the Acceptances, the Acceptance Notes, the Security Agreements, the Canadian Subsidiary Guarantees, the Collateral Covenant Agreement, the Canadian Subsidiary Collateral Covenant Agreements and the Canadian Subsidiary Stock Pledge Agreements (collectively, the "Principal Loan Documents") for the purpose of adding any provisions to this Agreement, the Notes or the other Principal Loan Documents or changing in any manner the rights or obligations of the Lenders or of the Borrower and the other Loan Parties hereunder or thereunder or (b) waive at the Borrower's request, on such terms and conditions as the Majority Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement, the Notes or the other Principal Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall

(i) reduce the amount or extend the scheduled date of maturity of any Note, Acceptance Reimbursement Obligation or any Reimbursement Obligation or of any scheduled installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the consent of each Lender affected thereby;

(ii) amend, supplement, modify or waive any provision of this subsection 12.1 or reduce the percentage specified in the definition of "Majority Lenders" or "Supermajority Lenders", or consent to the assignment or transfer by the Borrower or any other Loan Party of any of its rights and obligations under this Agreement and the other Principal Loan Documents or increase the amount of any Lender's Commitment or increase the percentages set forth as the advance rates

in the definition of "Borrowing Base", in each case without the written consent of all the Lenders;

(iii) release all or substantially all of the Collateral without the consent of the Supermajority Lenders;

(iv) amend, supplement, modify or waive any provision of Section 11 or any other provision of this Agreement governing the rights or obligations of the Administrative Agent and the Collateral Agent without the written consent of the then Administrative Agent and the then Collateral Agent;

(v) amend, supplement, modify or waive (a) the order of application of prepayments specified in subsection 5.2 without the consent of the Swing Line Lender and each Lender adversely affected thereby or (b) any provision of any Principal Loan Document which specifies the order of application by the Administrative Agent of proceeds of Collateral upon the occurrence and during the continuance of an Event of Default without the consent of the Administrative Agent, the Collateral Agent and each Lender;

(vi) amend, supplement, modify or waive any provision of the Swing Line Note or of subsection 2.5 or any other provision of this Agreement governing the rights and obligations of the Swing Line Lender or the definitions used therein without the written consent of the Swing Line Lender and, in the case of the Swing Line Note, each Lender, if any, which holds a participation therein pursuant to subsection 2.5(d); and

(vii) amend, supplement, modify or waive any provision of the Letters of Credit, the Applications relating thereto and the L/C Obligations or of Section 4 or any other provision of this Agreement governing the rights and obligations of the Issuing Lender or the

definitions used therein without the written consent of the Issuing Lender, and, in the case of the Letters of Credit and the L/C Obligations, each affected L/C Participant.

Any waiver and any amendment, supplement, modification or waiver pursuant to this subsection 12.1 shall apply to each of the Lenders and shall be binding upon the Borrower, the other Loan Parties, the Lenders, the Administrative Agent, the Collateral Agent and all future holders of the Notes. In the case of any waiver, the Borrower, the other Loan Parties, the Lenders, the Collateral Agent and the Administrative Agent shall be restored to their former position and rights hereunder and under the outstanding Notes and any other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Each Loan Document (other than the Principal Loan Documents) may be amended, supplemented, modified or waived only in accordance with the provisions of subsection 11.1 of the U.S. Credit Agreement.

12.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, or, in the case of delivery by a nationally recognized overnight courier, when received, addressed as follows in the case of the Borrower, the Collateral Agent or the Administrative Agent and as set forth in Schedule 1 hereto in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Borrower:	475 Hood Road Markham, Ontario L3R 0S8 Canada Attention: Douglas Haughton Telecopy: (905) 475-0294
with a copy to:	Commerce Court Suite 700 Four Station Square Pittsburgh, Pennsylvania 15219 Attention: Richard J. Pasquinelli Telecopy: (412) 454-2555
	Osler, Hoskin & Harcourt 1 First Canadian Place 100 King Street West, 66th Floor Toronto, Ontario M5X 1B8 Canada Attention: Philip Heath Telecopy: (416) 862-6666
	Debevoise & Plimpton 875 Third Avenue New York, New York 10022 Attention: William B. Beekman Telecopy: (212) 909-6836
The Administrative Agent:	The Bank of Nova Scotia Scotia Plaza Branch 44 King Street West Toronto, Ontario Canada M5H 1H1 Attention: Sharron McIntyre Telecopy: (416) 866-2009

The Collateral Agent: Barclays Bank PLC
222 Broadway, 11th Floor
New York, New York 10038
Attention: John Livingston
Telecopy: (212) 412-7511

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders pursuant to subsection 2.3, 2.5, 3.6, 5.2 or 5.5 shall not be effective until received; provided further, that any notice, request or demand relating to the Borrowing Base, including, without limitation, delivery by the Borrower of the Monthly Borrowing Base Certificate in accordance with subsection 8.2(c), shall not be effective unless a copy thereof is sent to the Administrative Agent and the Collateral Agent.

12.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Borrower, the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the other Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

12.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Loan Documents (or in any amendment, modification or supplement hereto or thereto) and in any certificate delivered pursuant hereto or such other Loan Documents shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans and the other Extensions of Credit hereunder.

12.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Collateral Agent for all their respective reasonable out-of-pocket costs and expenses incurred in connection with the preparation, execution and delivery of, and any amendment, supplement, waiver or modification to, this Agreement, the Notes and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions (including the syndication of the Commitments) contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of a single counsel (and any special or local counsel retained by such counsel to assist it) to the Administrative Agent and the Collateral Agent, (b) to pay or reimburse each Lender, the Administrative Agent and the Collateral Agent for all their respective reasonable costs and expenses (in the case of taxes, limited to stamp, excise and other similar taxes) incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes, the other Loan Documents and any such other documents, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent, the Collateral Agent and the Lenders, and any reasonable Environmental Costs arising out of or in way relating to any Loan Party or any property in which any Loan Party has had any interest at any time, (c) to pay, indemnify, and hold each Lender, the Collateral Agent and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Administrative Agent and the Collateral Agent (and their respective directors, officers, employees, agents and

successors harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (whether or not caused by any Lender's, the Administrative Agent's, the Collateral Agent's or any of their respective directors', officers', employees', agents', successors' or assigns' negligence (other than gross negligence) and including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent, the Collateral Agent and the Lenders) with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes, the other Loan Documents and any such other documents (regardless of whether the Administrative Agent, the Collateral Agent or any Lender is a party to the litigation or other proceeding giving rise thereto), including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Laws or any orders, requirements or demands of Governmental Authorities related thereto applicable to the operations of the Borrower, any of its Subsidiaries or any of the Properties (all the foregoing in this clause (d), collectively, the "indemnified liabilities"),
provided, that the Borrower shall have no obligation hereunder to the Administrative Agent or any Lender with respect to Environmental Costs or indemnified liabilities to the extent such Environmental Costs or liabilities arise from (i) the gross negligence or willful misconduct of the Administrative Agent, the Collateral Agent or any such Lender (or any of their respective directors, officers, employees, agents or successors) or (ii) legal proceedings commenced against the Administrative Agent, the Collateral Agent or any such Lender by any security holder or creditor thereof arising out of and based upon rights afforded any such security holder or creditor solely in its capacity as such. Notwithstanding the foregoing, except as provided in clauses (b) and (c) above, the Borrower shall have no obligation under this subsection 12.5 to the Administrative Agent, the Collateral Agent or any Lender (or any of their respective directors, officers, employees,

agents or successors) with respect to any tax, levy, impost, duty, charge, fee, deduction or withholding imposed, levied, collected, withheld or assessed by any Governmental Authority. The agreements in this subsection shall survive repayment of the Notes, the Reimbursement Obligations, the Acceptance Reimbursement Obligations and the Acceptance Notes and all other amounts payable hereunder.

12.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, the Collateral Agent, all future holders of the Notes and their respective successors and permitted assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents, provided that such Participant shall be a Qualifying Canadian Institution. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Note for all purposes under this Agreement and the other Loan Documents, and the Borrower, the Collateral Agent and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement pursuant to which any Lender shall sell any such participating interest shall provide that such Lender shall retain the sole right and responsibility to exercise such Lender's rights and enforce

the Borrower's obligations hereunder, including the right to consent to any amendment, supplement, modification or waiver of any provision of this Agreement or any of the other Loan Documents, provided that such participation agreement
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may provide that such Lender will not agree to any amendment, supplement, modification or waiver described in clause (i) or (ii) of the proviso to the second sentence of subsection 12.1 without the consent of the Participant. The Borrower agrees that if amounts outstanding under this Agreement and the Notes are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement and any Note to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or any Note, provided that, in purchasing such participating
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interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in subsection 12.7(a) as fully as if it were a Lender hereunder. The Borrower agrees that each Lender shall be entitled to the benefits of subsections 5.7, 5.8 and 5.9 and 12.1 without regard to whether it has granted any participating interests, and that all amounts payable to a Lender under subsections 5.7, 5.8 and 5.9 shall be determined as if such Lender had not granted any such participating interests.

(c) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time and from time to time assign to any Lender, or any Affiliate thereof or, with the prior written consent of the Borrower and the Administrative Agent, to an additional bank or financial institution (an "Assignee") all or any part of its rights and
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obligations under this Agreement and the Notes, including, without limitation, its Commitments, L/C Obligations, Acceptances, Acceptance Notes and Loans, pursuant to an Assignment and Acceptance, substantially in the form of Exhibit F, executed by such Assignee, such assigning Lender (and, in the case of

an Assignee that is not then a Lender, a U.S. Lender or an Affiliate thereof, by the Borrower and the Administrative Agent) and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that (i) the
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Assignee is a Qualifying Canadian Institution, (ii) in the case of any such transfer of the full amount of such assigning Lender's Commitment to an additional bank or financial institution, the consent of the Administrative Agent and the Borrower shall not be unreasonably withheld, (iii) if any Lender assigns all or any part of its rights and obligations under this Agreement to one of its Affiliates in connection with or in contemplation of the sale of its interest in such Affiliate, the Borrower's prior written consent (not to be unreasonably withheld) shall be required for such assignment and (iv) if any Lender assigns a part of its rights and obligations under this Agreement to an Assignee, such Lender shall assign proportionate interests in its Commitment, Revolving Credit Loans, Acceptances, Acceptance Notes, L/C Obligations, participations in Swing Line Loans and Letters of Credit and other rights and obligations hereunder to such Assignee; and provided, further, that no Lender
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shall be permitted to make an assignment of its rights and obligations hereunder to an Assignee unless the parent, a subsidiary or an affiliate of such Lender which is party to the U.S. Credit Agreement makes a concurrent and proportionate assignment of its rights and obligations thereunder to the proposed Assignee or the parent, a subsidiary or an affiliate of the proposed Assignee, such assignment to be effected in accordance with subsection 11.6(c) of the U.S. Credit Agreement. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment as set forth therein, and (y) the assigning Lender thereunder shall be released from its obligations under this Agreement to the extent that such obligations shall have been expressly assumed by the Assignee pursuant to such Assignment and

Acceptance (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto). Notwithstanding the foregoing, no Assignee, which as of the date of any assignment to it pursuant to this subsection 12.6(c) would be entitled to receive any greater payment under subsection 5.8 or 5.9, than the assigning Lender would have been entitled to receive as of such date under such subsections with respect to the rights assigned, shall be entitled to receive such payments unless the Borrower has consented in writing to the assignment.

(d) The Administrative Agent shall maintain at its address referred to in subsection 12.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses
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of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Collateral Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee (and, in the case of an Assignee that is not then a Lender, or an Affiliate thereof, executed by the Borrower and the Administrative Agent), together with payment to the Administrative Agent of a registration and processing fee of C$1,500 (in the case of any assignment to a Lender, an Affiliate thereof) and C$3,500 (in the case of any other assignment), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the

information contained therein in the Register and give prompt notice of such acceptance and recordation to the Lenders and the Borrower. On or prior to such effective date, the assigning Lender shall surrender the outstanding Notes held by it all or a portion of which are being assigned, and the Borrower, at its own expense, shall execute and deliver to the Administrative Agent (in exchange for the outstanding Notes of the assigning Lender) a new Revolving Credit Note and/or Swing Line Note, as the case may be, to the order of such Assignee and representing the obligation of the Borrower to pay an amount equal to (i) in the case of a Revolving Credit Note, the lesser of (A) the amount of such Assignee's Commitment and (B) the aggregate principal amount of all Revolving Credit Loans made by such Assignee, and (ii) in the case of a Swing Line Note, the lesser of (A) the Swing Line Commitment and (B) the aggregate principal amount of all Swing Line Loans made by such Assignee, in each case with respect to the relevant Commitment after giving effect to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment hereunder, a new Revolving Credit Note and/or Swing Line Note, as the case may be, to the order of the assigning Lender and representing the obligation of the Borrower to pay an amount equal to (i) in the case of a Revolving Credit Note, the lesser of (A) the amount of such Lender's Commitment and (B) the aggregate principal amount of all Revolving Credit Loans made by such Lender, and (ii) in the case of a Swing Line Note, the lesser of (A) the Swing Line Commitment and (B) the aggregate principal amount of all Swing Line Loans made by such Lender, in each case with respect to the relevant Commitment after giving effect to such Assignment and Acceptance. Such new Notes shall be dated the Closing Date and shall otherwise be in the form of the Note replaced thereby. The Notes surrendered by the assigning Lender shall be returned by the Administrative Agent to the Borrower marked "cancelled".

(f) The Borrower authorizes each Lender to disclose to any Participant or Assignee (each, a "Transferee") and any prospective Transferee,
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subject to the

provisions of subsection 12.15, any and all financial information in such Lender's possession concerning the Borrower and its Affiliates which has been delivered to such Lender by or on behalf of the Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement. No assignment or participation made or purported to be made to any Transferee shall be effective without the prior written consent of the Borrower if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan or Note under the laws of any jurisdiction.

12.7 Adjustments; Set-off. (a) If any Lender (a "benefitted Lender") shall at any time receive any payment of all or part of its Revolving Credit Loans, Acceptance Reimbursement Obligations or the Reimbursement Obligations owing to it, or interest thereon, or receive any collateral (including, without limitation, any Bank Act Security) in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 10(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Revolving Credit Loans, Acceptance Reimbursement Obligations or the Reimbursement Obligations, as the case may be, owing to it, or interest thereon, such benefitted Lender shall purchase for cash from the other Lenders a participating interest (except that, in the case of any Bank Act Security, such benefitted Lenders shall instead so purchase an assignment) in such portion of each such other Lender's Revolving Credit Loans, Acceptance Reimbursement Obligations or the Reimbursement Obligations, as the case may be, owing to it or (other than with respect to Bank Act Security provided to it hereunder), shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the

Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon the occurrence of an Event of Default under Section 10(a) to set-off and appropriate and apply against any amount then due and payable by the Borrower hereunder or under the other Loan Documents any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

12.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be delivered to the Borrower and the Administrative Agent.

12.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction

shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

12.11 GOVERNING LAW. THIS AGREEMENT AND THE NOTES AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO, CANADA AND OF CANADA APPLICABLE THEREIN.

12.12 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof and to the courts of the Province of Ontario and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower, the applicable Lender, the Collateral Agent or the Administrative Agent, as the case may be, at the address specified in subsection 12.2 or on Schedule 1 hereof, or at such other address of which the Administrative Agent and the Borrower shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any punitive damages.

12.13 Acknowledgements. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the Notes and the other Loan Documents;

(b) neither the Administrative Agent, the Collateral Agent or any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent, the Collateral Agent and the Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of

the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

12.14 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE NOTES OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

12.15 Confidentiality. The Administrative Agent, the Collateral Agent and each Lender agree to keep confidential any written or oral information (a) provided to it by or on behalf of the Borrower or any of its Subsidiaries pursuant to or in connection with this Agreement or (b) obtained by such Lender based on a review of the books and records of the Borrower or any of its Subsidiaries; provided that nothing herein shall prevent the Administrative Agent, the Collateral Agent or any Lender from disclosing any such information (i) to the Administrative Agent or any other Lender, (ii) to any Transferee or prospective Transferee which agrees to comply with the provisions of this subsection, (iii) to its affiliates, employees, directors, agents, attorneys, accountants and other professional advisors, provided that the Administrative Agent, the Collateral Agent or such Lender shall inform each such Person of the agreement under this subsection 12.15 and shall be responsible for any failure by any such Person referred to in this clause (iii) to comply with this Agreement, (iv) upon the request or demand of any Governmental Authority having jurisdiction over the Administrative Agent, the Collateral Agent or such Lender or to the extent required in response to any order of any court or other Governmental Authority or as shall otherwise be required pursuant to any Requirement of Law, provided that the Administrative Agent, the Collateral Agent or such Lender shall notify the Borrower of any disclosure pursuant to this clause (iv) as far in advance as is reasonably practicable under such circumstances, (v) which has been publicly disclosed other than in breach of this

Agreement, (vi) in connection with the exercise of any remedy hereunder or (vii) in connection with periodic regulatory examinations.

12.16 Amendment to Security Documents. Each of the Security Documents and the Guarantees is hereby amended to reflect the resignation of Fleet Capital Corporation (as successor to Shawmut Capital Corporation) as Collateral Agent and the appointment of Barclays as successor Collateral Agent, and each of the parties hereto consents to the execution and delivery by Barclays, Fleet Capital Corporation ("Fleet") and the Borrower of all such instruments and documents (including, without limitation, UCC-3 assignment forms) as may be reasonably requested by Barclays to reflect such change in Collateral Agent and the assignment by Fleet to Barclays of Fleet's rights and obligations as Collateral Agent.

12.17 Amendment and Restatement. This Agreement amends and restates the Existing Credit Agreement and is not intended to be and shall not constitute a novation of any indebtedness outstanding thereunder. Any loans and the revolving commitments outstanding under the Existing Credit Agreement shall be deemed Loans and Commitments outstanding under this Agreement.

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

WESCO DISTRIBUTION-CANADA, INC.

By: _____
Title:

THE BANK OF NOVA SCOTIA,

as Administrative Agent, Swing Line Lender and a Lender

By:_____
Title:

By:_____
Title:

BARCLAYS BANK PLC,
as Collateral Agent

By:_____
Title:

GENERAL ELECTRIC CAPITAL CANADA INC.,
as a Co-Agent and a Lender

By:_____
Title:

MELLON BANK CANADA, as a Co-Agent and a Lender

By:_____
Title:

BANK OF MONTREAL, as a Lender

By:_____
Title:

NATIONAL BANK OF CANADA, as a Lender

By:_____
Title

By:_____
Title:

THE TORONTO-DOMINION BANK, as a Lender

By:_____
Title:

The undersigned Guarantors do hereby consent and agree to the foregoing Amended and Restated Credit Agreement.

CDW HOLDING CORPORATION

By:_____
Title:

WESCO DISTRIBUTION, INC.

By:_____
Title:

SCHEDULE 1 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

COMMITMENTS; ADDRESSES

A. Commitment Amounts

Lender	Commitment
General Electric Capital Canada Inc.	C$8,706,875.00
Mellon Bank Canada	8,706,875.00
National Bank of Canada	8,834,425.00
Bank of Montreal	8,706,875.00
The Bank of Nova Scotia	14,500,000.00
The Toronto-Dominion Bank	13,234,450.00
TOTAL	C$62,689,500.00

B. Addresses for Notices

THE BANK OF NOVA SCOTIA

Funding Requests:	Other Notices:
	Scotia Plaza Branch
44 King Street West	44 King Street West
Toronto, Ontario, M5H 1H1	Toronto, Ontario, M5H 1H1
Attention: Don G. Elliott	Attn: Sharron McIntyre
Telephone: (416) 866-6774	Telephone: (416) 866-3632
Telecopier: (416) 866-6489	Telecopier: (416) 866-2009

THE TORONTO-DOMINION BANK

Funding Requests:	Other Notices:
55 King Street, West & Bay St.	70 West Madison Street
9th Floor, TD Bank Tower	Suite 5430
Toronto, Ontario, M5K 1A2	Chicago, IL 60602-4227
Attn: Parin Kanji	Attn: Philip De Roziere
Telephone: (416) 982-7736	Telephone: (312) 977-2103
Telecopier: (416) 982-6630	Telecopier: (312) 782-6337

GENERAL ELECTRIC CAPITAL CANADA INC.

Funding Requests:	Other Notices:
201 High Ridge Road	201 High Ridge Road
Stamford, CT 06927-5100	Stamford, CT 06927-5100
Attn: Portfolio Analyst - WESCO	Attn: Karen Walsh
Telephone: (203) 316-7674	Telephone: (203) 316-7569
Telecopier: (203) 316-7817	Telecopier: (203) 316-7893

MELLON BANK CANADA

Funding Requests:	Other Notices:
Mellon Bank Center	One Mellon Bank Center
1735 Market Street, 6th Floor	Room 4530
P.O. Box 7899	Pittsburgh, PA 15229
Attn: Dorothy Enslin	Attn: Mark Johnston
Telephone: (215) 553-2459	Telephone: (412) 236-2793
Telecopier: (215) 553-2224	Telecopier: (412) 236-1914

NATIONAL BANK OF CANADA

Funding Requests:	Other Notices:
150 York Street, 2nd Floor	150 York Street, 2nd Floor
Toronto Ontario, M5H 3A9	Toronto, Ontario M5H 3A9
Attn: Mona Poland	Attn: Jeffrey Burden
Telephone: (412) 864-7880	Telephone: (412) 281-4890
Telephone: (416) 864-7569	Telecopier: (1412) 281-4603

BANK OF MONTREAL

Funding Requests:	Other Notices:
First Canadian Place, 24th Floor	First Canadian Place, 24th Floor
Toronto, Canada M5X 1A1	Toronto, Canada M5X 1A1
Attn: Lynn McDougal	Attn: Lynn McDougal
Telephone: (416) 867-6774	Telephone: (416) 867-6774
Telecopy: (416) 867-5818	Telecopy: (416) 867-5818

Schedule 6.3 to
Amended and Restated
Credit Agreement

CONSENTS

NIL

SCHEDULE 6.6

FILING JURISDICTIONS

1. Federal

Filing in the Toronto office of the Bank of Canada of Notices of Intention with respect to all of the Bank Act Security.

2. British Columbia

Registration under the Personal Property Security Act (B.C.) of a Financing Statement in respect of the Demand Debenture and the General Assignment of Book Debts.

3. Alberta

Registration under the Personal Property Security Act (Alberta) of a Financing Statement in respect of the Demand Debenture and the General Assignment of Book Debts.

4. Saskatchewan

Registration under the Personal Property Security Act (Saskatchewan) of a Financing Statement in respect of the Demand Debenture and the General Assignment of Book Debts.

5. Manitoba

Registration under the Personal Property Security Act (Manitoba) of a Financing Statement in respect of the Demand Debenture, together with a notarially certified copy thereof.

Registration under the Personal Property Security Act (Manitoba) of a Financing Statement in respect of the General Assignment of Book Debts, together with a notarially certified copy thereof.

6. Ontario

Registration under the Personal Property Security Act (Ontario) of a Financing Statement in respect of the Demand Debenture and the General Assignment of Book Debts.

7. Quebec

Registration under the Civil Code of Quebec of an application for registration form RH in respect of the Quebec Moveable Hypothec at the register of personal and movable real rights.

8. New Brunswick

Filing of the Demand Debenture at the Office of the Registrar under the Corporations Securities Registration Act (N.B.).

Filing of the General Assignment of Book Debts in the Assignment of Book Debts Registry maintained at the Office of the Registrar of Deeds for the County of York.

9. Nova Scotia

Registration of the Debenture at the Office of the Registrar of Joint Stock Companies at Halifax under the Corporations Securities Registration Act (N.S.).

Filing of the General Assignment of Book Debts at the Office of the Registrar of Deeds for the County of Halifax under the Assignment of Book Debts Act (N.S.).

10. Newfoundland

Registration under the Registration of Deeds Act (Newfoundland) of the Demand Debenture.

Registration under the Assignment of Book Debts Act (Newfoundland) of the General Assignment of Book Debts.

SCHEDULE 9

SECURITY AGREEMENTS

Demand Debenture

Debenture Pledge Agreement

General Assignment of Book Debts

Quebec Moveable Hypothec

Bank Act Security, comprised of

- Notice of Intention to Give Security
- General Assignment Under Section 427(l)(a),(b),(c) or (e) of the Bank Act (Canada)
- Application for Credit and Promise to Give Security Under Section 427 of the Bank Act (Canada)
- Agreement as to Loans and Advances and Security Therefor

SCHEDULE 8.7 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

DEPOSITARY BANKS

Bank Name	Bank Acct. #	Location	Acct. Description
The Toronto-Dominion Bank	0690-0321767	Toronto, Ont.	Concentration
Bank of Montreal	1226359	Toronto, Ont.	Deposit
The Toronto-Dominion Bank	0690-0319932	Toronto, Ont.	WESCO General Funds Account
The Toronto-Dominion Bank	0690-0321708	Toronto, Ont.	A/P Disb-Can Pay
The Toronto-Dominion Bank	0690-7308451	Toronto, Ont.	A/P Disb-US Pay

EXHIBIT A-1 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF REVOLVING CREDIT NOTE]

C$_____ Toronto, Ontario
March 14, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION-CANADA, INC., a corporation organized and existing under the laws of the Province of Ontario (the "Borrower"), hereby unconditionally promises to pay to the order of _____ (the "Lender") at the office of THE BANK OF NOVA SCOTIA ("Bank of Nova Scotia"), located at Scotia Plaza Branch, 44 King Street West, Toronto, Ontario, Canada M5H 1H1 in lawful money of Canada and in immediately available funds, the principal amount of the lesser of (a) _____ CANADIAN DOLLARS AND _____ CENTS (C$_____) and (b) the aggregate unpaid principal amount of the Revolving Credit Loans made by the Lender to the undersigned pursuant to subsection 2.1, 2.4(c), 2.5(c), 3.5(b)(iii), 3.6(d) or 4.5(c) of the Credit Agreement referred to below, which sum shall be payable on the earlier of (i) the Termination Date (as defined in the Credit Agreement referred to below) and (ii) the date on which the Commitments (as defined in the Credit Agreement referred to below) are terminated.

The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the applicable rates per annum and on the dates specified in subsections 5.1 and 5.4 of the Credit Agreement until such principal amount is paid in full (both before and after judgment).

The holder of this Revolving Credit Note is authorized to record the date and amount of each Revolving Credit Loan made by it pursuant to subsection 2.1, 2.4(c), 2.5(c), 3.5(b)(iii), 3.6(d) or 4.5(c) of the Credit Agreement, each continuation thereof, and the date and amount of each payment or prepayment of principal thereof on its internal books and records and/or on the schedules annexed hereto and made a part hereof, which recordation on such schedules shall constitute prima facie

evidence of the accuracy of the information so recorded; provided that failure
----
by the Lender to make any such recordation (or any error in any such recordation) shall not affect the obligations of the Borrower under this Revolving Credit Note or the Credit Agreement.

This Revolving Credit Note is one of the Revolving Credit Notes referred to in the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the several banks and other financial
- -----------------
institutions from time to time parties thereto (including the Lender) (the "Lenders"), Bank of Nova Scotia, as Administrative Agent for the Lenders and
- --------
Barclays Bank PLC, as Collateral Agent, and is entitled to the benefits thereof, is secured and guaranteed as provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Revolving Credit Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

All parties now and hereafter liable with respect to this Revolving Credit Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind, except as expressly required by the terms of the Credit Agreement and the Loan Documents.

THIS REVOLVING CREDIT NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO, CANADA AND OF CANADA APPLICABLE THEREIN.

WESCO DISTRIBUTION-CANADA, INC.

By: _____
Title:

Schedule A to
Revolving
Credit Note

LOANS AND PAYMENTS
OF PRIME RATE LOANS

Date	Amount of Prime Rate Loan Made	Amount of Principal Repaid	Unpaid Principal Balance of Prime Rate Loans	Notation Made by

EXHIBIT A-2 TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF SWING LINE NOTE]

C$5,000,000.00 Toronto, Ontario
March 14, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION-CANADA, INC., a corporation organized and existing under the laws of the Province of Ontario (the "Borrower"), hereby unconditionally promises to pay to the order of THE BANK OF NOVA SCOTIA ("Bank of Nova Scotia") (the "Swing Line Lender") at the office of the Swing Line Lender located at Scotia Plaza Branch, 44 King Street West, Toronto, Ontario, Canada M5H 1H1 in lawful money of Canada and in immediately available funds, the principal amount of the lesser of (a) FIVE MILLION CANADIAN DOLLARS (C$5,000,000) and (b) the aggregate unpaid principal amount of all Swing Line Loans made by the Swing Line Lender to the Borrower pursuant to subsection 2.5 of the Credit Agreement referred to below, which sum shall be payable on the earlier of (i) the Termination Date (as defined in the Credit Agreement referred to below) and (ii) the date on which the Swing Line Commitment (as defined in the Credit Agreement referred to below) is terminated.

The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the applicable rates per annum and on the dates specified in subsections 5.1 and 5.4 of the Credit Agreement until such principal amount is paid in full (both before and after judgment).

The holder of this Swing Line Note is authorized to record the date and the amount of each Swing Line Loan and the date and amount of each payment or prepayment of principal thereof, on its internal books and records and/or on the schedule annexed to and made a part hereof, which recordation on such schedule shall constitute prima facie evidence of the accuracy of the information so recorded, provided that the failure by the

Swing Line Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower under this Swing Line Note or the Credit Agreement.

This Swing Line Note is the Swing Line Note referred to in the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the several banks and other financial institutions from time to time parties thereto (the "Lenders"), Bank of Nova Scotia, as Administrative Agent for the Lenders and Barclays Bank PLC, as Collateral Agent, and is entitled to the benefits thereof, is secured and guaranteed as provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein or unless the context otherwise requires.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts remaining unpaid on this Swing Line Note shall become, or may be declared to be, immediately due and payable all as provided therein.

All parties now and hereafter liable with respect to this Swing Line Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind, except as expressly required by the terms of the Credit Agreement and the Loan Documents.

THIS SWING LINE NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO, CANADA AND OF CANADA APPLICABLE THEREIN.

WESCO DISTRIBUTION-CANADA, INC.

By: _____
Title:

Schedule A to
Swing Line Note

SWING LINE LOANS AND PAYMENTS OF PRINCIPAL

DATE	AMOUNT OF SWING LINE LOANS	AMOUNT OF PRINCIPAL REPAID	UNPAID PRINCIPAL BALANCE	NOTATION MADE BY

EXHIBIT B TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[NAME OF LENDER]
BANKER'S ACCEPTANCE

No._____

Due_____

On _____

For value received pay to the order of
the undersigned drawer the sum of _____DOLLARS

Drawn by

_____COMPANY

To: [NAME OF LENDER]
[ADDRESS]

_____
Authorized Signature

_____
Authorized Signature

ACCEPTED

Date:

Payable at
[Name of Lender]
[Address]

_____
Authorized Signature

_____
Authorized Signature

FOR VALUE RECEIVED, [Name of Lender], (the "Guarantor") hereby unconditionally guarantees payment of the within Instrument (the "Instrument") when, where and as the same shall become due and payable without any requirement that the holder first proceed against [Name of Lender].

The Guarantor waives notice of acceptance of this guarantee and notice of non-payment of the Instrument. The unconditional obligation of the Guarantor hereunder will not be affected, impaired or released by and extension of time for payment of the Instrument or by any other matter or thing whatsoever which would release a guarantor.

Corporate action has been duly taken by the Guarantor to authorized execution of this guarantee.

This guarantee shall be governed by and construed in accordance with laws of [Jurisdiction of incorporation of Lender].

The date of this guarantee is the date of the Instrument.

IN WITNESS WHEREOF, [Name of Lender], has caused this guarantee to be executed on its behalf by facsimile signature, by two of its authorized officers.

[NAME OF LENDER],

By:_____
Authorized Officer

By:_____
Authorized Officer

This guarantee shall become valid only when the acceptance has been signed manually on behalf of [Name Lender].

EXHIBIT C TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[NAME OF LENDER]
_____ BRANCH

POWER OF ATTORNEY - GENERAL

The undersigned hereby appoints [NAME OF LENDER] (hereinafter called the "Lender"), acting by any authorized signatory of the Lender, the attorney of the undersigned:

(a) to sign for and on behalf and in the name of the undersigned as drawer, drafts drawn on the Lender payable to the order of the undersigned or payable to the order of the Lender;

(b) to fill in the amount, date and maturity date of such drafts;

(c) in the case of such drafts payable to the order of any person other than the Lender, to endorse such drafts in blank for and on behalf of and in the name of the undersigned; and

(d) to discount and/or deliver such drafts which have been accepted by the Lender;

provided that such acts in each case are to be undertaken by the Lender in accordance with instructions given to the Lender by the undersigned as provided in this power of attorney.

Instructions from the undersigned to the Lender relating to the execution, completion, endorsement, discount and/or delivery by the Lender on behalf of the undersigned of drafts which the undersigned wishes to submit to the Lender for acceptance by the Lender shall be communicated to the Lender on behalf of the undersigned in writing to the Lender's manager or acting manager at the branch where the undersigned has an account with the Lender (in accordance with the terms of the Amended and Restated Credit Agreement, dated as of March 14, 1997, to which the undersigned and the Lender are parties (as amended,

supplemented or otherwise modified from time to time, the "Credit Agreement"))
---

and shall specify the following information:

(a) reference to this power of attorney;

(b) a Canadian dollar amount, which shall be the aggregate face amount of the drafts to be drawn in a particular transaction; and

(c) a specified period of time (not less than 30 days or in excess of 180 days) which shall be the number of days after date that the drafts are to be payable, and the dates of issues and maturity of the drafts; and

(d) discount/payment instructions specifying the account number of the undersigned and the financial institution at which the proceeds of discount are to be credited.

The communication in writing by the undersigned to the Lender of the instructions referred to above shall constitute (a) the authorization and instruction of the undersigned to the Lender to complete and/or endorse drafts in accordance with such information as set out above and (b) the request of the undersigned to the Lender to accept such drafts and discount the same. The undersigned acknowledges that the Lender shall not be obligated to accept any such drafts.

The Lender shall be and it is hereby authorized to act on behalf of the undersigned upon and in compliance with instructions communicated to the Lender as provided herein if the Lender reasonably believes them to be genuine. If, but only if, the Lender is prepared to accept drafts pursuant to any such instructions, the Lender shall confirm particulars of such instructions and advise the undersigned that the Lender has complied therewith by notice in writing addressed to the undersigned and served personally or sent by prepaid registered mail or by telex, telecopier or other form of recorded communication to the address of the undersigned as shown on the books kept in relation to the account of the undersigned at the branch of the Lender from which such notice is mailed or

transmitted by telex, telecopier or other form of recorded communication. Any notice so given shall be deemed to have been given and received, if mailed, on the third business day next following the mailing thereof; if transmitted by telex, telecopier or other form of recorded communication, on the first business day after its transmission; and if served personally, on the date of delivery. The Lender's actions confirmed and advised to the undersigned by such notice shall be conclusively deemed to have been in accordance with the instructions of the undersigned unless the undersigned notifies the Lender to the contrary in writing not later than the business day next following such deemed receipt by the undersigned. Notice in writing to the Lender as contemplated hereby may be delivered by hand at the branch of the Lender from which the notice given by the Lender was mailed or transmitted by telex, telecopier or other form of recorded communication.

The undersigned hereby agrees and promises to pay the Lender, on the maturity date thereof, the face amount of each draft signed, completed and endorsed as contemplated herein and accepted by the Lender, such payment to be made in immediately available funds in Canadian dollars at the branch of the Lender specified above, free and clear of and without deduction by reason of any taxes or charges whatsoever, and for purposes of effecting any such payment, the undersigned hereby authorizes the Lender to debit any deposit account of the undersigned maintained with the Lender, but the Lender shall not be required hereby to effect any such debit.

The undersigned agrees to indemnify the Lender and its directors, officers, employees and agents and to hold it and them harmless from and against any loss, liability, expense or claim of any kind or nature whatsoever incurred by any of them as a result of any action or inaction in any way relating to or arising out of this power of attorney or the acts contemplated hereby.

This power of attorney may be revoked at any time upon not less than 5 business days' written notice served upon the Lender at its branch referred to above, provided that (i) it

shall be replaced with another power of attorney forthwith in accordance with the requirements of subsection 3.2(b) of the Credit Agreement; and (ii) no such revocation shall reduce, limit or otherwise affect the obligations of the undersigned in respect of any draft executed, completed, endorsed, discounted and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.

This power of attorney shall be governed in all respects by the laws of the jurisdiction in which the branch of the Lender named on page 1 hereof is located and the federal laws of Canada applicable in such jurisdiction and each of the undersigned and the Lender hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of such jurisdiction in respect of all matters arising out of this power of attorney.

This power of attorney is in addition to and not in substitution of any agreement to which the Lender and the undersigned are parties.

In the event of a conflict between the provisions of this Power of Attorney and the Credit Agreement, the Credit Agreement shall prevail.

The undersigned has (have) expressly requested that this document be drawn up in the English language. Le(s) soussigne(s) a(ont) expressement demande que ce document soit redige en langue anglaise.

DATED at _____ this ___ day of _____, 19__.

SIGNED SEALED AND DELIVERED in the presence of

Name: _____

_____
(Witness)

By: _____
Name:
Title:

Must be sealed and witnessed if signed by an individual

_____
(Witness)

By: _____
Name:
Title:

Note: If the undersigned is a corporation, the corporate seal must be affixed and this form must be accompanied by a certified copy of a resolution of the director(s) of the corporation authorizing the execution and delivery of this form.

Please have the undersigned initial all alterations/ deletions made to this form.

EXHIBIT D TO
AMENDED AND RESTATED
CREDIT AGREEMENT

WESCO DISTRIBUTION-CANADA, INC

March 14, 1997

[Landlord's Name
and Address]

[Address of Leased Facility]
- ---

Dear Landlord:

WESCO, the electrical products distribution division (the "Division") of Westinghouse Canada, Inc., is the tenant at the above location (the "Property"). As you know, in connection with the sale of the assets of the Division, Westinghouse is assigning its interest in the lease of the Property to the undersigned, WESCO Distribution-Canada, Inc.

In connection with the acquisition of the assets of the Division, we have arranged for financing from a group of banks to which The Bank of Nova Scotia is serving as Administrative Agent. These banks have agreed to make loans to us secured, among other things, by a first lien on any inventory that is now or in the future may be located at the Property and at other acquired properties and the Administrative Agent has asked that we notify you and have you agree to this letter and return it to us in the enclosed postage-paid envelope.

By signing this letter you agree that any lien of any kind that you may have or obtain on our inventory shall be junior to the Administrative Agent's lien, and that prior to taking any action to enforce any lien, you will give the Administrative Agent at least ten (10) business days' prior notice of your intent to take action. If we should default to the banks, you agree that in all circumstances the Administrative Agent may have access to the Property for the purpose of removing or selling the inventory, provided that the Administrative Agent agrees to pay

you for any physical damage to the Property caused by the Administrative Agent in connection with any removal or sale.

Because these loans are important for the future of our company and because the bank group and the Administrative Agent will be relying on this letter, we would greatly appreciate it if you would sign the enclosed copy of this letter and return it to me in the enclosed envelope. If you have any questions, please feel free to contact _____, at (____) _____.

Thank you in advance for your cooperation.

Sincerely,

WESCO DISTRIBUTION-CANADA, INC.

By: _____
Name:
Title:

Acknowledged and agreed as of the date first above written:

[Name of Landlord]

By: _____
Name:
Title:

EXHIBIT E TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF MONTHLY BORROWING BASE CERTIFICATE]

MONTHLY BORROWING BASE CERTIFICATE

Pursuant to subsection 8.2(c) of the Amended and Restated Credit Agreement, dated as of March 14, 1997 (the "Credit Agreement"), among WESCO Distribution-Canada, Inc. (the "Borrower"), the Lenders (as defined therein), The Bank of Nova Scotia, as Administrative Agent, and Barclays Bank PLC, as Collateral Agent, the Borrower hereby certifies, and represents and warrants, that this Monthly Borrowing Base Certificate and the attached Schedules are a true, correct and complete statement regarding the status of Accounts, Eligible Accounts, Inventory and Eligible Inventory of the Borrower and any Subsidiaries of the Borrower and that the amounts set forth in such Schedules are in compliance with the provisions of the Credit Agreement. The Borrower acknowledges that the Revolving Credit Loans and the Swing Line Loans made to it, the Acceptances accepted on its behalf and the Letters of Credit issued on its behalf will be based upon the Administrative Agent's, the collateral Agent's and the Lenders' reliance on the information contained herein and therein.

The Borrower hereby certifies, and represents and warrants, that it has been in compliance with the Borrowing Base applicable to it throughout the period subsequent to the date of delivery of the Monthly Borrowing Base Certificate most recently delivered prior to this one. Capitalized terms used herein and not otherwise defined

shall have the meanings ascribed thereto in the Credit Agreement.

Date: WESCO DISTRIBUTION-CANADA, INC.

By:_____
Name:
Title:

SCHEDULE I TO
MONTHLY BORROWING BASE CERTIFICATE

(All Amounts are in Thousands)

(1) The Borrowing Base as of ____ is computed as follows:

(A) Value of 85% of Eligible Accounts from Schedule A ----------

(B) Value of 60% of Eligible Inventory from Schedule A ---------- C$_____

(C) Canadian Inventory Sublimit Amount C$_____

(D) Lesser of lines 1(B) and 1(C) C$_____

(2) Sum of lines (1)(A) and (1)(D) (Gross Revolving Availability) C$_____

(3) Aggregate principal amount of Revolving Credit Loans outstanding as of the date hereof C$_____

(4) Aggregate face amount of all Acceptances outstanding as of the date hereof C$_____

(5) Aggregate L/C Obligations outstanding as of the date hereof C$_____

(6) Aggregate principal amount of Swing Line Loans outstanding as of the date hereof C$_____

(7) Sum of lines (3), (4), (5) and (6) C$_____

(8) Difference between lines (2) and (7) (Net Revolving Availability) C$_____

SCHEDULE A TO
MONTHLY BORROWING BASE CERTIFICATE
(All Amounts are in Thousands and are Computed as of _____)

ELIGIBLE ACCOUNTS

1. ACCOUNTS RECONCILIATION

		TOTAL
Previous Month's Accounts Balance (per Aged Trial Balance)		C$
Add:	Sales	
	Debit Adjustments	
Less:	Collections	
	Credit Adjustments	
	Miscellaneous Adjustments	
End of Month's Accounts Balance (per Aged Trial Balance)		C$

2. AGED TRIAL BALANCE

Detailed Attachment To Be Provided By the Borrower.

VALUE OF ELIGIBLE ACCOUNTS

(All Amounts are in Thousands and are Computed as of)

	TOTAL
Gross Accounts Receivable	C$
Less Ineligibles:	
Over 60 Days Past Due	C$
Legal/Notes	C$
Cross Age	C$
Aged Credits	C$
Contra Accounts	C$
Government Receivables (1)	C$
Foreign Accounts	C$
Claims & Deductions	C$
Related Party	C$
Miscellaneous Reserves	C$
Total Ineligibles	C$
Eligible Accounts	C$
Advance Rate	85%
Availability	C$

Notes:

(1) Excess over C$ 1,000,000 unless Assignment of Claims.

SCHEDULE C TO
MONTHLY BORROWING BASE CERTIFICATE

ELIGIBLE INVENTORY

(All Amounts are in Thousands and are Computed as of)

	TOTAL
Gross Book Inventory	C$
Less Ineligibles:	
Slow Moving	C$
Less: New Product Add Back	( )
In Transit	C$
Full Absorption	C$
Singapore Inventory	C$
Specialized Inventory (1)	C$
Direct Ship Inventory	C$
Intercompany Profit	C$
Total Ineligibles	C$
Eligible Inventory	C$
Advance Rate	60%
Availability	C$

Notes:

(1) Specialized inventory is considered eligible up to product of the Canadian Prepayment Percentage in effect multiplied by C$5,000,000.

EXHIBIT F TO
AMENDED AND RESTATED
CREDIT AGREEMENT

[FORM OF ASSIGNMENT AND ACCEPTANCE]

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Amended and Restated Credit Agreement, dated as of March 14, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WESCO DISTRIBUTION-CANADA, INC., a corporation organized and existing under the laws of the Province of Ontario (the "Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), The Bank of Nova Scotia, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent") and Barclays Bank PLC, as Collateral Agent. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Transfer Effective Date (as defined below), a ___% interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to those credit facilities provided for in the Credit Agreement as are set forth on Schedule 1 (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a commitment amount for each Assigned Facility as set forth on Schedule 1.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in

or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Subsidiaries or any other obligor or guarantor or the performance or observance by the Borrower, any of its Subsidiaries or any other obligor or guarantor of any of their respective obligations under the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note(s) held by it evidencing the Assigned Facilities and requests that the Administrative Agent exchange such Note(s) for a new Note or Notes payable to the Assignee and (if the Assignor has retained any interest in the Assigned Facility) a new Note or Notes payable to the Assignor in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Transfer Effective Date).

3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements delivered pursuant to subsection 8.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent, the Collateral Agent or any other Lender and based on

such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent or the Collateral Agent (as applicable) by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender, including its obligations pursuant to the subsection 12.15 of the Credit Agreement.

4. The effective date of this Assignment and Acceptance shall be _____ ___, 19__ (the "Transfer Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to subsection 12.6 of the Credit Agreement, effective as of the Transfer Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Transfer Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Transfer Effective Date or accrue subsequent to the Transfer

Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Transfer Effective Date or with respect to the making of this assignment directly between themselves.

6. From and after the Transfer Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. Notwithstanding any other provision hereof, if the consent of the Borrower hereto is required under subsection 12.6 of the Credit Agreement, this Assignment and Acceptance shall not be effective unless such consent shall have been obtained.

8. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

SCHEDULE 1 to the
Assignment and Acceptance

Re: Amended and Restated Credit Agreement, dated as of March 14, 1997, among WESCO DISTRIBUTION-CANADA, INC., the Lenders from time to time parties thereto, The Bank of Nova Scotia, as Administrative Agent and Barclays Bank PLC, as Collateral Agent.

Name of Assignor:

Name of Assignee:

Transfer Effective Date of Assignment:

Credit Facility Assigned	Commitment Amount Assigned	Commitment Percentage Assigned
	$_____	___. _____%

[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNOR]

By:_____
Title:

Accepted:

THE BANK OF NOVA SCOTIA,
as Administrative Agent

By: _____
Title:

Consented To:

WESCO DISTRIBUTION-
CANADA, INC.

By:_____
Title:

SCHEDULE 9

SECURITY AGREEMENTS

Demand Debenture

Debenture Pledge Agreement

General Assignment of Book Debts

Quebec Moveable Hypothec

Bank Act Security, comprised of

- Notice of Intention to Give Security
- General Assignment Under Section 427(1)(a),(b),(c) or (e) of the Bank Act (Canada)
- Application for Credit and Promise to Give Security Under Section 427 of the Bank Act (Canada)
- Agreement as to Loans and Advances and Security Therefor

FIRST AMENDMENT (this "First Amendment"), dated as of February 13, 1998, to the Amended and Restated Credit Agreement, dated as of March 14, 1997 (the "Credit Agreement"), among WESCO DISTRIBUTION-CANADA, INC., a corporation organized and existing under the laws of the Province of Ontario (the "Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), THE BANK OF NOVA SCOTIA, a Canadian chartered bank ("Bank of Nova Scotia"), as administrative agent for the Lenders thereunder (in such capacity, the "Administrative Agent"), and BARCLAYS BANK PLC, a banking corporation organized under the laws of the United Kingdom as collateral agent for the Lenders thereunder (in such capacity, the "Collateral Agent").

W I T N E S S E T H :

WHEREAS, the Borrower has requested and the Administrative Agent, the Collateral Agent and the Lenders have agreed, subject to the terms and conditions hereof, to amend the Credit Agreement for the purpose of, among other things, (i) modifying the definition of "Margin Reduction Percentage", (ii) modifying the definitions of "Borrowing Base" and "Borrowing Base Elimination Period", (iii) modifying the definition of "Termination Date", (iv) modifying the definition of "Consolidated EBITDA", (v) modifying the definition of "Consolidated Interest Expense" and (vi) releasing all of the Collateral and releasing the Collateral Agent from its obligations under the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto hereby agree to amend the Credit Agreement as follows:

1. Defined Terms. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement, as amended by this First Amendment.

2. Amendment to Section 1 of the Credit Agreement.

a. Section 1 of the Credit Agreement is hereby amended by adding the following new definitions in proper alphabetical order:

"Bond Rating": the Moody's Bond Rating and the S&P Bond Rating.

"First Amendment": the First Amendment, dated as of February 13, 1998, to this Credit Agreement.

"First Amendment Effective Date": as defined in paragraph 5 of the First Amendment.

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

"Moody's Bond Rating": for any day, the actual rating of the U.S. Borrower's senior long-term unsecured debt by Moody's in effect at 9:00 A.M., New York City time, on such day. If Moody's shall have changed its system of classifications after the date of the First Amendment, the Moody's Bond Rating shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to such specified level under the old rating system.

"S&P": Standard and Poor's Ratings Service.

"S&P Bond Rating": for any day, the actual rating of the U.S. Borrower's senior long-term unsecured debt by S&P in effect at 9:00 A.M., New York City time, on such day. If S&P shall have changed its system of classifications after the date of the First Amendment, the S&P Bond Rating shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to such specified level under the old rating system.

b. Section 1 of the Credit Agreement is hereby amended by deleting the definitions of "Borrowing Base", "Borrowing Base Elimination Period", "Consolidated EBITDA", "Consolidated Interest Expense", "Margin Reduction Percentage" and "Termination Date", each in its entirety and replacing each with the following:

"Borrowing Base": an amount equal to the aggregate Commitments.

"Borrowing Base Elimination Period": the period commencing on the First Amendment Effective Date and ending on the Termination Date.

"Consolidated EBITDA": of any Person, for any period, the Consolidated Net Income of such Person for such period, adjusted to exclude the following items of income or expense to the extent that such items are included in the calculation of Consolidated Net Income: (a) Consolidated Interest Expense, (b) any non-cash interest expense and any other non-cash expenses and charges, (c) total income tax expense, (d) depreciation expense, (e) the expense associated with amortization of intangible and other assets, (f) non-cash provisions for reserves for discontinued operations, (g) any extraordinary, unusual or non-recurring gains or losses or charges or credits and (h) any gains or losses associated with the sale or write-up or write-down of assets,

provided that in the event that such Person makes an Investment in any other Person pursuant to subsection 8.10(g) of the U.S. Credit Agreement on any date during such period, the Consolidated EBITDA for such period shall be computed on the assumption that such Investment and any related financing thereof was completed on the first day of such period.

"Consolidated Interest Expense": of any Person, for any period, cash interest expense of such Person for such period on its Indebtedness determined on a consolidated basis in accordance with GAAP, provided that in the event that the such Person makes an Investment in any other Person pursuant to subsection 8.10(g) of the U.S. Credit Agreement on any date during such period the Consolidated Interest Expense for such period shall be computed on the assumption that such Investment and any related financing thereof was completed on the first day of such period.

"Margin Reduction Percentage": (a) during the period from and including the Closing Date to but excluding the Adjustment Date which occurs concurrently with the delivery by the Borrower pursuant to subsection 8.1(b) or 8.1(c) as applicable of financial statements of the U.S. Borrower for the quarterly period ended June 30, 1995, zero and (b) during each Margin Adjustment Period which commences on or after the Adjustment Date referred to in clause (a) above, and

(i) if the Borrower's Moody's Bond Rating and/or S&P Bond Rating on the last day of the quarter immediately proceeding the commencement of such Margin Adjusted Period is at or above Baa3/BBB-, and if either the Moody's Bond Rating or the S&P Bond Rating on such day is (A) at or above A3/A-, .85% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and .425% (when used in the definition of Commitment Fee Rate), (B) at or above Baa1/BBB+, but below A3/A-, .81% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and .415% (when used in the definition of Commitment Fee Rate), (C) at or above Baa2/BBB, but below Baa1/BBB+, .775% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and .40% (when used in the definition of Commitment Fee Rate), (D) at or above Baa3/BBB-, but below Baa2/BBB, .75% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and in subsection 3.4) and .35% (when used in the definition of Commitment Fee Rate);

(ii) if the Borrower's Moody's Bond Rating and/or S&P Bond Rating on the last day of the quarter immediately preceding the commencement of such Margin Adjusted Period is below Baa3/BBB-, and if the Fixed Charge Coverage Ratio for the four consecutive fiscal quarters of the U.S. Borrower ending immediately preceding the commencement of such Margin Adjustment Period (determined by reference to the certificates delivered pursuant to subsection 8.2(b) concurrently with the financial statements delivered under subsection 8.1(a), (b) or (c), or the Annual Unaudited Financial Statements (as defined below in this definition), as the case may be, with respect to such four consecutive fiscal quarters) is (i) less than 3.00:1, zero, (ii) less than 3.50:1 but greater than or equal to 3.00:1, 0.125% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and subsection 3.4) and 0.125% (when used in the definition of Commitment Fee Rate), (iii) less than 4.00:1 but greater than or equal to 3.50:1, 0.375% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and subsection 3.4) and 0.125% (when used in the definition of Commitment Fee Rate), (iv) less than 4.50:1 but greater than or equal to 4.00:1, 0.5625% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and subsection 3.4) and 0.1875% (when used in the definition of Commitment Fee Rate), (v) less than 5.00:1 greater than or equal to 4.50:1, 0.65% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and subsection 3.4) and 0.25% (when used in the definition of Commitment Fee Rate), (vi) greater than or equal to 5.00:1, .725% (when used in the definitions of Prime Rate Margin and L/C Commission Rate and subsection 3.4) and 0.275% (when used in the definition of Commitment Fee Rate);

provided that notwithstanding the forgoing paragraph (b):

(w) if at any time the a percentage determined pursuant to paragraph (b)(i) by reference to a Bond Rating exceeds the percentage determined by reference to the other respective Bond Rating, the Margin Reduction Percentage shall be the higher percentage (unless the difference between the two Bond Ratings is two or more levels, in which case the Margin Reduction Percentage shall be determined by reference to the Bond Rating which is one level higher than the lower of such two Bond Ratings);

(x) during any period from and including the date on which an Event of Default has occurred to but excluding the date on which such Event of Default is no longer continuing, the Margin Reduction Percentage shall be zero;

(y) if for any Margin Adjustment Period the rate is determined pursuant to paragraph (b)(ii), above, and the Borrower delivers to the Administrative Agent any financial statements referred to in clause (b) of the definition of Adjustment Date (each, an "Annual Unaudited Financial Statement") and thereafter the financial statements delivered pursuant to subsection 8.1(a) in respect of the period covered by such Annual Unaudited Financial Statement demonstrates a Fixed Charge Coverage Ratio for such period which differs from that demonstrated by such Annual Unaudited Financial Statement, any change in the Margin Reduction Percentage occurring as a result of such difference shall be given retroactive effect to the first Business Day after delivery of such Annual Unaudited Financial Statement; and

(z) if any Financial Statement Delivery Default becomes an Event of Default, the Margin Reduction Percentage (if greater than zero) that was in effect for the period commencing on the date such Financial Statement Delivery Default occurred to the date such Financial Statement Delivery Default became an Event of Default shall be retroactively adjusted to zero for such period and shall remain zero until the first Business Day following receipt by the Administrative Agent of the financial statements the failure to deliver which gave rise to such Financial Statement Delivery Default, which date shall constitute an Adjustment Date and upon which date the Margin Adjustment Percentage shall be determined in accordance with the other provisions of this definition.

If payments are made hereunder on the basis of a Margin Reduction Percentage that is retroactively adjusted as a result of the occurrence of any of the events described in clauses (x), (y) or (z) of the proviso to the immediately preceding sentence, the Lenders and the Borrower shall make such payments to the Administrative Agent (which shall credit the account of the Borrower or allocate such payments among the Lenders in accordance with their respective interests in the payments theretofore made hereunder, as the case may be, on the basis of the Margin Reduction Percentage that was so retroactively adjusted) as may be necessary to give effect to such adjustment, such payments to be calculated by the Administrative Agent (which shall notify the Borrower and the Lenders thereof) and to be made as soon as practicable (but in any event no later than two Business Days after such notice is given by the Administrative Agent) and to include interest at the applicable Bank of Canada Effective Rate for the period from the date to which the Margin Reduction Percentage has been retroactively adjusted to the date of the applicable payment on any amounts required to be paid as a result of such retroactive adjustment.

"Termination Date": February 28, 2001.

3. Amendment of Section 9.3 to the Credit Agreement. Section 9.3 is hereby amended by deleting it in its entirety.

4. Amendment of Schedule 1 to the Credit Agreement. The table of Commitment Amounts set forth in Part A of Schedule 1 of the Credit Agreement is hereby deleted in its entirety and replaced by the table set forth in Part A of Schedule 1 to this First Amendment.

5. Termination of Existing Security Documents. The Administrative Agent and the Lenders hereby agree to (i) terminate all "Security Documents" (as defined in the Credit Agreement), and (ii) release and return, without recourse, representation or warranty, all collateral security delivered under such Security Documents. The Collateral Agent is hereby released by the Lenders, the Borrower and the Administrative Agent from any duties and obligations in its capacity as Collateral Agent under the Agreement.

6. Conditions of Effectiveness. This First Amendment shall become effective upon satisfaction of each of the following conditions: (i) the signing of this First Amendment, or, as the case may be, the consent hereto provided for below, by the Lenders (after giving effect to this First Amendment), the Borrower, the U.S. Borrower, Holdings and each Subsidiary Guarantor, (ii) the occurrence of the "First Amendment Effective Date" under and as defined in the First Amendment, dated as of February 13, 1998 to the U.S. Credit Agreement and (iii) the first date upon which each of the conditions precedent set forth below are satisfied (the date upon which all the conditions set forth in clauses (i), (ii) and (iii) above shall be satisfied, the " First Amendment Effective Date").

a. Representations and Warranties. Each of the representations and warranties made by any Loan Party (other than RealCo) pursuant to the Credit Agreement, this First Amendment or any other Loan Document (or in any amendment, modification or supplement hereto or thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any such Loan Party pursuant to this Agreement or any other Loan Document shall, except to the extent that they relate to a particular date, be true and correct in all material respects on and as of the First Amendment Effective Date as if made on and as of such date.

b. No Default. No Default or Event of Default shall have occurred and be continuing on and as of the First Amendment Effective Date.

c. Corporate Proceedings of the Borrower. The Administrative Agent shall have received, with a copy for each Lender, a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent, of the Board of Directors of the Borrower authorizing the execution, delivery and performance of this First Amendment and any other related documents to which it is or will be a party, certified by the Secretary or an Assistant Secretary of the Borrower as of the First Amendment Effective Date, which certificate shall be in form and substance reasonably satisfactory to the Administrative Agent and shall state that the resolutions thereby certified have not been amended, modified (except as any later such resolution may modify any earlier such resolution), revoked or rescinded.

d. Incumbency Certificates of the Borrower. The Administrative Agent shall have received, with a copy for each Lender, a certificate of a Responsible Officer of the Borrower, dated the First Amendment Effective Date, as to the incumbency and signature of the officers of the Borrower executing this First Amendment and any related document, reasonably satisfactory in form and substance to the Administrative Agent.

7. Prepayment of Loans. On the First Amendment Effective Date, the Borrower agrees to prepay all of the Loans outstanding under the Credit Agreement as well as any unpaid and accrued interest thereon and any amounts payable pursuant to subsections 5.3 and 5.5 of the Credit Agreement therewith.

8. APPLICABLE LAW. THIS FIRST AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO, CANADA AND OF CANADA APPLICABLE THEREIN.

9. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one instrument.

10. Headings. Section headings used in this First Amendment are for convenience of reference only, are not part of this First Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this First Amendment.

11. Credit Agreement. Except as expressly amended hereby, the Credit Agreement shall continue in full force and effect in accordance with the provisions thereof in effect on the date hereof. As used therein, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereunder", "hereto" and words of similar import shall mean, from

and after the First Amendment Effective Date, unless the context otherwise specifically requires, the Credit Agreement as amended by this First Amendment.

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

WESCO DISTRIBUTION-CANADA, INC.

By: /s/

Name:
Title:

THE BANK OF NOVA SCOTIA, as Administrative Agent Swing Line Lender and a Lender

By: /s/

Name:
Title:

BARCLAYS BANK PLC, as Collateral Agent

By: /s/

Name:
Title:

MELLON BANK CANADA, as a Co-Agent and a Lender

By: /s/

Name:
Title:

FIRST CHICAGO NBD BANK CANADA, as a Lender

By: /s/

Name:
Title:

THE TORONTO-DOMINION BANK, as a Lender

By: /s/

Name:
Title:

Consented and Agreed to:

CDW HOLDINGS CORPORATION, as a Guarantor
under the Credit Agreement

By: /s/

Name:
Title:

WESCO DISTRIBUTION, INC.,
as the Borrower under the
U.S. Credit Agreement

By: /s/

Name:
Title:

SCHEDULE 1 TO THE
First Amendment

COMMITMENTS

A. Commitment Amounts

Lender	Commitment
First Chicago NBD Bank, Canada	$ 8,706,875
Mellon Bank Canada	8,706,875
The Bank of Nova Scotia	21,465,500
The Toronto-Dominion Bank	23,810,250
TOTAL	$62,689,500

For purposes of Section 1275(c) of the Internal Revenue Code of 1986, as amended, relating to "original issue discount," the issue price of this Note is $45,000,000.00, the amount of "original issue discount" is $32,925,440.14, the "issue date" is February 28, 1994, and the "yield to maturity" is 8% per annum, compounded semiannually.

GUARANTEED FIRST MORTGAGE NOTE due February 28, 2001

Original Face Amount: $77,925,440.14 New York, NY
Initial Amount: $45,000,000.00 February 28, 1994
R-1

1. OBLIGATION TO PAY

FOR VALUE RECEIVED, the undersigned CDW Realco, Inc., a Delaware corporation ("MAKER"), promises to pay to the order of WESTINGHOUSE ELECTRIC CORPORATION, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, or registered assigns ("PAYEE"), the amount of $77,925,440.14, which amount includes accrued amortization of the Discount (at the date of issuance) of this Note, on the Stated Maturity.

2. DEFINITIONS

The following terms as used herein shall be defined as follows:

"ACCRETED VALUE" of any Note on any date of determination shall mean

(a) the sum of (i) the Initial Amount of such Note, plus (ii) the aggregate of
the Semi-Annual Accrual Amounts of such Note accrued from and including the date of such Note to and including the Semi-Annual Accrual Date coinciding with or immediately preceding the date of determination plus (iii) any Stub Amount minus

(b) each partial prepayment of such Note made on or prior to such date of

determination (it being understood that the Accreted Value of such Note shall be reduced by the amount of each such partial prepayment as of the Semi-Annual Accrual Date on which such partial prepayment is made).

"ACCRUAL RATE" shall mean 8% per annum.

"ACQUISITION AGREEMENT" shall mean the Asset Acquisition Agreement, dated as of February 15, 1994, between Seller and Buyer, as amended, supplemented, waived or otherwise modified from time to time.

"ADJUSTED FACE AMOUNT" of any Note shall mean, following any partial prepayment of such Note, the Face Amount of such Note (determined before giving effect to such partial prepayment) multiplied by a fraction the numerator of which is the Accreted Value of such Note after giving effect to such partial prepayment and the denominator of which is the Accreted Value of such Note before giving effect to such partial prepayment.

"ADMINISTRATIVE AGENTS" shall mean the respective administrative agents under the Barclays Senior Credit Agreement and the Canadian Senior Credit Agreement or under any extension, refunding, renewal or refinancing (other than the Permitted Newco Subordinated Debt) thereof.

"ADVANCES" shall mean any loans or other advances of credit under the Barclays Senior Credit Agreement (or any extension, refunding, renewal or refinancing thereof).

"AFFILIATE" shall mean as to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies

of a Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise. Each of the C&D Fund, Buyer, Newco, Realco and the Canadian Buyer shall be regarded as Affiliates of each other; Seller and Westinghouse Canada Inc. shall be regarded as Affiliates of each other; and none of the C&D Fund, Buyer, Newco, Realco or the Canadian Buyer, on the one hand, and Seller or Westinghouse Canada Inc., on the other hand, shall be regarded as Affiliates of each other.

"APPRAISED VALUE" with respect to any Mortgaged Property shall mean the amount that would be paid for such Mortgaged Property by a willing buyer who purchases such Mortgaged Property "as is" and "where is" in a transaction negotiated on an arm's length basis in which neither such buyer nor the seller of such Mortgaged Property is under any compulsion to engage in the transaction.

"APPROVED APPRAISER" shall mean (i) any of The Manufacturer's Appraisal Company, Cushman & Wakefield and Binswanger & Co. or (ii) any other independent real estate appraisal firm approved by Maker and the Required Mortgage Lenders.

"BANK" shall mean each financial institution that is listed on the signature pages of the Barclays Senior Credit Agreement and its permitted successors, assigns and transferees under the Barclays Senior Credit Agreement.

"BCI" shall mean Barclays Business Credit, Inc.

"BARCLAYS SENIOR CREDIT AGREEMENT" shall mean the Credit Agreement, dated as of the Closing Date, among Newco, BCI, as Administrative Agent and Collateral Agent, Barclays Bank PLC, as Managing Agent, and the Banks, as amended, supplemented, waived or otherwise modified from time to time.

"BENEFICIAL OWNER" shall mean a "beneficial owner", as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (or any successor provision).

"BOARD OF DIRECTORS" shall mean the Board of Directors of Buyer.

"BORROWING BASE" shall mean the sum of the value of certain accounts receivable plus the value of certain inventory, in each case of Newco and its Subsidiaries (other than Canadian Buyer and its respective Subsidiaries), that are eligible under the Barclays Senior Credit Agreement (or any extension, refunding, renewal or refinancing thereof) to support Advances made thereunder, provided that, for the purpose of determining the maximum Advances permitted by the Borrowing Base immediately prior to and immediately after giving effect to a Mixed Asset Sale, any changes pursuant to an amendment, supplement, waiver or other modification to the Barclays Senior Credit Agreement in the method of calculating the Borrowing Base, and in the extent to which a Borrowing Base of a given size and composition supports Advances, that take effect within 10 Business Days prior to the date of such Mixed Asset Sale shall be ignored.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required to close.

"BUYER" shall mean CDW Holding Corporation, a Delaware corporation.

"C&D FUND" shall mean The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership.

"CD&R" shall mean Clayton, Dubilier & Rice, Inc., a Delaware corporation.

"CANADIAN BUYER" shall mean CDW Canada Acquisition Inc., an Ontario corporation.

"CANADIAN DOLLARS" shall mean dollars in the lawful currency of Canada.

"CANADIAN MORTGAGE DOCUMENTS" shall mean (a) each mortgage of real property that by its terms secures the performance by the Canadian Buyer of its obligations under the Canadian Notes and (b) the Cash Collateral and Security Agreement dated as of the Closing Date between the Canadian Buyer and Westinghouse Canada Inc.

"CANADIAN MORTGAGED PROPERTY" shall mean the Mortgaged Premises, as defined in each of the Canadian Mortgage Documents.

"CANADIAN NOTES" shall mean the "Notes", as defined in the first mortgage note issued on the Closing Date by the Canadian Buyer to Westinghouse Canada Inc.

"CANADIAN SENIOR CREDIT AGREEMENT" shall mean the Credit Agreement, dated as of the Closing Date, among Canadian Buyer, Barclays Bank of Canada, as Administrative Agent, BCI as Collateral Agent, and the financial institutions from time to time party thereto, as amended, supplemented, waived or otherwise modified from time to time.

"CASH COLLATERAL AGREEMENT" shall mean the Cash Collateral and Security Agreement, dated as of the Closing Date, between Realco and Mortgagee, as amended, supplemented, waived or otherwise modified from time to time.

"CASH CONSIDERATION" shall mean, in respect of any Restricted Asset Sale, any consideration for such sale or other disposition received in the form of cash.

"CASH INTEREST EXPENSE" shall mean, with reference to any period, all cash interest charges (including imputed interest on capital lease obligations) paid or accrued by Newco and its Subsidiaries for such period.

"CHANGE OF CONTROL" shall be deemed to occur at any time that (a) prior to the consummation of the Specified Public Offering, CD&R, the C&D Fund, Seller and their respective Affiliates cease to have the power collectively (whether through the ownership of Voting Stock, by contract with one or more holders of Voting Stock, by irrevocable proxy or by provision of the certificate of incorporation of Buyer) to elect a majority of the members of the Board of Directors; (b) after the consummation of the Specified Public Offering, any Person or group (as described in Section 13d-3 of the Securities Exchange Act of 1934, as amended), other than either (x) CD&R, the C&D Fund and their respective Affiliates or (y) Seller or any such group of which Seller is a member, is or becomes the Beneficial Owner of Voting Stock that represents more than (i) 30% in the aggregate of the total Voting Stock of Buyer then outstanding and (ii) the total Voting Stock of Buyer of which CD&R, the C&D Fund and their respective Affiliates are Beneficial Owners; (c) Buyer is the Beneficial Owner of less than all the outstanding equity securities of Newco or of Realco; (d) Newco is the Beneficial Owner of less than all the outstanding equity securities of Realco or the Canadian Buyer; or (e) during any two-year period, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by the Board of Directors, was approved by a vote of a majority of the directors of Buyer then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors.

"CHANGE PREPAYMENT DATE" shall have the meaning specified in paragraph 7(b).

"CLOSING DATE" shall mean February 28, 1994.

"CLOSING DATE EXCHANGE RATE" Shall mean 0.73995 United States Dollars per Canadian Dollar.

"CONSOLIDATED FIXED CHARGE COVERAGE RATIO" shall mean, with reference to any period, the ratio of EBITDA to Fixed Charges for such period.

"CONSOLIDATED NET INCOME" SHALL mean, with reference to any period, the net income (or deficit) of Newco and its consolidated Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP on a consolidated basis, adjusted, to the extent included in calculating such net income (or deficit), by excluding, without duplication, (i) all extraordinary or non-recurring gains and losses (less all fees and expenses relating thereto), (ii) the portion of net income (or deficit) of Newco and its consolidated Subsidiaries allocable to minority interests in unconsolidated Persons to the extent that cash dividends or distributions have not actually been received by Newco or one of its consolidated Subsidiaries, (iii) net income (or loss) of any Person combined with Buyer or any of its Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) net gains or losses (less all fees and expenses relating thereto) net of taxes in respect of dispositions of assets other than in the ordinary course of business, (v) non-cash gains or expenses and charges related to asset write-ups or write-downs, (vi) the net income of any U.S. Subsidiary of Newco to the extent that the declaration of dividends or similar distributions by such Subsidiary of such income is not at the time permitted, 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 such U.S. Subsidiary or its shareholders, (vii) any non-cash gains or expenses and charges resulting from any write-up or write-down of assets of Newco or any of its consolidated Subsidiaries in connection with the acquisition by Newco from Seller of certain assets pursuant to the Acquisition Agreement and (viii) the effect of foreign currency transaction adjustments for such period.

"CONSOLIDATED NON-CASH CHARGES" means, for any period, the aggregate depreciation, amortization and other non-cash expenses and charges of Newco and its consolidated Subsidiaries for such period, on a consolidated basis, as determined in accordance with GAAP (excluding any non-cash expense or charge which requires an accrual or reserve for cash charges for any future period, other than accruals for future retiree medical obligations made pursuant to SFAS No. 106, as amended or modified), including any non-cash expenses and charges resulting from the write-up in book value of inventory of Newco or any of its consolidated Subsidiaries resulting from, and the depreciation and amortization of fixed assets and intangible assets of Newco or any of its consolidated Subsidiaries pertaining to, adjustments required or permitted by Accounting Principles Bulletin Opinion Nos. 16 and 17 in connection with the acquisition by Newco from Seller of certain assets pursuant to the Acquisition Agreement, but excluding any item to the extent an adjustment was taken for such item in accordance with the definition of "Consolidated Net Income."

"CURRENT EXCHANGE RATE" on any date of determination shall mean the average of the bid/ask spot rates specified on the WRLD screen of Reuters Information Services Inc. at 10:00 a.m., New York City time, on such date, with respect to Canadian Dollars.

"DEBT" shall mean, as applied to any Person (without duplication):

(a) any indebtedness for borrowed money which such Person has directly or indirectly created, incurred or assumed; and

(b) any indebtedness, whether or not for borrowed money, secured by any Lien in respect of property owned by such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness; and

(c) any indebtedness, whether or not for borrowed money, with respect to which such Person has become directly or indirectly liable and which represents or has been incurred to finance the purchase price (or a portion thereof) of any property or services or business acquired by such Person, whether by purchase, consolidation, merger or otherwise (other than trade debt incurred for the purchase of goods or of services in the ordinary course of business); and

(d) any indebtedness of the character referred to in clause (a), (b) or (c) of this definition deemed to be extinguished under GAAP but for which such Person remains legally liable; and

(e) any obligation which is required to be classified and accounted for as a capital lease (a "CAPITAL LEASE") on the face of a balance sheet of such Person prepared in accordance with GAAP (the amount of such obligation shall be the capitalized amount thereof, determined in accordance with GAAP); and

(f) all obligations of such Person for the reimbursement of any issuer on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations referred to in another clause of this definition) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit); and

(g) any indebtedness of any other Person of the character referred to in any of the foregoing clauses of this definition with respect to which the Person

whose Debt is being determined has become liable by way of a Guaranty.

"DISCOUNT" of any Note at any date of determination shall mean the difference between the Face Amount of such Note and the Accreted Value of such Note at such date.

"EBITDA" shall mean, with reference to any period, Consolidated Net Income for such period, plus the aggregate amounts deducted in determining Consolidated Net Income for such period in respect of (i) interest expense, (ii) income taxes, and (iii) Consolidated Non-Cash Charges.

"EVENT OF DEFAULT" shall mean any of the events specified in paragraph 5 provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "DEFAULT" shall mean any of such events, whether or not any such requirement has been satisfied.

"EXCESS RESERVED AMOUNT" shall mean, with respect to any Restricted Asset Sale, an amount equal to the excess, if any, of the initial balance of the Reserved Amount established in respect of such Restricted Asset Sale over the aggregate amount of cash paid by Maker to satisfy the Permitted Liabilities underlying such Reserved Amount (such excess, if any, to be determined at the time the reserves in respect of such Reserved Amount are reversed).

"FACE AMOUNT" of any Note shall mean (i) prior to the date of any partial prepayment of such Note, the Original Face Amount of such Note, and (ii) on and after the date of any partial prepayment of such Note, the Adjusted Face Amount of such Note.

"FAIR MARKET VALUE" with respect to any Mortgaged Property or Mortgaged Properties to be sold or disposed of in a single Restricted Asset Sale or a series of related

Restricted Asset Sales (a) shall mean the amount agreed between Maker and the Majority Holders as the fair market value of such Mortgaged Property or Mortgaged Properties or (b) if such agreement is not reached within ten days of notice of the proposed Restricted Asset Sale to each holder of Notes at the time outstanding, shall mean the Appraised Value of such Mortgaged Property or Mortgaged Properties, as determined by an Approved Appraiser selected and compensated by Maker, such determination to be set forth in writing in reasonable detail by such Approved Appraiser and given to Maker and to holders of the Notes at the time outstanding. Notwithstanding the previous sentence, (i) Maker shall endeavor in good faith to select the Approved Appraiser for a given transaction on a basis such that the Restricted Asset Sales through the date of such transaction shall be allocated approximately evenly (by number of Restricted Asset Sales and series of related Restricted Asset Sales) among the Approved Appraisers and (ii) in the event of a Major Asset Sale, within five Business Days after receipt by the holders of the written appraisal contemplated by the preceding sentence, the Majority Holders may require that a second Approved Appraiser determine the Appraised Value of the Mortgaged Property or Mortgaged Properties being disposed of in such Major Asset Sale, in which event (A) such holders shall be responsible for the selection and compensation of such second Approved Appraiser, (B) such second Approved Appraiser shall deliver its determination of Appraised Value to Maker on a date not less than five Business Days prior to the scheduled closing date of such Major Asset Sale, such determination to be set forth in writing in reasonable detail by such second approved Appraiser and (C) the Fair Market Value shall be the average of the respective amounts determined as the Appraised Value by the first and second Approved Appraisers.

"FIXED CHARGES" shall mean, with respect to any period, the sum of the following for Newco and its Subsidiaries on a consolidated basis: (a) all Cash Interest Expense for such period, and (b) the pretax equivalent (using as the tax rate Newco's then current effective composite

federal, state and local income tax rate) of Preferred Stock dividends of Newco and its Subsidiaries accrued for such period (other than any Preferred Stock dividends payable by a Subsidiary of Newco to Newco or another Subsidiary of Newco).

"GAAP" shall mean generally accepted accounting principles as in effect in the United States. For the purposes of the definitions of Consolidated Net Income, Consolidated Non-Cash Charges and EBITDA, GAAP shall be determined as in effect on the Closing Date.

"GUARANTY" shall mean, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, lease, dividend or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable.

"INITIAL AMOUNT" of any Note is the amount stated as the Initial Amount on the face of such Note.

"LEASE" shall mean the Master Lease, dated as of the Closing Date, between Realco and Newco, as amended, supplemented, waived or otherwise modified from time to time.

"LIEN" shall mean any mortgage, pledge, assignment, hypothecation, security deposit arrangement, encumbrance (statutory or other), charge or other security interest or any preference, priority or other lien, security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any Capital Lease having substantially the same economic effect as any of the foregoing).

"MAJOR ASSET SALE" shall mean any Mixed Asset Sale (or series of related transactions involving one or more Mixed Asset Sales to a single purchaser or group of related purchasers) including (a) a Mortgaged Property or Mortgaged Properties the Fair Market Value of which exceeds, in the aggregate, $15,000,000 or (b) any of the Mortgaged Properties located in Warrendale, Pennsylvania or Byhalia, Mississippi, and used by Newco immediately following the Closing Date as a distribution center.

"MAJORITY HOLDERS" shall mean the holders of at least a majority of the aggregate Face Amount of the Notes at the time outstanding.

"MAJORITY OWNED" as applied to any Subsidiary of Newco, shall mean a Subsidiary of Newco (a) at least 80% of the outstanding shares of every class of stock of which is at the time owned, directly or indirectly, by Newco or by one or more Majority Owned Subsidiaries of Newco or by Newco and one or more Majority Owned Subsidiaries of Newco and (b) the balance of the outstanding shares of every class of stock of which is at the time owned, directly or indirectly, by other Persons that are not Affiliates of the C&D Fund.

"MAKER" shall have the meaning specified in paragraph 1.

"MATURITY" with respect to any Note shall mean the earlier of (a) Stated Maturity or (b) the date on which (whether by acceleration or prepayment or otherwise) all or any part of the Accreted Value of such Note becomes due and payable.

"MIXED ASSET SALE" shall mean any sale or disposition of a Mortgaged Property or Mortgaged Properties to a Person, if such Person or any of its Affiliates is acquiring other assets from Maker or an Affiliate of Maker in connection with such sale or disposition.

"MORTGAGE DOCUMENTS" shall mean (a) each mortgage of real property executed by Maker that by its terms secures the performance by Maker of its obligations under the Notes and (b) the Cash Collateral Agreement.

"MORTGAGED PROPERTY" shall mean the Mortgaged Property, as defined in each of the Mortgage Documents.

"MORTGAGEE" shall mean Seller in its capacity as Mortgagee under the Mortgage Documents and as Collateral Agent under the Cash Collateral Agreement, or any successor Mortgagee or Collateral Agent.

"NET PROCEEDS" of any Restricted Asset Sale shall mean the proceeds of such Restricted Asset Sale after (a) provision for all income, title, recording or other taxes measured by or resulting from such Restricted Asset Sale, to the extent payable by Maker or any of its Affiliates, after taking into account all available deductions and credits, (b) payment of all reasonable brokerage commissions, reasonable investment banking and legal fees and other reasonable fees and expenses, to the extent payable by Maker or any of its Affiliates, related to such Restricted Asset Sale (other than any such amounts payable to any Affiliate of Maker), and (c) deduction of an amount equal to the initial balance of the Reserved Amount, if any, in respect of such Restricted Asset Sale; provided that if the reserves underlying such Reserved Amount are reversed, any Excess Reserved Amount with respect to such Restricted Asset Sale shall be added to the Net Proceeds of such Restricted Asset Sale.

"NET PROCEEDS ALLOCABLE TO PAYEE" shall have the meaning specified in paragraph 6(c)(6).

"NET WORTH" shall mean, as to any Person at any time, the excess of the total assets over the total liabilities of such Person at such time, determined on a consolidated basis in accordance with GAAP.

"NEWCO" shall mean CDW Acquisition Corporation, a Delaware corporation and a Wholly Owned Subsidiary of Buyer.

"NOTES" shall mean the Guaranteed First Mortgage Notes due February 28, 2001, issued by Maker on the Closing Date in an Original Face Amount of $77,925,440.14, and all securities issued upon transfer or exchange thereof. This Note is one of the Notes.

"ORIGINAL FACE AMOUNT" of any Note is the amount stated as the Original Face Amount on the face of such Note.

"PAYEE" shall have the meaning specified in paragraph 1.

"PERMITTED JUNIOR SECURITIES" shall have the meaning specified in paragraph 6(b)(2).

"PERMITTED LIABILITY", in respect of any Restricted Asset Sale, shall mean any liability of Maker to the extent (i) arising out of or associated with the assets included in such Restricted Asset Sale and (ii) retained by Maker or Newco after such Restricted Asset Sale, including, without limitation, any liability relating to environmental matters and any liability for indemnification obligations arising out of such Restricted Asset Sale, but excluding any liability to the extent arising out of any breach by Maker of its obligations under the Notes and the Mortgage Documents.

"PERMITTED NEWCO DEBT" shall mean (i) any Debt created, incurred or assumed by Newco or the Canadian Buyer pursuant to the Barclays Senior Credit Agreement or the Canadian Senior Credit Agreement, as the case may be, and any extension, refunding, renewal or refinancing thereof (including any refinancing in part) and (ii) Permitted Newco Subordinated Debt, provided that the combined principal amount of the Debt described in the preceding clauses (i) and (ii) shall not exceed (a) $270,000,000 (exclusive of any interest thereon deemed added to principal) (any

outstanding Debt denominated in Canadian Dollars to be converted to United States Dollars at the Current Exchange Rate in effect on the date of incurrence of such Debt) plus (b) the amount, if any, by which the aggregate principal amount of outstanding Permitted Newco Subordinated Debt exceeds $75,000,000.

"PERMITTED NEWCO SUBORDINATED DEBT" shall mean unsecured subordinated Debt created, incurred or assumed by Newco in an aggregate principal amount not exceeding $100,000,000 (and any extension, refunding, renewal or refinancing thereof, including, without limitation, any unsecured subordinated Debt of Newco issued in exchange for a portion or all of such Permitted Newco Subordinated Debt); provided that no such subordinated Debt need be subordinated to Newco's Guaranty of the Notes; and provided, further, that any principal amount of such Debt in excess of $75,000,000 shall not be "PERMITTED NEWCO SUBORDINATED DEBT" unless originally incurred not later than the earlier of (i) the first anniversary of the date on which Seller first causes to be delivered to Buyer for inclusion in an offering document and prospectus the balance sheet of the Business (as defined in the Acquisition Agreement) as of December 31, 1991, December 31, 1992, December 31, 1993 and the Closing Date and the statement of income and cash flow of the Business for each year ended each such December 31 and the interim period ended the Closing Date, reported on (in each case) without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Price Waterhouse, and (ii) the later of (A) the first anniversary of the date on which Seller first causes to be delivered to Buyer for inclusion in an offering document and prospectus the balance sheet of the Business as of December 31, 1992, December 31, 1993 and the Closing Date and the statement of income and cash flow of the Business for each year ended each such December 31 and the interim period ended the Closing Date, reported on (in each case) without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Price Waterhouse, and (B) May 31, 1996.

"PERMITTED NON-CASH CONSIDERATION" shall mean, in respect of any Restricted Asset Sale, any consideration for such Restricted Asset Sale received in the form of notes issued by the purchaser (or an Affiliate thereof) in such Restricted Asset Sale, provided that such notes (a) are secured by a perfected, first priority mortgage lien on the Mortgaged Property or Mortgaged Properties sold in such Restricted Asset Sale, (b) are freely transferable (subject only to compliance with applicable securities laws), (c) have a scheduled maturity date no later than the later of (i) Stated Maturity or (ii) the five-year anniversary of the date on which such notes are issued and (d) bear cash interest (i) payable not less often than semiannually and (ii) at a rate not less than the Treasury Yield (determined as of the date on which such notes are issued) plus 250 basis points. The "Treasury Yield" shall be equal to the yield to maturity implied by (i) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the date of determination, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Weighted Average Life to Maturity of such Permitted Non-Cash Consideration as of such date of determination or (ii) if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, the yields reported, as of 10:00 a.m. (New York City time) on the Business Day next preceding the date of determination, on the display designated as "Page 500" on the Telerate Service for actively traded U.S. Treasury securities having a maturity equal to the Weighted Average Life to Maturity of such Permitted Non-Cash Consideration. Such implied yield shall be determined, if necessary, by (1) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (2) interpolating linearly between reported yields. The Treasury Yield shall be computed to the fifth decimal place (one thousandth of a percentage point) and

then rounded to the fourth decimal place (one hundredth of a percentage point).

"PERSON" shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"PREFERRED STOCK" shall mean, as applied to any corporation, shares of capital stock of such corporation which shall be entitled to preference or priority over any other shares of capital stock of such corporation in respect of the payment of dividends or the distribution of assets upon liquidation.

"PREPAYMENT DATE" shall have the meaning specified in paragraph 7(c).

"REALCO" shall mean CDW Realco, Inc., a Delaware corporation and a Wholly Owned Subsidiary of Buyer.

"REGISTER" shall have the meaning specified in paragraph 9(a).

"REQUIRED MORTGAGE LENDERS" shall mean the holders of at least a majority of the sum of (a) the aggregate Accreted Value of the Notes at the time outstanding and (b) the aggregate principal amount (after giving effect to all interest accrued prior to the date of determination) of the Canadian Notes at the time outstanding. For the purpose of this definition, Canadian Dollar amounts shall be converted to United States Dollar amounts at the Closing Date Exchange Rate.

"RESERVED AMOUNT" shall mean, in respect of any Restricted Asset Sale, an amount equal to the initial balance of any Liability Reserve (as defined in the Cash Collateral Agreement) established by Maker, in accordance with GAAP at the time of such Restricted Asset Sale in connection with any Permitted Liabilities in respect of such

Restricted Asset Sale, as adjusted from time to time pursuant to Section 5.03 of the Cash Collateral Agreement.

"RESPONSIBLE OFFICER" of any Person shall mean any of the following officers of such Person: (a) the chief executive officer or the president of such Person and, with respect to financial matters, the chief financial officer, the treasurer or the controller of such Person, (b) any vice president of such Person or, with respect to financial matters, any assistant treasurer or assistant controller of such Person, who has been designated in writing to Mortgagee as a Responsible Officer by such chief executive officer or president of such Person or, with respect to financial matters, the chief financial officer, the treasurer or the controller of such Person and (c) with respect to paragraphs 6(a)(5) and 17 and without limiting the foregoing, the general counsel of such Person.

"RESTRICTED ASSET SALE" shall mean the sale or disposition of any Mortgaged Property or of assets sold in a Mixed Asset Sale, as the case may be, other than in respect of a casualty to or condemnation of any Mortgaged Property.

"RESTRICTED PAYMENT" shall mean (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of Newco or its Subsidiaries now or hereafter outstanding, except a dividend payable solely in shares of common stock of Buyer or Newco, (b) any redemption, retirement, purchase or other acquisition, direct or indirect, of any shares of any class of stock of Newco or its Subsidiaries, now or hereafter outstanding, or of any warrants, rights or options to acquire any such shares, except to the extent that the consideration therefor consists of shares of common stock of Buyer or Newco, and (c) any payment, direct or indirect, of or on account of any principal of Subordinated Debt or any redemption, retirement, purchase or other acquisition of Subordinated Debt (except mandatory payments at the scheduled maturity of Subordinated Debt and mandatory scheduled prepayments and fixed sinking fund payments of Subordinated Debt).

"SELLER" shall mean Westinghouse Electric Corporation, a Pennsylvania corporation.

"SEMI-ANNUAL ACCRUAL AMOUNT" of any Note with respect to any Semi-Annual Accrual Date shall mean the portion of the Discount (at the immediately preceding Semi-Annual Accrual Date or, in the case of the first Semi-Annual Accrual Date following the Closing Date, at the Closing Date) of such Note equal to the product of (A) the Accrual Rate, multiplied by (B) (1) in the case of the Semi-Annual Accrual Amount with respect to the first Semi-Annual Accrual Date following the date of issuance of such Note, the Initial Amount of such Note, or (2) in the case of each Semi-Annual Accrual Amount with respect to each Semi-Annual Accrual Date thereafter, the Accreted Value of such Note as of the immediately preceding Semi-Annual Accrual Date after giving effect to any partial prepayment of such Note made on such preceding Semi-Annual Accrual Date, multiplied by (C) a fraction (X) the numerator of which is (1) in the case of the first Semi-Annual Accrual Date following the Closing Date, the number of days (using a 30-day month, 360-day year convention) elapsed during the period from and including the Closing Date to but excluding such first Semi-Annual Accrual Date, or (2) in the case of each Semi-Annual Accrual Amount with respect to each Semi-Annual Accrual Date thereafter, 180, and (Y) the denominator of which is 360.

"SEMI-ANNUAL ACCRUAL DATE" shall mean each February 28 (or, in any year that is a leap year, February 29) and August 31 from and including August 31, 1994, to and including Maturity.

"SHORTFALL AMOUNT" shall have the meaning specified in paragraph 6(c)(6).

"SIGNIFICANT HOLDER" shall mean (a) Seller, so long as Seller shall hold any Note and (b) any other holder of at least 10% of the aggregate Face Amount of the Notes from time to time outstanding whether acting for itself or in a trust, agency or other fiduciary capacity.

"SIGNIFICANT SUBSIDIARY" shall mean any Subsidiary of Buyer (other than Newco, Realco and the Canadian Buyer) that owns, directly or indirectly, any shares of any class of stock issued by any of Newco, Realco or the Canadian Buyer or has given any Guaranty of the Notes or the Canadian Notes.

"SPECIFIED PREPAYMENT" shall mean any prepayment in part of the Notes or the Canadian Notes to the extent not made (i) out of the proceeds of the sale or disposition of any Mortgaged Property, (ii) out of the proceeds from the enforcement of any Mortgage Document or Canadian Mortgage Document, (iii) out of amounts released from the Lien of any Mortgage Document (other than any Excess Reserved Amounts, to the extent that such Excess Reserved Amounts do not constitute Net Proceeds Allocable to Payee) or (iv) otherwise pursuant to any Mortgage Document.

"SPECIFIED PUBLIC OFFERING" shall mean the consummation of a bona fide public offering of common stock of Buyer (the "Common Stock") pursuant to a registration statement filed under the Securities Act of 1933, as amended, which offering is underwritten by a syndicate of underwriters led by one or more underwriters at least one of which is an underwriter of recognized national standing and which (whether alone or together with any other prior registered offerings) results in (a) an aggregate percentage of the outstanding Common Stock (on a fully diluted basis) being held by the public that is greater than the percentage of the outstanding Common Stock (on a fully diluted basis) held by Seller upon, and after giving effect to, the consummation of such offering, and (b) Buyer being subject to the reporting requirements of Section 13 of the Securities Exchange Act of 1934, as amended, other than by reason solely of Section 15(d) of the Securities Exchange Act of 1934, as amended.

"STATED MATURITY" shall mean February 28, 2001.

"STUB AMOUNT" shall mean, for purposes of calculating the Accreted Value of any Note as of any date of determination that does not coincide with a Semi-Annual Accrual Date, the portion of the Discount (at the immediately preceding Semi-Annual Accrual Date or, in the case of the first Semi-Annual Accrual Date following the Closing Date, at the Closing Date) equal to the product of (A) the Accrual Rate, multiplied by (B) (1) in the case of the Stub Amount with respect to any date of determination prior to the first Semi-Annual Accrual Date following the date of issuance of such Note, the Initial Amount of such Note, or (2) in the case of any date of determination after such first Semi-Annual Accrual Date, the Accreted Value of such Note as of the Semi-Annual Accrual Date immediately preceding such date of determination after giving effect to any partial prepayment of such Note made on such preceding Semi-Annual Accrual Date, multiplied by (C) a fraction (X) the numerator of which is the number of days (using a 30-day month, 360-day year convention) elapsed during the period (1) in the case of the Stub Amount with respect to any date of determination prior to the first Semi-Annual Accrual Date following the Closing Date, from and including the Closing Date to but excluding such date of determination, or (2) in the case of any Stub Amount with respect to any date of determination after such first Semi-Annual Accrual Date, from and including the Semi-Annual Accrual Date immediately preceding such date of determination to but excluding such date of determination, and (Y) the denominator of which is 360.

"SUBORDINATED DEBT" shall mean any Debt of Newco which is subordinated in right of payment to Newco's Guaranty of this Note endorsed hereon.

"SUBSIDIARY" of any Person shall mean a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other man-

agers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"UNITED STATES DOLLARS" and "$" shall mean dollars in the lawful currency of the United States of America.

"VOTING STOCK" shall mean, with respect to any corporation or other entity, any shares of stock or other ownership interests of such corporation or entity whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation or to manage any such other entity (irrespective of whether at the time stock or ownership interests of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"WEIGHTED AVERAGE LIFE TO MATURITY" as applied to any Debt at any date, the number of years obtained by dividing (a) the then outstanding principal amount of such Debt into (b) the total of the products obtained by multiplying (i) the amount of each then remaining sinking fund or other required payments, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the date on which such required payment is to be made.

"WHOLLY OWNED" as applied to any Subsidiary of a Person, shall mean a Subsidiary of such Person all the outstanding shares (other than shares, if any, required to qualify directors under applicable law) of every class of stock of which is at the time owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

3. RATE OF ACCRUAL

On each Semi-Annual Accrual Date, a portion of the Discount (at the date of issuance) of this Note equal to the Semi-Annual Accrual Amount of this Note on such Semi-Annual Accrual Date shall accrue and be added to the Accreted Value hereof, and any partial prepayment of this Note made on such Semi-Annual Accrual Date shall be subtracted from the Accreted Value hereof. If it shall be necessary to determine the Accreted Value of this Note as of a date that does not coincide with a Semi-Annual Accrual Date, an additional portion of the Discount (at the date of issuance) of this Note equal to the Stub Amount shall accrue and be added to the Accreted Value hereof for the purpose of such determination.

4. PAYMENTS

(a) Maker will pay all sums becoming due on this Note by the method and at the address specified for such purpose in paragraph 4(c) without the presentation or surrender of this Note or, subject to the next sentence, the making of any notation hereon, except that any Note paid or prepaid in full shall be surrendered to Maker as a condition to such payment or prepayment and shall be cancelled and shall not be reissued. Upon any partial prepayment of this Note, Payee shall endorse hereon the amount and date of such partial prepayment, provided that Payee's failure to do so shall not affect Maker's
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obligations under this Note.

(b) If any amount of Accreted Value of this Note shall not be paid upon any Maturity, Discount on such amount shall cease to accrue, and such amount shall bear interest (to the extent permitted by applicable law), payable on demand, from such Maturity to the date such amount of Accreted Value is paid in full, at a rate equal to 9% per annum, compounded semi-annually and calculated on the basis of a 30-day month, 360-day year convention.

(c) All cash payments due hereunder shall be made by wire transfer of immediately available funds prior to noon, New York City time, on the due date for payment thereof to such bank account as shall be designated by Payee to Maker in writing at least five Business Days prior to the due date for such payment. For so long as Seller is Payee, such account shall be the account of Westinghouse Electric Corporation, Mellon Bank, Pittsburgh, Pennsylvania, Account no. 000-6082, ABA no. 043-000-261, unless a different account shall be designated by Payee. Any cash payment due hereunder on a day that is not a Business Day shall be made on the first Business Day following the due date for such payment.

(d) As hereinafter provided, Maker shall have the right to prepay this Note in full at any time or in part on any Semi-Annual Accrual Date without, in either case, penalty.

5. EVENTS OF DEFAULT AND REMEDIES

Upon the occurrence of an Event of Default (as hereinafter defined), the entire Accreted Value of this Note shall, automatically, in the case of any Event of Default with respect to Buyer, Newco, Realco or the Canadian Buyer described in subdivision (e) or (f) of this paragraph 5 (other than such an Event of Default described in clause (i) of subdivision (e) or described in clause (vi) of subdivision (e) by virtue of reference in such clause (vi) to such clause (i)), or by written notice of the Required Mortgage Lenders delivered to Maker, in the case of any other Event of Default, become immediately due and payable.

The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) Maker shall fail to pay any amount of Accreted Value of any Note when the same becomes due and payable, or the Canadian Buyer shall fail to pay

any principal amount on any Canadian Note when the same becomes due and payable; or

(b) any of Maker, Newco or the Canadian Buyer, respectively, shall fail to perform or observe any term, covenant or agreement to be performed or observed by it that is contained in any Note, any Canadian Note, any Mortgage Document or any Canadian Mortgage Document (other than any failure referred to in subdivision (a) above), and any such failure shall remain unremedied for forty-five (45) days after written notice thereof shall have been given to Maker by Mortgagee or to the Canadian Buyer by the "Mortgagee" (as defined in the Canadian Notes), as applicable; or

(c) Maker or any of its Affiliates shall default (as principal or guarantor or surety) in the payment of any principal payable at final maturity under any Permitted Newco Debt or in the payment of principal payable under any Permitted Newco Debt in a principal amount of greater than $35,000,000, and in each case such default shall continue unremedied for a period of more than 90 days and shall not have been waived pursuant to the applicable Permitted Newco Debt; or

(d) any amounts outstanding in respect of any Debt described in clause (i) of the definition of "Permitted Newco Debt" (whether or not such Debt also constitutes Permitted Newco Subordinated Debt) shall be declared, or shall have automatically become, immediately due and payable or all commitments with respect to revolving debt under any such Debt shall be terminated, in either case as a result of an "Event of Default" or an event of default under such Debt; or

(e) any of Buyer, Newco, Realco, the Canadian Buyer or any Significant Subsidiary shall (i) be generally not paying its debts as they become due, (ii) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorga-

nization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (iii) make an assignment for the benefit of its creditors, (iv) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) be adjudicated insolvent or (vi) take corporate action for the purpose of any of the foregoing; or

(f) a court or governmental authority of competent jurisdiction shall enter an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to any of Buyer, Newco, Realco, the Canadian Buyer or any Significant Subsidiary or with respect to any substantial part of its property (other than any such order consented to by Buyer, Newco, Realco, the Canadian Buyer or such Significant Subsidiary, as applicable), or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any of Buyer, Newco, Realco, the Canadian Buyer or any Significant Subsidiary or any petition for any such relief shall be filed against any of Buyer, Newco, Realco, the Canadian Buyer or any Significant Subsidiary and such petition shall not be dismissed within sixty (60) days.

Presentment, demand, protest and notice of dishonor are hereby waived by Maker.

6. COVENANTS

(a) Affirmative Covenants of Newco -- Newco covenants and agrees that, so long as this Note shall remain

unpaid, Newco will perform and observe each and all of the covenants set forth below:

(1) Delivery of Information -- Newco covenants that it will deliver
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to each Significant Holder and to Mortgagee:

(i) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the fourth quarterly period) in each fiscal year of Newco, beginning with the second fiscal quarter of 1994 and thereafter, a copy of the unaudited consolidated and consolidating balance sheet of Newco and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated and consolidating statements of operations, changes in common stockholders' equity and cash flows of Newco and its consolidated Subsidiaries for such quarter, in each case setting forth in comparative form, for the second fiscal quarter of 1995 and thereafter, figures for the corresponding period in the preceding fiscal year, certified by a Responsible Officer of Newco as being fairly stated in all material respects in conformity with GAAP and as being prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such officer and disclosed therein, and subject to normal year-end audit and other adjustments and except for the absence of notes);

(ii) as soon as practicable and in any event within 90 days after the end of each fiscal year of Newco, a copy of the consolidated and consolidating balance sheet of Newco and its consolidated Subsidiaries as at the end of such year and the related consolidated and consolidating statements of operations, changes in common stockholders' equity and cash flows of

Newco and its consolidated Subsidiaries for such year, in each case setting forth in comparative form, for the 1996 fiscal year and thereafter, corresponding figures from the preceding fiscal year, with such consolidated financial statements reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent public accountants of recognized national standing selected by Newco and with such consolidating financial statements certified by a Responsible Officer of Newco as being fairly stated in all material respects in conformity with GAAP and as being prepared in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein);

(iii) with reasonable promptness and in any event within five Business Days of the date thereof, all notices of default and periodic compliance certificates delivered pursuant to any Permitted Newco Debt, provided, however, that Newco shall not be required
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pursuant to this clause (iii) to deliver to any Significant Holder the certificate delivered to the Banks under the Barclays Senior Credit Agreement or to the financial institutions party to the Canadian Senior Credit Agreement (or any extension, refunding, renewal or refinancing thereof) analyzing the Borrowing Base;

(iv) as soon as practicable and in any event within 45 days of the execution thereof by all necessary parties, copies of any amendment, supplement, waiver or modification to the Permitted Newco Debt; and

(v) with reasonable promptness, such other information and financial data as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, Newco will deliver to each Significant Holder and to Mortgagee a report certified by a Responsible Officer of Newco (A) demonstrating (with computations in reasonable detail, to the extent relevant) compliance by Newco with the provisions of paragraph 6(b), (B) containing a statement of the aggregate Shortfall Amount, if any, as of the last day of such fiscal period and any adjustments to such aggregate Shortfall Amount required by clause (a)(C) of paragraph 6(c)(6) and (C) stating that there exists no continuing Default, or, if any continuing Default exists, specifying the nature and period of existence thereof and, if determined, stating what action Newco proposes to take or is taking with respect thereto (except any proposed action which may be reasonably subject to the attorney-client privilege between Newco and its attorneys to the extent such proposed actions relate to litigation or threatened litigation). In addition, with respect to any Restricted Asset Sale in respect of which any Net Proceeds Allocable to Payee or Reserved Amounts were held by Mortgagee pursuant to the Cash Collateral Agreement during the period covered by the financial statements accompanying such report certified by such Responsible Officer, such report shall set forth with respect to each such Restricted Asset Sale (a) the date of such Restricted Asset Sale, (b) if such Restricted Asset Sale occurred during such fiscal period, the terms of such Restricted Asset Sale in sufficient detail to demonstrate compliance by Maker with the provisions of paragraph 6(c)(6), (c) the aggregate amount of Net Proceeds Allocable

to Payee applied to purchase a Mortgaged Property or Mortgaged Properties during such fiscal period, if any, (e) the aggregate amount of such Net Proceeds Allocable to Payee applied to any partial prepayment of the Notes during such fiscal period, if any, (f) the remaining balance of any Reserved Amount in respect of such Restricted Asset Sale as of the end of such fiscal period, if any, (g) the aggregate amount of the initial balance of such Reserved Amount applied to the payment of the Permitted Liabilities associated with such Reserved Amount during such fiscal period, if any, and (h) the aggregate amount of such Reserved Amount constituting an Excess Reserved Amount during such fiscal period, if any, and the application of such Excess Reserved Amount.

(2) Corporate Existence, etc. -- Newco covenants that it will (i) at all times preserve and keep in full force and effect the corporate existence of each of Newco, Realco and the Canadian Buyer, (ii) at all times preserve and keep in full force and effect any rights and franchises of it and its Subsidiaries with respect to which the failure to do so would have a material adverse effect on the business, operations, results of operations, condition (financial or otherwise), assets or liabilities of Buyer and its Subsidiaries, taken as a whole, and (iii) qualify Newco, Realco and the Canadian Buyer to do business in any jurisdiction where the failure to do so would have a material adverse effect on the business, operations, results of operations, condition (financial or otherwise), assets or liabilities of Buyer and its Subsidiaries, taken as a whole.

(3) Statement of Accreted Value and Face Amount -- Together with each delivery of financial statements required by subparagraph (1) above, Newco will provide to Payee a statement of the aggregate Accreted Value and the aggregate Face Amount of all Notes then

outstanding and the Accreted Value and the Face Amount of this Note.

(4) Conduct of Business -- Newco will continue to conduct directly (and not through any of its Subsidiaries) the lines of business conducted by Newco immediately after the Closing Date (including the direct ownership of the assets used to conduct such business), provided that Newco shall not be required to continue to conduct such business (or to own such assets) itself if any Subsidiary that conducts any portion of such business (or owns any such assets) executes a Guaranty of the Notes substantially in the form of the Guaranty endorsed hereon, and provided further that nothing in this paragraph 6(a)(4) shall prohibit Newco from engaging in new lines of business (whether acquired from third parties or developed by Newco or any of its Subsidiaries), whether directly or through a Subsidiary of Newco.

(5) Events of Default. Within five Business Days of a Responsible Officer of Newco becoming aware of any Event of Default, Newco will deliver to Payee a notice describing such Event of Default, its status and what action Newco is taking or proposes to take with respect thereto.

(b) Negative Covenants of Newco -- So long as this Note shall remain unpaid, Newco covenants and agrees that it will not, except with the prior written consent of the Required Mortgage Lenders:

(1) Limitation on Debt -- Create, incur, assume or suffer to exist any Debt, or permit any of its Subsidiaries to create, incur, assume or suffer to exist any Debt, except that:

(a) Newco or any Subsidiary of Newco may become and remain liable with respect to the Debt evidenced by the Notes, the Canadian Notes or any

accrued rentals, and/or securities issuable by Newco to Realco evidencing such accrued rentals, pursuant to the Lease;

(b) Newco or any Subsidiary of Newco may become and remain liable with respect to Permitted Newco Debt;

(c) Newco or any Subsidiary of Newco may become and remain liable with respect to Debt in addition to that otherwise permitted by this paragraph 6(b)(1) that consists of:

(A) Debt of Newco or any Subsidiary of Newco incurred to finance the acquisition of fixed or capital assets in an aggregate principal amount not exceeding in the aggregate as to Newco and its Subsidiaries $15,000,000 at any one time outstanding;

(B) Debt of Newco or any Subsidiary of Newco incurred to finance the purchase price of any acquisition (other than an acquisition of fixed or capital assets), provided that (i) all such Debt does not in the aggregate exceed $15,000,000 at any one time outstanding and (ii) immediately after giving effect to such acquisition no Default or Event of Default shall have occurred and be continuing;

(C) obligations of Newco or any Subsidiary of Newco under any interest rate or currency hedging agreements relating to Debt otherwise permitted by the Notes, provided that the purpose for which each such hedging agreement is entered into (as determined by Newco or such

Subsidiary in good faith) is reasonable in the relation to the conduct of the business of Newco and its Subsidiaries; and

(D) to the extent that any Guaranty by Newco or any Subsidiary of Newco constitutes Debt, such Debt;

(d) Newco or any Subsidiary of Newco may become and remain liable with respect to Debt in addition to that otherwise permitted by this paragraph 6(b)(1) in an aggregate principal amount (taking into account all outstanding Debt with respect to which Newco or any of its Subsidiaries remains liable in reliance on this clause (d)) not to exceed $25,000,000; and

(e) Newco or any Subsidiary of Newco may become and remain liable with respect to Debt in addition to that otherwise permitted by this paragraph 6(b)(1), provided that, on the date Newco or such Subsidiary becomes liable with respect to any such additional Debt and immediately after giving effect thereto and the concurrent incurrence or retirement of any other Debt, the Consolidated Fixed Charge Coverage Ratio for the most recent period of four consecutive fiscal quarters ended prior to such date for which consolidated financial statements are available (determined giving pro forma effect to such transactions as though (x) all such Debt so incurred, as well as any other Debt incurred in reliance upon this clause (e) since the beginning of such four quarter period, had been incurred at the beginning of such four quarter period, (y) any such Debt so retired had been retired at the beginning of such four-quarter period, and (z) any acquisitions and divestitures consummated during such four-quarter period had been consummated at

the beginning of such period) shall not be less than (i) 1.25 to 1.0, in the event such additional Debt is created, incurred or assumed on or prior to the fourth anniversary of the Closing Date, and (ii) 1.75 to 1.0, in the event that such additional Debt is created, incurred or assumed thereafter.

For purposes of clauses (c) and (d) of this paragraph 6(b)(1), the United States Dollar equivalent of any outstanding Debt denominated in Canadian Dollars shall be determined on the basis of the Current Exchange Rate in effect on the date of incurrence thereof.

(2) Restricted Payments -- Make any Restricted Payment, or permit any of its Subsidiaries to make any Restricted Payment (other than any Restricted Payments described in the following proviso), unless, immediately before and after giving effect to any such proposed action:

(a) no condition or event shall exist which constitutes an Event of Default; and

(b) Newco could incur at least $1 of additional Debt pursuant to clause (e) of paragraph 6(b)(1); and

(c) the aggregate amount of all sums included in all Restricted Payments declared, ordered, paid, made or set apart by Newco or any Subsidiary of Newco (other than any Restricted Payments made to Newco or any of its Subsidiaries) during the period after the Closing Date to and including the date of such proposed action shall not exceed the sum of:

(A) 60% (but, in the case of a deficit, 100%) of Consolidated Net Income for

such period (treated as a single accounting period); plus

(B) the aggregate amount of (i) net cash proceeds received by Newco during such period from the sales of its equity securities which are not required to be redeemed, repurchased or otherwise retired, and are not redeemable or subject to any repurchase or retirement requirement at the option of the holder thereof prior to Stated Maturity and (ii) all other capital contributions made to Newco; plus

(C) $15,000,000;

provided that, without regard to the foregoing restrictions, Newco shall be permitted to make Restricted Payments as follows:

(A) Newco may pay cash dividends to Buyer in an amount sufficient to allow Buyer to pay expenses incurred in the ordinary course of business;

(B) Newco may pay cash dividends to Buyer in an amount sufficient to cover reasonable and necessary expenses (including professional fees and expenses) incurred by Buyer in connection with (i) registration, public offerings and exchange listing of equity or debt securities of Buyer and maintenance of the same, (ii) compliance with reporting obligations under federal or state laws or under the Notes or any Debt permitted by the Notes and (iii) indemnification and reimbursement of directors, officers and employees of Buyer in respect of

liabilities relating to their serving in any such capacity;

(C) Newco may pay cash dividends to Buyer in amounts sufficient to pay tax liabilities of Buyer which are paid in cash by Buyer to any taxing authority;

(D) Newco may pay cash dividends to Buyer in an amount sufficient to allow Buyer to repurchase, and any Subsidiary of Newco (other than Realco, the Canadian Buyer or any of the Canadian Buyer's Subsidiaries) may repurchase, shares of its common stock or options in respect thereof transferred pursuant to certain stock subscription or stock option agreements which may be entered into between Buyer, Newco or such Subsidiary and the purchasers of such stock or options; provided that the aggregate amount of all such cash dividends paid to Buyer and all amounts paid in respect of such repurchases by such Subsidiaries shall not exceed at any time the sum of (i) (A) $5,000,000 in the aggregate prior to December 31, 1996, and (B) $7,000,000 in the aggregate thereafter, plus (ii) in each case (but only after receipt by Buyer of not less than $5,000,000 pursuant to a capital contribution or from the proceeds of the sale or issuance of its equity securities and contribution by Buyer of such amount in cash to Newco) the amount of all cash capital contributions (other than those referred to in the immediately preceding parenthetical) made by Buyer to Newco from the proceeds of, and all amounts received by any

Subsidiary of Newco in respect of, sales of its common stock (or options, warrants or other rights to purchase its common stock) pursuant to certain stock subscription or stock option agreements which may be entered into between Buyer, Newco or such Subsidiary and the purchasers of such stock or options;

(E) Newco may pay cash dividends to Buyer in an amount sufficient to allow Buyer to pay all fees and expenses incurred by it in connection with the Acquisition Agreement or the transactions contemplated thereby or related thereto, provided that the aggregate amount of all such cash
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dividends, when aggregated with all amounts paid by Newco or any of its Subsidiaries pursuant to clause (b)(iii) of the proviso to subparagraph 6(b)(3), shall not exceed $30,000,000;

(F) any Subsidiary of Newco may make Restricted Payments to Newco or any other Subsidiary of Newco; and

(G) Newco may pay a dividend or make a distribution to or on behalf of Buyer in an amount not to exceed the Newco Cash Amount (as such term is defined in the Acquisition Agreement), provided that such dividend or distribution is
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paid or made no earlier than the date on which the Newco Cash Amount is due and payable pursuant to the Acquisition Agreement;

and provided further that Newco may redeem Subordinated Debt with the
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proceeds from the issuance of new Subordinated Debt on subordination terms reasonably satisfactory to the Majority

Holders ("PERMITTED JUNIOR SECURITIES") so long as such Permitted Junior Securities have a Weighted Average Life to Maturity greater than the Weighted Average Life to Maturity of the Notes at the time of the issuance of such Permitted Junior Securities.

(3) Transactions with Affiliates -- Directly or indirectly engage in any transaction with any Affiliate, or permit any of its Subsidiaries to do so, except on terms that are not less favorable to Newco or such Subsidiary, as the case may be, than those which would be obtained in an arm's length transaction at the time from Persons which are not Affiliates and, in the case of any such transaction having a value or involving an amount in excess of $1,000,000, unless such transaction has been approved by a majority vote of disinterested directors on the Newco Board of Directors, provided that the foregoing restrictions shall not apply to (a) any transaction between Newco and any of its Majority Owned Subsidiaries or between one such Majority Owned Subsidiary and another such Majority Owned Subsidiary or (b) any of the following:

(i) any consulting, management or employment agreement or other compensation arrangement between Newco or any of its Subsidiaries and a director, officer or employee of Newco, Buyer or any of their respective Subsidiaries that provides for annual aggregate base compensation not in excess of $1,000,000 per annum for any such director, officer or employee;

(ii) an agreement between Newco or any of its Subsidiaries and CD&R for the rendering of management consulting or financial advisory services to Newco or any of its Subsidiaries for compensation not to exceed in the

aggregate $500,000 per year plus reasonable out-of-pocket expenses;

(iii) the payment of transaction expenses in connection with the Acquisition Agreement and the transactions contemplated thereby and related thereto, provided that such transaction expenses, including all Restricted Payments paid to Buyer to enable it to pay such transaction expenses, do not exceed $30,000,000 in the aggregate;

(iv) an indemnification and contribution agreement by Newco or any of its Subsidiaries in favor of CD&R, C&D Fund IV, the Affiliates thereof and each person who becomes a director, officer, agent or employee of Buyer, Newco or any of their respective Subsidiaries, in respect of liabilities (A) arising under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and any other applicable securities laws or otherwise, in connection with any offering of securities by Buyer, Newco or any of their respective Subsidiaries, (B) incurred to third parties for any action or failure to act of Buyer, Newco or any of their respective Subsidiaries, predecessors or successors, (C) arising out of the performance by CD&R of management consulting or financial advisory services provided to Buyer, Newco or any of their respective Subsidiaries, (D) arising out of the fact that any indemnitee was or is a director, officer, agent or employee of Buyer, Newco or any of their respective Subsidiaries, or is or was serving at the request of any such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or enterprise or (E) to

the fullest extent permitted by Delaware or other applicable state law, arising out of any breach or alleged breach by such indemnitee of his or her fiduciary duty as a director or officer of Buyer, Newco or any of their respective Subsidiaries;

(v) any agreements or commitments between Newco or any of its Subsidiaries and any Affiliate thereof existing on the Closing Date;

(vi) any Guaranty in connection with up to an aggregate principal amount of $8,000,000 of Debt outstanding at any one time incurred by directors, officers, employees, managers or consultants of or to Buyer, Newco or any of their respective Subsidiaries in connection with any stock subscription or stock purchase agreement for the issuance thereto of common stock of Buyer or any Subsidiary thereof (except for Newco, Realco, the Canadian Buyer or any Subsidiary of Canadian Buyer) or options, warrants or other rights in respect of such common stock, and any refinancings, refundings, extensions or renewals thereof;

(vii) Guaranties in respect of indemnification and contribution agreements in favor of CD&R, the C&D Fund, Affiliates thereof and each Person who becomes a director of Buyer, Newco or any of their Subsidiaries in respect of liabilities (i) arising
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under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and any other applicable securities laws or otherwise in connection with any offering of securities by Buyer, Newco or any of their Subsidiaries, (ii)
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incurred to third parties for any action or failure to act of Buyer, Newco or any of their Subsidiaries or successors, (iii)
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to

Persons which are not Affiliates, arising out of the performance by CD&R or management consulting or financial advisory services to Buyer, Newco or any of their Subsidiaries, (iv) arising out of the fact that any indemnitee was or is a director of Buyer, Newco or any of their Subsidiaries, or is or was serving at the request of any such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or (v) to the fullest extent permitted by Delaware law, arising out of any breach or alleged breach by such an indemnitee of his or her fiduciary duty as a director of Buyer, Newco or any of their Subsidiaries;

(viii) any loan or advance to officers, directors or employees of Newco or any of its Subsidiaries (A) in the ordinary course of business for travel and entertainment expenses, (B) existing on the Closing Date, (C) made after the Closing Date for relocation expenses, not to exceed (as to Newco and all of its Subsidiaries) $5,000,000 in the aggregate outstanding at any one time, and (D) relating to indemnification or reimbursement of any officers, directors or employees of Buyer or any of its Subsidiaries in respect of liabilities relating to their serving in any such capacity.

(4) Consolidation, Merger, Sale of Assets, etc. -- Consolidate with or merge with or into any Person, or convey, transfer or lease substantially all of its assets to any Person, or permit any of its Subsidiaries

to do any of the foregoing, unless the following conditions are satisfied:

(a) except in the case of a merger in which Newco or such Subsidiary is the surviving corporation, the entity formed by such consolidation or into which Newco or such Subsidiary is merged, or the Person that acquires by conveyance, transfer or lease substantially all of the assets of Newco or such Subsidiary, shall be a corporation organized and existing under the laws of the United States of America or any State thereof or the District of Columbia (or, if such Subsidiary was organized and existing under the laws of another country or any political subdivision thereof, shall be a corporation organized and existing under the laws of such other country or any political subdivision thereof), and shall execute and deliver to Payee an agreement, in form and substance satisfactory to the Required Mortgage Lenders, containing an assumption by such successor Person of the due and punctual performance and observance of each obligation, covenant and condition of Newco or such Subsidiary, as the case may be, under this Note (including the Guaranty endorsed hereon or other Guaranty hereof) and the Mortgage Documents and, in the case of Newco or Realco, under their respective Guaranties of the Canadian Notes;

(b) immediately before and after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and

(c) immediately after giving effect to such transaction (i) the Net Worth of Newco (or, in the case of a consolidation or merger involving Newco or the conveyance, transfer or lease of substantially all of Newco's assets to any Person, the Net Worth of the Person formed by such consolida-

tion or with or into which Newco is merged, or of the Person that acquired by conveyance, transfer or lease substantially all of the assets of Newco) shall not be less than 100% of the Net Worth of Newco prior to such consolidation, merger, conveyance, transfer or lease and (ii) Newco (or, in the case of a consolidation or merger involving -- Newco or the conveyance, transfer or lease of substantially all of Newco's assets to any Person, the Person referred to in the parenthetical in clause (i) above) could incur at least $1 of additional Debt in compliance with clause (e) of paragraph 6(b)(1).

(5) Lease -- Amend, modify or waive any provision of section 22 of the Lease.

(c) Covenants of Maker. Maker covenants and agrees that, so long as this Note shall remain unpaid, Maker will perform and observe each and all of the covenants set forth in clause (1) below and Maker will not, except with the prior written consent of the Required Mortgage Lenders, take any action prohibited by the covenants set forth in clauses (2), (3), (4), (5) and (6) below:

(1) Payment of Accreted Value. Maker will duly and punctually pay or cause to be paid the Accreted Value of the Notes in accordance with the terms of the Notes.

(2) Covenants of Newco. Maker will not take, suffer to be taken or omit to take any action the effect of which is or would be to cause Newco or any of its Subsidiaries to violate any of the covenants with respect thereto set forth herein.

(3) Incurrence of Debt. Maker will not incur any Debt, other than the Debt evidenced by the Notes and Maker's Guaranty of the Canadian Notes (regardless of

whether Maker would be permitted to incur Debt pursuant to paragraph 6(b)(1)).

(4) Business of Maker. Maker will not engage in any trade or business other than the owning of real property located in the United States and the leasing of such real property to Newco, Maker's Guaranty of the Canadian Notes and the transactions contemplated hereby and by the Mortgage Documents.

(5) Incurrence of Liabilities. Maker will not incur any material liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise, other than (i) under the Notes and Maker's Guaranty of the Canadian Notes, the Mortgage Documents and the Lease, (ii) liabilities, if any, arising out of Maker's acknowledgment and consent as issuer of the stock pledged by Newco under the Stock Pledge Agreement, dated as of the Closing Date, (iii) liabilities arising under contracts for the purchase or sale of Mortgaged Property and (iv) liabilities arising out of Maker's ownership or leasing to Newco of Mortgaged Property.

(6) Sale of Mortgaged Properties. Maker will not make or permit any Restricted Asset Sale unless the following conditions have been satisfied:

(a) such Restricted Asset Sale is to a Person who is not an Affiliate of Maker and (i) if such Restricted Asset Sale does not constitute a Mixed Asset Sale, an amount equal to at least 75% of the Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset Sale) is in the form of Cash Consideration and the balance of such Net Proceeds Allocable to Payee is in the form of Permitted Non-Cash Consideration; or (ii) if such Restricted Asset Sale constitutes a Mixed Asset Sale:

(A) if any amount of Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset Sale) is in a form other than Cash Consideration, such amount of Net Proceeds Allocable to Payee is in the form of Permitted Non-Cash Consideration in an amount not exceeding 25% of the Fair Market Value of the Mortgaged Property or Mortgaged Properties disposed of in such Restricted Asset Sale and the balance of such Net Proceeds Allocable to Payee is in the form of Cash Consideration;

(B) if such Restricted Asset Sale constitutes a Major Asset Sale, the amount of the Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset sale) is at least 75% of the Fair Market Value of the Mortgaged Property or Mortgaged Properties disposed of in such Restricted Asset Sale;

(C) after giving effect to such Restricted Asset Sale, the aggregate Shortfall Amount for all Mixed Asset Sales to the date of determination does not exceed $8,000,000 (reduced by the aggregate "Shortfall Amount" under paragraph 6(3) of the Canadian Notes to the date of determination, such "Shortfall Amount" to be converted into United States Dollars at the Closing Date Exchange Rate, and increased by the aggregate amount of any Specified Prepayments made on or prior to the date of determination);

(D) not less than 30 days prior to the closing date of such Restricted Asset Sale (45 days if such Restricted Asset Sale would constitute a Major Asset Sale), Maker delivers

to Payee written notice of such Restricted Asset Sale; and

(E) not less than five Business Days prior to the closing date of such Restricted Asset Sale (30 days if such Restricted Asset Sale would constitute a Major Asset Sale), Maker delivers to Payee any written appraisal required by clause (b) of the first sentence of the definition of "Fair Market Value" in paragraph 2; and

(b) (i) all Cash Consideration constituting Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset Sale) in respect of such Restricted Asset Sale is immediately paid over by Maker to Mortgagee and held and applied pursuant to the Cash Collateral Agreement, (ii) any Permitted Non-Cash Consideration (and related security documentation) constituting Net Proceeds Allocable to Payee in respect of such Restricted Asset Sale is immediately delivered by Maker to Mortgagee and held and applied pursuant to the Cash Collateral Agreement and (iii) the initial balance of the Reserved Amount, if any, in respect of such Restricted Asset Sale (A) in the case of any Mixed Asset Sale in respect of which the Shortfall Amount is equal to zero, is immediately paid over by Maker to Newco and (B) in the case of any other Restricted Asset Sale, is immediately paid over by Maker to Mortgagee and held and applied pursuant to the Cash Collateral Agreement.

For purposes of the foregoing, (x) "NET PROCEEDS ALLOCABLE TO PAYEE" shall mean (1) in respect of a Restricted Asset Sale which does not constitute a Mixed Asset Sale, all the Net Proceeds of such Restricted Asset Sale or (2) in respect of a Restricted Asset Sale that constitutes a Mixed Asset Sale, the Net Proceeds of such

Restricted Asset Sale (including any Excess Reserved Amount in respect of such Restricted Asset Sale) remaining (not to exceed 100% of the Fair Market Value of the Mortgaged Property or Mortgaged Properties disposed of in such Restricted Asset Sale, it being understood that any amounts of Net Proceeds of such Restricted Asset Sale (including any Excess Reserved Amount in respect of such Restricted Asset Sale) in excess of such Fair Market Value shall be available for the account of Maker or, if held or received by Mortgagee in the form of cash or cash equivalents under the Cash Collateral Agreement, released to Maker within two Business Days of receipt) after a portion of the Cash Consideration is retained by or on behalf of Newco or is applied to reduce the outstanding Advances (such portion to be limited to the excess, if any, of the maximum Advances permitted by the Borrowing Base immediately prior to such Mixed Asset Sale over the maximum Advances permitted by the Borrowing Base immediately after giving effect to such Mixed Asset Sale), (y) "SHORTFALL AMOUNT" shall mean, in respect of each Restricted Asset Sale which constitutes a Mixed Asset Sale, the amount (if any) by which the Net Proceeds Allocable to Payee in respect of such Restricted Asset Sale (including any Excess Reserved Amount in respect of such Restricted Asset Sale to the extent such Excess Reserved Amount increases the amount of such Net Proceeds Allocable to Payee) is less than the Fair Market Value of the Mortgaged Property or Mortgaged Properties included in such Mixed Asset Sale, and (z) the amount of any Net Proceeds Allocable to Payee consisting of Permitted Non-Cash Consideration shall be deemed to be equal to the aggregate principal amount of such Permitted Non-Cash Consideration.

7. PREPAYMENTS

(a) Optional Prepayment. Maker may, at its option, upon notice, prepay at any time or from time to time all or any part of the Accreted Value of the Notes without premium or penalty, provided that any partial prepayment of the Accreted Value of the Notes may not be made on any date other than a Semi-Annual Accrual Date.

(b) Contingent Prepayment Upon Change of Control. In the event of a Change of Control, Maker will, not less than 30 days prior to such Change of Control (or, if none of Buyer, Newco or Maker is aware of such Change of Control until later than 30 days prior thereto, not less than five Business Days after Buyer, Newco or Maker becomes aware of such Change of Control), give written notice of such condition to Payee and Mortgagee by registered mail. Such notice shall contain a written irrevocable offer by Maker to prepay, in whole or in part, by a date (the "CHANGE PREPAYMENT DATE") specified in such notice (which date shall not be less than 30 days and not more than 60 days after the date of such notice), this Note, provided, that if Payee elects to require a partial prepayment only, the Change Prepayment Date (if not a Semi-Annual Accrual Date) shall be the first Semi-Annual Accrual Date after Maker's notice is given (or, if Maker's notice is given less than 30 days before the first Semi-Annual Accrual Date thereafter, the Change Prepayment Date shall be the second Semi-Annual Accrual Date after Maker's notice is given). Such offered prepayment shall be made on the Change Prepayment Date at the Accreted Value of this Note (or the portion of such Accreted Value elected by Payee to be prepaid, if Payee elects to require prepayment of less than all of such Accreted Value) without premium or penalty, calculated as of the date fixed for such prepayment, upon acceptance of such offer by Payee mailed to Maker within 10 Business Days after receipt of such notice by Payee, such acceptance to specify the portion of the Accreted Value of this Note to be prepaid and, if this Note is to be prepaid in full, to be accompanied by this Note endorsed in favor of Maker or accompanied by duly executed instruments of transfer. In the event of a prepayment of this Note in part pursuant to this paragraph 7(b), (x) Maker shall not be obliged to prepay this Note unless Payee shall have delivered to Maker this Note endorsed in favor of Maker or accompanied by duly executed instruments of transfer, and (y) following the Change Prepayment Date, Maker at its expense (except for transfer taxes, if any) (i) will execute and deliver in exchange herefor a new Note or Notes and (ii) will cause

Buyer and Newco to endorse thereon the related Guaranty. Such new Note or Notes shall (A) have in the aggregate an Initial Amount equal to the Accreted Value of the surrendered Note (determined as of the Change Prepayment Date) after giving effect to such partial prepayment, (B) have in each case an Initial Amount of at least $100,000, as requested by the holder or transferee, (C) have in the aggregate an Original Face Amount equal to the Face Amount of the surrendered Note (determined as of the Change Prepayment Date) after giving effect to such partial prepayment, (D) have in each case an Original Face Amount equal to the Face Amount of the surrendered Note after giving effect to such partial prepayment multiplied by a fraction, the numerator of which is the portion of the Accreted Value of the surrendered Note specified by such holder to be allocated to the Initial Amount of such Note and the denominator of which is the Accreted Value of the surrendered Note (determined as of the Change Prepayment Date) after giving effect to such partial prepayment, (E) be registered in each case in such names as such holder or transferee may request, and (F) be dated as of the Change Prepayment Date.

(c) Required Notice; Partial Prepayments to be Pro Rata Where More Than One Note Outstanding.

(1) Written notice of each prepayment pursuant to paragraph 7(a) or pursuant to the Cash Collateral Agreement shall be given by Maker to Payee and Mortgagee not less than 10 nor more than 30 days prior to the date fixed for such prepayment (each, a "Prepayment Date"), specifying (A) such date (which shall be a Semi-Annual Accrual Date in the case of any partial prepayment), (B) the aggregate portion of Accreted Value of all Notes to be prepaid on such date and the balance of such Accreted Value and the Adjusted Face Amount of all Notes after giving effect to such prepayment and (C) the corresponding portion of Accreted Value of this Note to be prepaid on such date and the balance of such Accreted Value and the Adjusted

Face Amount of this Note after giving effect to such prepayment. Any such notice shall be irrevocable once given.

(2) In the event of any prepayment pursuant to paragraph 7(a) or pursuant to the Cash Collateral Agreement of less than the entire Accreted Value of all of the outstanding Notes, at a time when more than one Note is outstanding, the Accreted Value of the Notes so to be prepaid shall be allocated among the respective Notes and holders thereof so that the Accreted Value of each Note to be prepaid pursuant to paragraph 7(a) or pursuant to the Cash Collateral Agreement shall bear the same ratio to the Accreted Value of such Note as the aggregate amount of such prepayment bears to the aggregate Accreted Value of all Notes then outstanding, except that if upon any allocation on such basis the amount so to be prepaid to any such holder would be greater than, but not be an exact multiple of, $100,000, then additional or lesser amounts not exceeding $100,000 may be allocated to such holder so that such holder shall be entitled to receive an exact multiple of $100,000, or if the amount so to be prepaid to any such holder pursuant to such paragraph would be less than $100,000, then no amount need be allocated to such holder, in each such case so long as (i) allocations of prepayments among the respective Notes and holders thereof shall be appropriate to maintain, through successive partial prepayments, as nearly as practicable the ratio above provided and (ii) in the case of a prepayment that is required to be of a certain size, the aggregate amount of the prepayment applied to all the Notes is not less than the required size.

8. SECURITY

(a) Payee is entitled to the benefits of certain security held or to be held by Mortgagee pursuant to the Mortgage Documents. The Notes are entitled to the benefits

of the security provided for in such agreements and instruments, to which reference is made for a description of the properties and rights included in such security, the nature and extent of such security and the rights of the holders of the Notes, Mortgagee, Maker, and various parties to such agreements and instruments in respect of such security.

(b) By acceptance of this Note, Payee hereby irrevocably appoints Mortgagee as Payee's agent, and Payee hereby irrevocably authorizes Mortgagee, as Payee's agent, (i) to take such action on Payee's behalf and to exercise such powers and perform such duties under each of the Mortgage Documents as may be delegated to Mortgagee by the terms thereof, together with all such powers as are reasonably incidental thereto, (ii) to hold any liens or security interests granted to Mortgagee pursuant to each of the Mortgage Documents for the benefit of Payee and the other holders of the Notes, if any, and (iii) to enforce the Mortgage Documents for the benefit of Payee and the other holders of the Notes, if any, all in accordance with the Mortgage Documents. Payee hereby acknowledges receipt of a copy of the Cash Collateral Agreement (and such of the other Mortgage Documents as Payee shall have requested) (or the form thereof) and Payee has, and each subsequent holder of Notes will be deemed by its acquisition of Notes to have, approved the terms and provisions of each of the Mortgage Documents and agreed to be bound thereby, consented to the appointment of Mortgagee under the Mortgage Documents and acknowledged the rights, immunities and privileges of Mortgagee thereunder (including, without limitation, Article VII of the Cash Collateral Agreement). Neither Mortgagee nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable for any action lawfully taken or omitted to be taken by it or such Person in its capacity as agent under or in connection with this Note or any Mortgage Document (except for its or such Person's own gross negligence or willful misconduct).

(c) Notwithstanding anything contained in paragraphs 8(a) and 8(b), Payee hereby acknowledges that it is

not entitled to the benefits of any Canadian Mortgage Document.

9. REGISTRATION, TRANSFERS AND EXCHANGES

(a) Generally. Maker will keep at its principal office at One Riverfront Center, Pittsburgh, PA 15222 a register (the "REGISTER") in which Maker will provide for the registration and transfer of the Notes and will record the name of, and address for notices to, each holder of the Notes. Maker, Mortgagee and any agent of Maker or Mortgagee may treat the Person in whose name this Note is registered as the owner of such Note for the purpose of receiving payment of the Accreted Value of this Note and for all other purposes, whether or not this Note be overdue, and neither Maker, Mortgagee nor any such agent shall be affected by notice to the contrary.

(b) Transfer and Exchange of Notes. Upon surrender of this Note for registration of transfer or for exchange to Maker at its principal office set forth above, Maker at its expense (except for transfer taxes, if any) (i) will execute and deliver in exchange herefor a new Note or Notes and (ii) will cause Buyer and Newco to endorse thereon the related Guaranty. Such new Note or Notes shall (A) have in the aggregate an Initial Amount equal to the Accreted Value of the surrendered Note (determined as of the Semi-Annual Accrual Date coinciding with or immediately preceding the date of such surrender), (B) have in each case an Initial Amount of at least $100,000, as requested by the holder or transferee, (C) have in the aggregate an Original Face Amount equal to the Face Amount of the surrendered Note, (D) have in each case an Original Face Amount equal to the Face Amount of the surrendered Note multiplied by a fraction, the numerator of which is the portion of the Accreted Value of the surrendered Note specified by such holder to be allocated to the Initial Amount of such Note and the denominator of which is the Accreted Value of the surrendered Note (determined as of the Semi-Annual Accrual Date coinciding with or immediately preceding the date of

surrender), (E) be registered in each case in such names as such holder or transferee may request, and (F) be dated as of the Semi-Annual Accrual Date coinciding with or immediately preceding the date of such surrender.

(c) Restrictions on Transfer. Payee may not transfer this Note to any other Person (x) if there has been any partial prepayment of this Note since the date hereof, unless Payee shall first surrender this Note for exchange pursuant to paragraph 9(b) or (y) prior to the fourth anniversary of the Closing Date, except to one or more Affiliates controlled by Seller, which Affiliates shall at all times that they continue to hold Notes continue to be controlled by Seller. Payee may, on or after the fourth anniversary of the Closing Date, transfer, sell or convey this Note or any portion of this Note (A) to Seller or to one or more Affiliates controlled by Seller, which Affiliates shall at all times that they continue to hold Notes continue to be controlled by Seller or (B) in a minimum aggregate Initial Amount of $2,500,000 (or, if the aggregate Initial Amount of all Notes held by Payee is less than $2,500,000, in such aggregate Initial Amount) (i) to any Person with the prior written consent of Maker and the Administrative Agents, which consent (in each case) shall not be unreasonably withheld, or (ii) to one or more Affiliates controlled by Payee, which Affiliates shall at all times that they continue to hold Notes continue to be controlled by the Person that relied on this clause (ii) in transferring Notes to such Affiliates.

10. NON-WAIVER

No course of dealing between Maker and Payee, or between Maker and Mortgagee, or any delay or failure on the part of Payee or Mortgagee in exercising any rights hereunder or under any Mortgage Document shall operate as a waiver of any rights of Payee, except to the extent expressly waived in writing by Payee.

11. LOSS, THEFT, DESTRUCTION OR MUTILATION OF NOTE

Upon receipt by Maker of evidence reasonably satisfactory to Maker of the loss, theft, destruction or mutilation of this Note, and of indemnity or security reasonably satisfactory to Maker (it being agreed that any indemnity from Seller will be reasonably satisfactory to Maker), and upon reimbursement to Maker of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Note, if mutilated, Maker will make and deliver a new Note of like tenor, in lieu of this Note. Any Note made and delivered in accordance with the provisions of this paragraph 11 shall be dated the date hereof.

12. GOVERNING LAW

This Note shall be construed in accordance with and governed by the law of the State of New York.

13. SUCCESSORS AND ASSIGNS

All the covenants, stipulations, promises and agreements contained in this Note shall bind the successors and assigns of Maker and Payee and shall inure to the benefit of the successors and permitted assigns of Payee, whether so expressed or not. Any assumption of the obligations of Buyer, Newco or Maker hereunder shall not release Buyer, Newco or Maker, as applicable, from its obligations hereunder (including the Guaranties endorsed hereon) without the prior written consent of Payee.

14. AMENDMENT

Any term of the Notes or any Mortgage Document may be amended and the observance of any term of the Notes or any Mortgage Document may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of (i) Maker, (ii) the Required Mortgage Lenders, (iii) in the case of any amendment or waiver of any Mortgage Document, Mortgagee and

(iv) in the case of any amendment or waiver of (w) the definition of the term "Administrative Agents" in paragraph 2 of this Note, (x) clause (i) of paragraph 9(c) of this Note, (y) paragraph 18 of this Note, or (z) this clause (iv), the Administrative Agents, provided that (1) without the prior written consent of the holders of all the Notes at the time outstanding, no such amendment or waiver shall (a) change the Stated Maturity, the Initial Amount or the Face Amount of, or reduce the rate or change the date of accrual of Discount on, or change the amount or the time of payment of any Accreted Value of, any Note, (b) amend, modify or waive this proviso to this paragraph 14 or the definition of the term "Required Mortgage Lenders" in paragraph 2 of this Note, (c) release or subordinate the Lien of the Mortgage Documents or (d) release Newco or Buyer from their respective Guaranties endorsed on any Note, and (2) no such amendment or waiver shall amend, modify or waive any provision of the Notes without simultaneously amending, modifying or waiving the comparable provision of the Canadian Notes unless such amendment, modification or waiver shall have also received the written consent of the holders of a majority of the aggregate principal amount (after giving effect to all interest accrued prior to the date of determination) of the Canadian Notes at the time outstanding. Any amendment or waiver effected in accordance with this paragraph 14 shall be binding upon each holder of any Note at the time outstanding, each future holder of any Note and Maker, whether or not (in the case of an amendment or waiver affecting the Notes) the substance of such amendment or waiver is thereafter incorporated in the form of the Notes or noted on the face thereof.

15. HEADINGS

The headings of the sections and paragraphs of this Note are inserted for convenience only and shall not be deemed to constitute a part hereof.

16. CERTAIN TAX MATTERS

The stated principal amount (within the meaning of Section 1274 of the Internal Revenue Code of 1986, as amended) of the Notes is $45,000,000. An amount equal to $32,925,440.14 is stated interest (within the meaning of such Section 1274) payable under the Notes.

17. NOTICES

Any notice or other communication under this Note shall be in writing and shall be deemed to have been duly given or made (i) when delivered by hand, (ii) four Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid, or (iii) one Business Day after it is sent by nationally recognized overnight courier, in each case addressed as follows:

(a) if to Payee, at the address set forth for Payee in the Register, which shall be such address as Payee shall from time to time furnish to Maker in writing, the initial address for Payee being:

Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
11 Stanwix Street
Pittsburgh, PA 15222
Attention: Treasurer

with a copy to the General Counsel, at such address;

(b) if to Maker, at the address set forth below or at such other address, to the attention of the Responsible Officer of Maker named below or to the attention of such

other Responsible Officer, as Maker shall have furnished to Payee in writing:

CDW Realco, Inc.
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to each of Newco and Buyer at their respective addresses set forth in this paragraph 17 and with a copy to:

Debevoise & Plimpton
875 Third Avenue
New York, NY 10022
Attention: Steven Ostner

(c) if to Newco, at the address set forth below or at such other address, to the attention of the Responsible Officer of Newco named below or to the attention of such other Responsible Officer, as Newco shall have furnished to Payee in writing:

CDW Acquisition Corporation
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to each of Buyer, Maker and Debevoise & Plimpton at their respective addresses set forth in this paragraph 17;

(d) if to Buyer, at the address set forth below or at such other address, to the attention of the Responsible Officer of Buyer named below or to the attention of such

other Responsible Officer, as Buyer shall have furnished to Payee in writing:

CDW Holding Corporation
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to each of Newco, Maker and Debevoise & Plimpton at their respective addresses set forth in this paragraph 17.

18. PROVISIONS FOR THE BENEFIT OF THIRD PARTIES

The provisions of clause (i) of paragraph 9(c) of this Note and clause (iv) of paragraph 14 of this Note are for the benefit of the Banks and the financial institutions party to any extension, refunding, renewal or refinancing of the Barclays Senior Credit Agreement, and the Administrative Agents shall be entitled to enforce such provisions on their behalf. The provisions of clause (2) of the proviso in paragraph 14 of this Note are for the benefit of the holders of the Canadian Notes. Except as set forth in the preceding sentence, nothing in this Note shall confer any rights upon any Person other than Maker, Buyer, Newco, the Canadian Buyer, Mortgagee and Payee and their respective successors and permitted assigns. Payee and Mortgagee may conclusively rely on a certificate of an Administrative Agent as to whether or not the Administrative Agents have given any consent under clause (i) of paragraph 9(c) of this Note or clause (iv) of paragraph 14 of this Note.

IN WITNESS WHEREOF, CDW REALCO, INC. has caused this Note to be signed in its corporate name by a duly authorized officer and to be dated as of the day and year first above written.

CDW REALCO, INC.

By /s/

Name:
Title:

Note (cont'd)

PREPAYMENTS

Date	Amount of Accreted Value Prepaid	Notation Made By

GUARANTY

The undersigned, CDW HOLDING CORPORATION and CDW ACQUISITION CORPORATION (to be renamed WESCO Distribution, Inc.) (the "Guarantors"), for valuable consideration, hereby each, jointly and severally, unconditionally and irrevocably guarantees, as primary obligor and not merely surety, (i) the due and punctual payment of the Accreted Value of this Note, as the same shall become due and payable, whether at the date of maturity or by prepayment or acceleration or otherwise, (ii) the due and punctual payment of each other payment required to be made by Realco (as Maker or otherwise) under this Note or any of the Mortgage Documents and (iii) the due and punctual performance by Newco or Realco of all other obligations of Newco or Realco (as Maker or otherwise), respectively, under this Note and the Mortgage Documents (all the foregoing obligations being collectively called the "Guaranteed Obligations"); and CDW Acquisition Corporation hereby agrees with Payee to perform the covenants of Newco set forth in paragraphs 6(a) and 6(b) of this Note. This Guaranty is an absolute, unconditional present and continuing Guaranty of payment and not of collectibility, and in any case in which the Maker shall fail or be unable punctually to make any payment required to be made by or in respect of this Note, the Guarantors jointly and severally agree to pay the same to the holder of this Note forthwith upon demand. The obligations of each Guarantor under this Guaranty are general unsecured and full recourse obligations of such Guarantor and may be fully enforced against such Guarantor.

(a) Each Guarantor waives presentment to, demand of payment from and protest to Realco of any of the Guaranteed Obligations, and also waives notice of acceptance of this Guaranty and notice of protest for nonpayment. The obligation of each Guarantor hereunder shall not be affected by (i) the failure of any Person to assert any claim or demand or to enforce any right or remedy against Realco under the provisions of this Note or any Mortgage Document

or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Guaranty or any other agreement; (iii) the release of any security held by any Person for the Guaranteed Obligations or any of them; or (iv) the failure of any Person to exercise any right or remedy against any other guarantor of the Guaranteed Obligations. Each Guarantor further waives any right to require that any resort be had to any security held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of any Person in favor of Realco or any other Person.

(b) The obligations of each Guarantor shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of any Person to assert any claim or demand or to enforce any remedy under this Note, any Mortgage Document, any Guaranty or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or omission which may or might in any manner or to any extent vary the risk of the Guarantors or otherwise operate as a discharge of the Guarantors as a matter of law or equity (other than the indefeasible payment in full of all the Guaranteed Obligations). Each Guarantor agrees that it will never have, and hereby waives and disclaims, any claim or right against Realco by way of subrogation or otherwise in respect of any payment that such Guarantor may be required to make hereunder. This Guaranty shall survive and be in full force and effect so long as any Guaranteed Obligation is outstanding and has not been indefeasibly paid.

(c) Paragraphs 10, 12, 14 and 15 and the first sentence of paragraph 13 of this Note shall apply to this Guaranty as if references therein to "this Note" were references to this Guaranty and references therein to "Maker" were references to the Guarantors. The definitions in paragraph 2 of this Note and the last sentence of paragraph 13 of this Note shall apply to this Guaranty.

CDW HOLDING CORPORATION

By /s/

Name:
Title:

CDW ACQUISITION CORPORATION

By /s/

Name:
Title:

EXHIBIT 4.4

CASH COLLATERAL AND SECURITY AGREEMENT dated as of February 28, 1994, between CDW REALCO, INC., a Delaware corporation (the "Grantor"), and WESTINGHOUSE ELECTRIC CORPORATION, a Pennsylvania corporation, as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties, as defined herein.

Reference is made to the Asset Acquisition Agreement (the "Acquisition Agreement") dated as of February 15, 1994, between CDW Holding Corporation ("Buyer") and Westinghouse Electric Corporation ("Seller") pursuant to which (a) Seller has agreed to transfer certain assets to Buyer and Buyer has agreed to acquire such assets from Seller, (b)in partial consideration for such acquisition, Buyer has agreed to execute and deliver to Seller $77,925,440.14 Original Face Amount (as defined therein) of its first mortgage notes due 2001 (the "Buyer Notes"), (c) Seller has agreed to transfer such assets (other than certain real property) to CDW Acquisition Corporation ("Newco") at the direction of Buyer and release Buyer from its obligations under the Buyer Notes in consideration for, among other things, the assumption by Newco of the Buyer Notes, (d) Seller has agreed to transfer certain real property to the Grantor at the direction of Buyer and Newco and release Newco from its obligations under the Buyer Notes in consideration for, among other things, (i) the assumption by the Grantor of the Buyer Notes, (ii) the execution and delivery by Buyer and Newco of the guaranties endorsed on the Buyer Notes, (iii) the execution and delivery by the Grantor of mortgages on such real property securing the Buyer Notes and (iv) the execution and delivery by the Grantor of a security agreement in the form hereof and (e) Seller has agreed to surrender the Buyer Notes to the Grantor in exchange for $77,925,440.14 Original Face Amount (as defined therein) of the Grantor's first mortgage notes due 2001 (the "Realco Notes").

Accordingly, the Grantor and the Collateral Agent hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Terms Defined in the Notes. Terms used herein and not otherwise defined herein shall have the meanings set forth in the Notes (as defined below).

Section 1.2 Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Applicable Law" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), rules, regulations, ordinances, codes or orders of any Governmental Authority and (ii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

"Cash Collateral Accounts" shall mean the Cash Consideration Account, the Reserve Account and the Specified Loss Account.

"Cash Consideration Account" shall mean the Cash Consideration Account established pursuant to Section 5.1.

A "Change Prepayment Event" shall have occurred and be continuing if (a) a Change of Control has occurred and (b) the Grantor has not yet discharged in full its obligations with respect to giving notice of such Change of Control to the holders of the Notes and the prepayment of Notes, in part or in whole, at the request of such holders.

"Collateral" shall mean all right, title and interest of the Grantor in all (i) Permitted Non-Cash Consideration that forms part of the Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale and all related FMN Mortgages, (ii) Cash Consideration that forms part of the Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale, (iii) amounts (including Specified Loss Proceeds) required to be deposited in, and

amounts from time to time held in, the Cash Collateral Accounts, (iv) Permitted Investments held for the account of any Cash Collateral Account, (v) Documents and (vi) Proceeds.

"Documents" shall mean all instruments, files, records, ledger sheets and documents covering or relating to any of the Collateral.

"FMN Debtor" shall mean any Person who is or who may become obligated under, with respect to or on account of any Permitted Non-Cash Consideration that forms part of the Collateral.

"FMN Mortgages" shall mean the mortgages that secure any Permitted Non-Cash Consideration.

"Governmental Approval" shall mean any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with or report or notice to any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any state, province or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the United States, Canada, any state of the United States, any province of Canada or any political subdivision thereof, and any tribunal or arbitrator(s) of competent jurisdiction, and any self-regulatory organization.

"Guaranty Agreement" shall mean the guaranty by the Grantor endorsed on each Canadian Note.

"Liability Reserve", with respect to any Restricted Asset Sale, shall mean any reserve established by

the Grantor in accordance with GAAP pursuant to Section 5.3(a) at the time of such Restricted Asset Sale in connection with any Permitted Liabilities in respect of such Restricted Asset Sale.

"Loan Documents" shall mean the Notes (including the Guaranties endorsed thereon), the Canadian Notes (including the Guaranties endorsed thereon) and the Mortgage Documents.

"Mortgages" shall mean the mortgages of real property executed by the Grantor that by their terms secure the payment by the Grantor of its obligations under the Notes (whether or not such mortgages also secure other obligations).

"Notes" shall mean the Buyer Notes until the Buyer Notes are surrendered by Seller to the Grantor in exchange for the Realco Notes, and thereafter shall mean the Realco Notes.

"Obligations" shall mean (i) the due and punctual payment by the Grantor of (A) the Accreted Value of the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) all monetary obligations of the Grantor under the Guaranty Agreement and (C) all other monetary obligations of the Grantor under the Loan Documents and (ii) the due and punctual performance of all other obligations of the Grantor under the Loan Documents.

"Permitted Encumbrances", with respect to any Replacement Property (as defined below), shall mean the "Permitted Encumbrances", as defined in the Mortgage relating to such Replacement Property.

"Permitted Investments" shall mean:

(a) marketable direct obligations issued or unconditionally guaranteed by the United States of

America or issued by any agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within one year from the date of acquisition thereof;

(b) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within six months from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings generally obtainable from either Standard & Poor's Corporation or Moody's Investors Service, Inc.; or

(c) commercial paper maturing no more than six months from the date of creation thereof and, at the time of acquisition, having a rating of A-2 or higher from Standard & Poor's Corporation or P-2 or higher from Moody's Investors Service, Inc.;

(d) domestic certificates of deposit, time or demand deposits or bankers' acceptances maturing within six months after the date of acquisition issued by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital, surplus and undivided profits (less any undivided losses) of not less than $250,000,000; and

(e) fully collateralized repurchase agreements with a term of not more than 30 days for underlying securities of the type described in clause (a) or (b) above entered into with any institution meeting the qualifications specified in clause (d) above;

provided, however, that any Permitted Investment must have a stated maturity
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prior to Stated Maturity.

"Permitted Liens" shall mean any (i) Liens for taxes that are not yet
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due and payable or that may after

contest be paid without penalty or that are being contested in good faith by the Grantor and (ii) Liens arising by reason of any judgment, decree or order of any Governmental Authority that does not arise out of any breach by the Grantor of any of the Loan Documents if (A) appropriate legal proceedings have been duly initiated for the review of such judgment, decree or order, are being diligently prosecuted and have not been finally terminated or (B) the period within which such proceedings may be initiated has not expired.

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other disposition of any asset or property which constitutes Collateral, any payments received on Permitted Non-Cash Consideration that forms part of the Collateral, any payments or other assets received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral (but only to the extent such payment relates to any such asset or property), and shall include all cash and negotiable instruments received or held on behalf of the Collateral Agent pursuant to Article V.

"Replacement Property" is defined in Section 5.1(d).

"Reserve Account" shall mean the Reserve Account established pursuant to Section 5.3.

"Secured Parties" shall mean (i) each holder of Notes, (ii) each holder of Canadian Notes, (iii) the Collateral Agent in its capacity as such, (iv) the beneficiaries of each indemnification obligation undertaken by the Grantor under any Mortgage Document and (v) the successors of the foregoing.

"Specified Loss Account" shall mean the Specified Loss Account established pursuant to Section 5.4.

"Specified Loss Proceeds" shall mean any amounts paid to the Collateral Agent pursuant to Section 4.3 or 4.4 of any Mortgage.

ARTICLE II
SECURITY INTEREST

Section 2.1 Security Interest. As security for the payment or performance, as the case may be, of the Obligations, the Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent and its successors, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent and its successors, for the benefit of the Secured Parties, a security interest in, all the Grantor's right, title and interest in, to and under the Collateral (the "Security Interest"). Without limiting the foregoing, the Collateral Agent is hereby authorized to file one or more financing statements, continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by the Grantor, without the signature of the Grantor to the extent permitted by Applicable Law, naming the Grantor as debtor and the Collateral Agent as secured party.

Section 2.2 No Assumption of Liability. The Security Interest is granted as security only and shall not subject the Collateral Agent or any Secured Party to, or in any way alter or modify, any obligation or liability of the Grantor with respect to or arising out of any of the Collateral.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

As of the date hereof and as of the date any Cash Consideration or Permitted Non-Cash Consideration is delivered to the Collateral Agent to be held pursuant to this Agreement, the Grantor represents and warrants to the Collateral Agent and the Secured Parties that:

Section 3.1 Title and Authority. The Grantor has (or, in the case of after-acquired Collateral, on the date of its delivery to the Collateral Agent, will have) good and valid rights in and title to the Collateral with respect to which it has purported to grant a Security Interest hereunder and has (or, in the case of after-acquired Collateral, on the date of its delivery to the Collateral Agent, will have) full power and authority to grant to the Collateral Agent the Security Interest in such Collateral pursuant hereto and has full power and authority to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person, other than any consent or approval which has been obtained.

Section 3.2 Filings. The Grantor has (or promptly after the Closing Date, but in no event later than the date Collateral is first delivered to the Collateral Agent, will have) made all the filings, recordings and registrations listed on Schedule 3.2A, which are the only filings, recordings and registrations necessary to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Secured Parties) in respect of all such Collateral in which the Security Interest may be perfected by filing, recording or registration with respect to such Collateral under the Uniform Commercial Code (the "UCC") as in effect in the United States (or any political subdivision thereof), and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary with respect to such Collateral under

the UCC as in effect in any such jurisdiction, except as provided under Applicable Law with respect to the filing of continuation statements and except that additional filings may be necessary if the Grantor thereafter changes its name, identity or corporate structure or the location of its places of business, its chief executive office or the Collateral. Without limiting the generality of the foregoing, simultaneously, with delivery of any Permitted Non-Cash Consideration to the Collateral Agent or as soon thereafter as practicable, the Grantor shall have taken all such actions and made all such filings, recordings and registrations that are necessary in order to enable the Collateral Agent to enforce directly against the applicable FMN Debtor its obligations in respect of such Permitted Non Cash Consideration and to exercise remedies under the applicable FMN Mortgage, without the necessity of any further consent or approval of the Grantor.

Section 3.3 Validity of Security Interest. The Security Interest constitutes (or, in the case of after-acquired Collateral, will on the date of delivery of such after-acquired Collateral to the Collateral Agent constitute) (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Obligations and (b) a perfected security interest in all Collateral in which a security interest may be perfected by either (i) possession of the Collateral by the Collateral Agent (assuming continuing possession by the Collateral Agent) or (ii) filing, recording or registering a financing statement or analogous document under the UCC as in effect in the United States (or any political subdivision thereof). To the extent priority is governed by the UCC, the Security Interest is and shall be prior to any other Lien on any of the Collateral, including any Permitted Lien.

Section 3.4 Absence of Other Liens. Collateral is owned by the Grantor free and clear of any Lien (other than the Security Interest and any Permitted Lien). Other than as contemplated hereby, the Grantor has not filed or consented to the filing of (a) any financing statement or

analogous document under the UCC or any other Applicable Law covering any Collateral or (b) any assignment in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any Governmental Authority.

Section 3.5 Location of Chief Executive Office. The principal place of business and chief executive office of the Grantor, and the office where the Grantor keeps the Documents and any other books and records concerning the Collateral, are located at the address specified for the Grantor in Section 8.8. The exact corporate name of the Grantor as it appears in its certificate of incorporation, each other corporate name the Grantor has had, and all other names (including trade names or similar appellations) under which the Grantor or any of its divisions, subsidiaries or other business units has carried on business are as listed in the caption to this Agreement or notified to the Collateral Agent pursuant to Section 4.1.

ARTICLE IV
COVENANTS

Section 4.1 Change of Name; Location of Collateral; Place of Business. The Grantor will promptly notify the Collateral Agent of any change (i) in its corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of its chief executive office, its principal place of business or any office in which it maintains books or records relating to Collateral or (iii) in its identity or corporate structure. The Grantor will not effect or permit any change referred to in the preceding sentence unless all filings, recordings or registrations have been made under the UCC or otherwise which are required in order for the Collateral Agent to continue at all times following such change to have a legal, valid and perfected security interest in all the Collateral in which a security interest may be perfected under the UCC

by filing, recording or registering a financing statement or similar document.

Section 4.2 Periodic Certification. Each year, at the time of delivery of Newco's annual financial statements with respect to the preceding fiscal year pursuant to the Notes, the Grantor will deliver to the Collateral Agent a certificate executed by a financial officer and the chief legal officer of the Grantor (a) certifying that all appropriate UCC financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each Governmental Authority to the extent necessary under the UCC to perfect the Security Interest for a period of not less than six months after the date of such certificate, (b) setting forth all filings, recordings and registrations, including all refilings, rerecordings and reregistrations, that, with respect to the Collateral as of the date of such certificate, would be required under the UCC to be made within 18 months after the date of such certificate to perfect the Security Interest in such Collateral for a period of not less than two years after the date of such certificate, (c) setting forth, with respect to each filing, recording or registration (including each refiling, rerecording or reregistration) made since the date of the most recent certificate delivered pursuant to this Section, the filing office, date and file number thereof and (d) attaching true, correct and complete acknowledgement copies of each such filing, recording or registration not theretofore delivered to the Collateral Agent.

Section 4.3 Protection of Security. The Grantor will, at its own cost and expense, take any and all actions necessary to (i) defend title to the Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Collateral and the priority thereof against any Lien (other than any Permitted Lien) and

(ii) resist enforcement of any Permitted Lien against any Collateral.

Section 4.4 Further Assurances. (a) The Grantor will, at its own cost and expense, execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and filing, registration, stamp and other similar taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith.

(b) Without limiting the generality of the foregoing, any Permitted Non-Cash Consideration delivered to the Collateral Agent (and the related FMN Mortgage) shall, unless otherwise requested by the Collateral Agent, be registered in the name of the Collateral Agent or its nominee. If the Collateral Agent requests that any such Permitted Non-Cash Consideration and the related FMN Mortgage not be registered in the name of the Collateral Agent or its nominee, such Permitted Non-Cash Consideration and related FMN Mortgage (i) shall be duly endorsed in a manner, or accompanied by instruments of transfer or assignment in a form reasonably satisfactory to the Collateral Agent, (ii) shall provide that (A) the rights of the Grantor under such Permitted Non-Cash Consideration and related FMN Mortgage may be assigned without the consent of the applicable FMN Debtor, (B) any assignee of the Grantor can exercise all of the rights of the Grantor under such Permitted Non-Cash Consideration and related FMN Mortgage, (C) the applicable FMN Debtor will make all payments under such Permitted Non-Cash Consideration as directed by the Grantor, and (D) the terms of such Permitted Non-Cash Consideration and related FMN Mortgage shall not be amended or modified, and the Grantor will not agree to a waiver or

compromise thereof, without the consent of the Grantor and any assignee of the Grantor and (iii) shall be accompanied by an instrument duly executed by the applicable FMN Debtor, in a form reasonably satisfactory to the Collateral Agent, pursuant to which such FMN Debtor shall acknowledge the assignment to the Collateral Agent of all the rights of the Grantor in respect of such Permitted Non-Cash Consideration and related FMN Mortgage (it being agreed that, as between the Grantor and the Collateral Agent, the exercise of rights and powers accruing to the owner of any Permitted Non-Cash Consideration shall be governed by this Agreement).

(c) The Collateral Agent shall have the right (in its sole and absolute discretion) to hold any Permitted Non-Cash Consideration forming part of the Collateral in its own name as pledgee, the name of its nominee or the name of the Grantor. The Grantor will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to any Permitted Non-Cash Consideration forming part of the Collateral registered in the name of the Grantor.

(d) The Collateral Agent shall, upon the reasonable request of the Grantor, sign any financing statement or other similar document, in form and substance reasonably satisfactory to the Collateral Agent, required to be filed by the Grantor pursuant to this Agreement and that requires the signature of the Collateral Agent.

Section 4.5 Rights and Obligations Under Permitted Non-Cash Consideration. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Grantor that the Grantor's rights under this Section are being suspended:

(i) The Grantor shall be entitled to exercise any and all the rights and powers of the owner of any Permitted Non-Cash Consideration forming part of the Collateral (and the related FMN Mortgage) to amend, waive or modify the terms thereof and to grant consents

or approvals thereunder; provided, however, that (A) such exercise could not reasonably be expected to materially and adversely affect the rights inuring to a holder of such Permitted Non-Cash Consideration or the rights and remedies of the Collateral Agent or any of the Secured Parties under any of the Loan Documents or any of the Secured Parties to exercise the same and (B) the Grantor may not amend, waive, modify or compromise any such Permitted Non-Cash Consideration (or the related FMN Mortgage) to (w) extend the maturity or decrease the principal amount of, or reduce the rate of interest or extend the time of payment of any installment of principal of or interest on, any such Permitted Non-Cash Consideration, (x) release or subordinate the Lien of any FMN Mortgage forming part of the Collateral or adversely affect the ability to exercise remedies thereunder, (y) permit any FMN Mortgage forming part of the Collateral to secure any obligation other than an obligation to the Grantor or an obligation under Permitted Non-Cash Consideration forming part of the Collateral or (z) restrict the assignability thereof.

(ii) The Grantor shall be entitled to (and hereby agrees for the benefit of the Secured Parties that it will exercise commercially reasonable efforts to) enforce, in a commercially reasonable manner, the rights and remedies accruing to the owner of any Permitted Non-Cash Consideration forming part of the Collateral (and the related FMN Mortgage), including enforcement of the payment when due of amounts payable thereunder; provided, however, that the foregoing shall not be construed to constitute a guarantee by the Grantor of collection or otherwise.

(iii) The Collateral Agent will execute and deliver to the Grantor, or cause to be executed and delivered to the Grantor, all such proxies, powers of attorney and other instruments as the Grantor may reasonably request for the purpose of enabling the Grantor to

exercise the rights and powers which it is entitled (or obligated) to exercise pursuant to Section 4.5(a)(i) or 4.5(a)(ii).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantor of the suspension of its rights under Section 4.5(a), then all rights and obligations of the Grantor to exercise the rights and powers which it is entitled to exercise pursuant to Section 4.5(a), and the obligations of the Collateral Agent under Section 4.5(a), shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such rights and powers.

(c) Any notice given by the Collateral Agent to the Grantor suspending its rights under Section 4.5(a)(i) may be given by telephone if promptly confirmed in writing and (ii) may suspend the rights of the Grantor under Section 4.5(a) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

Section 4.6 Inspection and Verification. The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, at any reasonable time or times, to inspect all records related to the Collateral (and to make extracts and copies from such records) and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to the Collateral, including by contacting FMN Debtors. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party. Without the prior written consent of the Grantor, the Collateral Agent shall not disclose, and shall require

as a condition to sharing such information with any Secured Party or other Person that such Secured Party or other Person agree not to disclose, to any Person that is not a Secured Party any such information which is designated by the Grantor to the Collateral Agent in writing as confidential; provided, however, that the Collateral Agent or any Secured Party may disclose such information (a) to any of their respective accountants, counsel, consultants, employees or agents who are advised of the confidential nature of such information, (b) if it becomes publicly available other than by reason of a breach of this sentence, (c) if received from a third party not bound by any confidentiality agreement with Buyer, Newco, the Grantor or the Canadian Buyer, (d) required by Applicable Law or any Governmental Approval to be disclosed by such Person, (e) necessary to establish such Person's rights under any of the Loan Documents or (f) to any prospective permitted assignee of all or a portion of the rights of such Person under the Loan Documents if such prospective permitted assignee agrees to be bound by the confidentiality provisions contained in this sentence.

Section 4.7 Taxes; Encumbrances. At its option, the Collateral Agent may discharge past-due taxes, assessments, charges, fees, liens, security interests or other encumbrances at any time levied or placed on the Collateral (other than any Permitted Lien), and may pay for the maintenance and preservation of the Collateral to the extent the Grantor fails to do so, and the Grantor agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this Section shall be interpreted as excusing the Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of the Grantor with respect to taxes, assessments, charges, fees, liens, security interests or other encumbrances and maintenance.

Section 4.8 Continuing Obligations of the Grantor. The Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral unless and until title to such contract, agreement or instrument has been indefeasibly vested in the Collateral Agent pursuant to the exercise of its remedies under Article VI, all in accordance with the terms and conditions thereof, and the Grantor will indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability arising out of the Grantor's performance or failure to perform the same.

Section 4.9 Use and Disposition of Collateral. Except for the Security Interest, the Grantor will not (i) make or permit to be made an assignment, pledge or hypothecation of the Collateral or (ii) grant any other Lien in respect of the Collateral. The Grantor will not make or permit to be made any transfer of the Collateral other than withdrawals from the Cash Collateral Accounts made in accordance with Article V.

Section 4.10 Register. The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, at any reasonable time or times, to inspect the Register (and to make extracts from and copies of the Register). At the request of the Collateral Agent, the Grantor shall use reasonable efforts to provide to the Collateral Agent a copy of the "Register" (as defined in the Canadian Notes).

ARTICLE V
CASH COLLATERAL ACCOUNTS

Section 5.1 Cash Consideration Account. (a) Prior to the first delivery to the Collateral Agent of any Cash Consideration or Permitted Non-Cash Consideration constituting Net Proceeds Allocable to Payee, the Collateral

Agent will establish with a financial institution reasonably satisfactory to the Grantor (it being agreed that such financial institution shall not be a creditor of the Grantor or any of its Affiliates) an account (the "Cash Consideration Account") over which the Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal.

(b) Any Proceeds from the investment pursuant to Section 5.5 of amounts of Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale, net of the amount so invested, shall, solely for the purposes of this Section, constitute additional Net Proceeds in respect of such Restricted Asset Sale.

(c) The Collateral Agent will, upon written request from the Grantor, withdraw cash from the Cash Consideration Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written request; provided, however, that (i) such instructions are consistent with paragraph 7(c) of the Notes, (ii) such written request specifies each Restricted Asset Sale the Net Proceeds Allocable to Payee in respect of which are to be so applied and, if more than one Restricted Asset Sale is so specified, the amount of the Net Proceeds Allocable to Payee in respect of each Restricted Asset Sale to be so applied, (iii) the amount of any Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale to be so applied does not exceed the remaining balance of such Net Proceeds Allocable to Payee in respect of such Restricted Asset Sale and (iv) cash withdrawn from the Cash Consideration Account pursuant to this Section 5.1(c) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(d) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Cash Consideration Account and pay such cash at the direction of the Grantor on the date specified by the

Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than 10 Business Days prior to the date on which such cash is to be withdrawn. Such request shall have specified the amount of cash to be withdrawn and shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that (x) no Event of Default has occurred and is continuing and (y) the proceeds of such withdrawal are to be used to finance the purchase by the Grantor of a fee simple interest in real property located in the United States (the "Replacement Property") from a Person who is not an Affiliate of the Grantor and (B) a copy of a contract for the purchase of the Replacement Property.

(2) On or prior to the date on which such cash is to be withdrawn, the Collateral Agent shall have received (A) a first mortgage securing the Obligations, in recordable form and otherwise substantially in the form of the Mortgages, of the Replacement Property, duly executed and delivered by the Grantor, (B) a title insurance policy, issued by a nationally recognized title insurance company reasonably satisfactory to the Collateral Agent, insuring the lien of Collateral Agent's mortgage on the Replacement Property, subject only to standard exceptions and Permitted Encumbrances, in an amount not less than the amount of the proposed withdrawal, and (C) such surveys, environmental audits and documents relating to the Permitted Encumbrances and compliance with Applicable Law and applicable Governmental Approvals, as reasonably requested by the Collateral Agent, as shall be reasonably necessary to satisfy the Collateral Agent that the mortgaging of the Replacement Property to secure the Obligations and the proposed withdrawal, taken together, would not materially and adversely affect the aggregate value of

the Mortgaged Property and the Collateral or the rights and remedies of the Collateral Agent or any of the Secured Parties under the Loan Documents or the ability of the Collateral Agent or any of the Secured Parties to exercise the same.

(3) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a certificate bringing down to date the certificate referred to in Section 5.1(d)(1)(A).

(4) If the Replacement Property is being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the fair market value of the Replacement Property. If the Replacement Property is not being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the cash purchase price for the Replacement Property.

(5) The Grantor directs that the cash withdrawn is to be paid to, or at the direction of, the seller of the Replacement Property.

(6) The amount of cash to be withdrawn does not exceed (A) the amount of Cash Consideration received by the Collateral Agent during the preceding 18 months (including in such amount any portion of Excess Reserved Amounts transferred to the Cash Consideration Account from the Reserve Account pursuant to Section 5.3(e) in respect of a Liability Reserve established within the preceding 18 months) and not previously withdrawn from the Cash Consideration Account plus

(B) the amount of cash Proceeds received by the Collateral Agent during the preceding 18 months in respect of Permitted Non-Cash Consideration and not previously withdrawn from the Cash Consideration Account plus (C) the amount of any Proceeds from the investment pursuant to Section 5.5 of cash described in clause (A) or (B) above to the extent not previously withdrawn from the Cash Consideration Account.

(e) At least 10 days prior to each Semi-Annual Accrual Date that occurs at least 18 months after the receipt by the Collateral Agent of any Net Proceeds Allocable to Payee, the Grantor shall direct the Collateral Agent in writing (1) to retain in the Cash Consideration Account all Net Proceeds Allocable to Payee deposited therein less than 18 months (including in such amount any amounts transferred to the Cash Consideration Account from the Reserve Account pursuant to Section 5.3(e) in respect of a Liability Reserve established within the preceding 18 months) prior to such Semi-Annual Accrual Date (and all Proceeds therefrom or from the investment thereof in accordance with Sections 5.1(b) and 5.5) and (2) to apply any balance of the amount in the Cash Collateral Account, after such retention and after any application pursuant to Section 5.1(d), to prepayment of the Notes on such Semi-annual Accrual Date. Upon such written direction of the Grantor the Collateral Agent shall withdraw cash in an amount equal to such balance, if any, from the Cash Consideration Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written direction; provided, however, that (i) such instructions are consistent with paragraph 7(c) of the Notes and (ii) any cash withdrawn from the Cash Consideration Account pursuant to this Section 5.1(e) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(f) If an Event of Default has occurred and is continuing, the Collateral Agent may, in its sole discretion, apply all amounts on deposit in the Cash Consideration

Account to satisfy in accordance with Section 6.2 any Obligations then due and payable.

Section 5.2 Deposits. (a) The Grantor will notify and direct promptly each FMN Debtor and every other Person obligated to make payments on or with respect to Permitted Non-Cash Consideration forming part of the Collateral to make all such payments to the Cash Consideration Account. The Grantor shall use all reasonable efforts to cause each FMN Debtor and every other Person identified in the preceding sentence to make all payments on or with respect to Permitted Non-Cash Consideration forming part of the Collateral directly to the Cash Consideration Account.

(b) In the event that the Grantor directly receives any Proceeds on or with respect to Permitted Non-Cash Consideration forming part of the Collateral (including Proceeds from any exercise of remedies in respect thereof, under any FMN Mortgage or otherwise), notwithstanding the arrangements for payment directly into the Cash Consideration Account, such Proceeds shall be held in trust for the benefit of the Collateral Agent and the Secured Parties and shall be segregated from other funds of the Grantor, subject to the Security Interest granted hereby, and the Grantor shall cause such Proceeds to be deposited into the Cash Consideration Account as soon as practicable after the Grantor's receipt thereof.

(c) All Cash Consideration constituting Net Proceeds Allocable to Payee received by the Grantor or the Collateral Agent shall forthwith be deposited into the Cash Consideration Account, subject to (i) the rights of the Collateral Agent to apply Cash Consideration in accordance with Section 6.2 if an Event of Default has occurred and is continuing and (ii) the rights of the Grantor to direct the Collateral Agent to withdraw amounts on deposit in the Cash Consideration Account.

Section 5.3 Reserve Account. (a) In connection with any Restricted Asset Sale, the Grantor may establish a Liability Reserve (not in excess of the reserve in respect thereof required by GAAP) by:

(i) not less than five Business Days prior to the consummation of such Restricted Asset Sale, giving the Collateral Agent written notice that the Grantor intends to establish a Liability Reserve with respect to such Restricted Asset Sale;

(ii) simultaneously with the consummation of such Restricted Asset Sale, delivering to the Collateral Agent a certificate, signed by the chief accounting officer of Newco, stating (A) that the Grantor is establishing a reserve with respect to Permitted Liabilities in respect of such Restricted Asset Sale and stating the initial balance of the related Reserved Amount, (B) that the Grantor is required by GAAP to establish such a reserve in an amount not less than such stated initial balance and (C) whether or not the Grantor is obligated by paragraph 6(c)(6)(b) of the Notes to deliver cash equal to such Reserved Amount for deposit hereunder; and

(iii) simultaneously with the consummation of such Restricted Asset Sale, if obligated to do so by paragraph 6(c)(6)(b) of the Notes, delivering to the Collateral Agent an amount of cash equal to the initial balance of the Reserved Amount (such amount to be in addition to any Cash Consideration paid to the Collateral Agent in connection with such Restricted Asset Sale to be deposited in the Cash Consideration Account).

(b) Prior to the first delivery to the Collateral Agent of any cash pursuant to Section 5.3(a)(iii), the Collateral Agent will establish with a financial institution reasonably satisfactory to the Grantor (it being agreed that such financial institution shall not be a creditor of the

Grantor or any of its Affiliates) an account (the "Reserve Account") over which
the Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal. All amounts received by the Collateral Agent pursuant to Section 5.3(a)(iii) and all cash Proceeds from investments thereof pursuant to Section 5.5 shall forthwith be deposited into the Reserve Account.

(c) The Reserved Amount in respect of any Restricted Asset Sale shall be increased by the amount of any Proceeds from the investment of such Reserved Amount pursuant to Section 5.5, net of the amount so invested, and reduced by any withdrawals pursuant to this Section in respect of such Reserved Amount.

(d) The Collateral Agent will, upon written request from the Grantor, withdraw cash from the Reserve Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written request; provided, however, that (i) such instructions are consistent with paragraph 7(c) of the Notes, (ii) such written request specifies each Restricted Asset Sale the Reserved Amount in respect of which is to be reduced in connection with such withdrawal and, if more than one Restricted Asset Sale is so specified, the amount by which each related Reserved Amount is to be reduced, (iii) the amount by which any Reserved Amount is to be reduced does not exceed the remaining balance of such Reserved Amount and (iv) any cash withdrawn from the Reserve Account pursuant to this Section 5.3(d) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(e) Unless an Event of Default has occurred and is continuing, the Collateral Agent will, upon written request from the Grantor, transfer all or a portion of any Excess Reserved Amount from the Reserve Account to the Cash Consideration Account if the following conditions shall have been satisfied:

(1) Such request shall specify each Restricted Asset Sale with respect to which such Excess Reserved Amount has arisen and, if more than one Restricted Asset Sale is so specified, the amount of each related Excess Reserved Amount.

(2) The amount of each Excess Reserved Amount does not exceed the remaining balance of the related Reserved Amount.

(3) Such request shall be accompanied by a certificate, signed by the chief accounting officer of Newco, to the effect that the Grantor is no longer required by GAAP to maintain the related Excess Reserved Amount in its reserve in respect of each such Restricted Asset Sale.

(4) The amount of each such Excess Reserved Amount to be transferred constitutes Net Proceeds Allocable to Payee.

(f) Unless an Event of Default or a Change Prepayment Event has occurred and is continuing, the Collateral Agent will withdraw cash from the Reserve Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have been accompanied by a certificate, signed by the chief financial officer of Newco, to the effect that (A) no Event of Default or Change Prepayment Event has occurred and is continuing and (B) the proceeds of such withdrawal are to be used to discharge a Permitted Liability which is then due and payable (and describing such Permitted Liability in general terms, including

the Restricted Asset Sale out of which such Permitted Liability has arisen).

(2) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a certificate bringing down to date the certificate referred to in Section 5.3(f)(1).

(3) The amount of cash to be withdrawn does not exceed the remaining balance of the Reserved Amount in respect of such Restricted Asset Sale.

(g) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Reserve Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have been accompanied by a certificate, signed by the chief financial officer of Newco, to the effect that (A) no Event of Default has occurred and is continuing and (B) the proceeds of such withdrawal are to be used to discharge a Permitted Liability which is then due and payable (and describing such Permitted Liability in general terms, including the Restricted Asset Sale out of which such Permitted Liability has arisen).

(2) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a certificate bringing down to date the certificate referred to in Section 5.3(g)(1).

(3) The amount of cash to be withdrawn does not exceed the remaining balance of the Reserved Amount in respect of such Restricted Asset Sale.

(4) Such Restricted Asset Sale was a Mixed Asset Sale, and the Shortfall Amount in respect of such Restricted Asset Sale is zero.

(h) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Reserve Account representing all or a portion of any Excess Reserved Amount and pay such cash to or at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have specified each Restricted Asset Sale with respect to which such Excess Reserved Amount arises, and, if more than one Restricted Asset Sale is so specified, the amount of each related Excess Reserved Amount. Such request shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that no Event of Default has occurred and is continuing and (B) a certificate, signed by the chief accounting officer of Newco, to the effect that the Grantor is no longer required by GAAP to maintain the related Excess Reserved Amount in its reserve in respect of each such Restricted Asset Sale.

(2) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received certificates bringing down to date the certificates referred to in Section 5.3(h)(1).

(3) The amount of each such Excess Reserved Amount to be withdrawn does not exceed the then remaining balance of the related Reserved Amount.

(4) Each such Restricted Asset Sale was a Mixed Asset Sale, and the Shortfall Amount in respect of each such Restricted Asset Sale is zero.

(i) If an Event of Default has occurred and is continuing, the Collateral Agent may, in its sole discretion, apply all amounts on deposit in the Reserve Account to satisfy in accordance with Section 6.2 any Obligations then due and payable.

Section 5.4 Specified Loss Account. (a) Prior to the first delivery to the Collateral Agent of any Specified Loss Proceeds, the Collateral Agent will establish with a financial institution reasonably satisfactory to the Grantor (it being agreed that such financial institution shall not be a creditor of the Grantor or any of its Affiliates) an account (the "Specified Loss Account") over which the Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal. All Specified Loss Proceeds received by the Collateral Agent and all cash Proceeds from investments thereof pursuant to Section 5.4(b) shall forthwith be deposited into the Specified Loss Account.

(b) The amount of Specified Loss Proceeds in respect of any Mortgaged Property shall be increased by the amount of any Proceeds from the investment of amounts of such Specified Loss Proceeds pursuant to Section 5.5, net of the amount so invested.

(c) The Collateral Agent will, upon written request from the Grantor, withdraw cash from the Specified Loss Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written request; provided, however, that (i) such instructions are consistent with paragraph 7(c) of the Notes, (ii) such written request specifies the Mortgaged Property the Specified Loss Proceeds in respect of which are to be reduced in connection with such withdrawal, (iii) the amount by which the Specified

Loss Proceeds in respect of any Mortgaged Property are to be reduced does not exceed the remaining balance of such Specified Loss Proceeds and (iv) any cash withdrawn from the Specified Loss Account pursuant to this Section 5.4(c) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(d) Unless an Event of Default or a Change Prepayment Event has occurred and is continuing, the Collateral Agent will withdraw cash from the Specified Loss Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that (x) no Event of Default or Change Prepayment Event has occurred and is continuing and (y) the proceeds of such withdrawal are to be used to pay for costs of repairs to or restoration of the Mortgaged Property in respect of which Specified Loss Proceeds were received by the Collateral Agent pursuant to Section 4.3 or 4.4 of the applicable Mortgage and (B) a copy of an invoice or invoices for such costs (the issuer or issuers of which shall not be Affiliates of the Grantor) evidencing that such costs have been incurred and are then due (or have been paid).

(2) Such request shall have been received by the Collateral Agent not sooner than 30 days following the most recent withdrawal from the Specified Loss Account under this Section 5.4(d).

(3) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a

certificate bringing down to date the certificate referred to in Section 5.4(d)(1).

(4) The amount of cash to be withdrawn (i) does not exceed the aggregate amount shown on the invoice or invoices accompanying the certificate delivered pursuant to section 5.4(d)(1) and (ii) when aggregated with all other amounts previously withdrawn pursuant to this Section with respect to such Mortgaged Property, does not exceed such Specified Loss Proceeds.

(5) Either (i) the cash withdrawn is paid to the Grantor to reimburse the Grantor for amounts paid to the issuer of the invoice or invoices accompanying the certificate delivered pursuant to Section 5.4(d)(1) that are marked "paid" or (ii) the Grantor directs that the cash withdrawn is to be paid to, or at the direction of, the issuer or issuers of any unpaid invoice or invoices.

(e) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Specified Loss Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than 10 Business Days prior to the date on which such cash is to be withdrawn. Such request shall have specified the amount of cash to be withdrawn and specified the Mortgaged Property the replacement of which is to be effected with the cash to be withdrawn and shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that (x) no Event of Default has occurred and is continuing and (y) the proceeds of such withdrawal are to be used to finance the purchase by the Grantor of Replacement Property from a Person who is not an

Affiliate of the Grantor and (B) a copy of a contract for the purchase of the Replacement Property.

(2) On or prior to the date on which such cash is to be withdrawn, the Collateral Agent shall have received (A) a first mortgage securing the Obligations, in recordable form and otherwise substantially in the form of the Mortgages, of the Replacement Property, duly executed and delivered by the Grantor, (B) a title insurance policy, issued by a nationally recognized title insurance company reasonably satisfactory to the Collateral Agent, insuring the lien of the Collateral Agent's mortgage on the Replacement Property, subject only to standard exceptions and Permitted Encumbrances, in an amount not less than the amount of the proposed withdrawal, and (C) such surveys, environmental audits and documents relating to the Permitted Encumbrances and compliance with Applicable Law and applicable Governmental Approvals, as reasonably requested by the Collateral Agent, as shall be reasonably necessary to satisfy the Collateral Agent that the mortgaging of the Replacement Property to secure the Obligations and the proposed withdrawal, taken together, would not materially and adversely affect the aggregate value of the Mortgaged Property and the Collateral or the rights and remedies of the Collateral Agent or any of the Secured Parties under the Loan Documents or the ability of the Collateral Agent or any of the Secured Parties to exercise the same.

(3) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a certificate bringing down to date the certificate referred to in Section 5.4(e)(1)(A).

(4) If the Replacement Property is being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be

reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the fair market value of the Replacement Property. If the Replacement Property is not being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the cash purchase price for the Replacement Property.

(5) The amount of cash to be withdrawn in respect of any Mortgaged Property (when aggregated with all other amounts previously withdrawn pursuant to this Section 5.4 with respect to such Mortgaged Property) does not exceed the Specified Loss Proceeds received in respect of such Mortgaged Property.

(6) The Grantor directs that the cash withdrawn is to be paid to, or at the direction of, the seller of the Replacement Property.

(f) If Specified Loss Proceeds with respect to a Mortgaged Property have been withdrawn from the Specified Loss Account pursuant to Section 5.4(d), upon completion of the repairs to such Mortgaged Property the Grantor shall direct the Collateral Agent pursuant to Section 5.4(c) to apply any balance of such Specified Loss Proceeds with respect to such Mortgaged Property remaining in the Specified Loss Account to the prepayment of the Notes. If the Grantor has notified the Collateral Agent in accordance with the Mortgage that Specified Loss Proceeds with respect to a Mortgaged Property are to be used to finance the purchase of Replacement Property pursuant to Section 5.4(e), the Grantor may at any time and from time to time direct the Collateral Agent pursuant to Section 5.4(c) to apply any portion of such Specified Loss Proceeds with respect to such Mortgaged Property to the prepayment of the Notes.

(g) If an Event of Default has occurred and is continuing, the Collateral Agent may, in its sole discretion, apply all amounts on deposit in the Specified Loss Account to satisfy in accordance with Section 6.2 any Obligations then due and payable.

Section 5.5 Investment. Unless an Event of Default has occurred and is continuing, the Collateral Agent will accept directions from the Grantor as to the investment of any funds in any Cash Collateral Account in Permitted Investments; provided, however, that (i) the Collateral Agent shall not be required to make any investment that, in its sole judgment, would require or cause the Collateral Agent to be, or would result in, any violation of Applicable Law or any Governmental Approval, (ii) the Collateral Agent shall be authorized to sell any investment held for the account of any Cash Collateral Account to the extent cash is needed in such Cash Collateral Account to make a withdrawal of cash from such Cash Collateral Account (and shall not be liable for any loss resulting from any such sale) and (iii) the Collateral Agent shall not be required to make any investment unless the Collateral Agent is able to perfect the Security Interest in such investment. The Grantor will indemnify the Collateral Agent for any losses resulting from such investments pursuant to this Section. Except as expressly set forth in this Section, the Collateral Agent shall not be obligated to invest any amounts on deposit in any Cash Collateral Account, nor shall any Cash Collateral Account pay interest. The Collateral Agent shall, upon reasonable request from the Grantor from time to time, provide the Grantor with a report as to the Collateral Agent's holdings of Permitted Investments.

ARTICLE VI
REMEDIES

Section 6.1 Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, the Grantor will deliver each item of Collateral at

the time in the possession of the Grantor to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right (subject to applicable law), with or without legal process and with or without previous notice or demand for performance, to exercise any and all rights afforded to a secured party under the UCC or other Applicable Law. Without limiting the generality of the foregoing, the Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of current law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which the Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Grantor 10 days' written notice (which the Grantor agrees is reasonable notice within the meaning of Section 9-504(3) of the UCC as in effect in the State of New York or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the

Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of the Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim under any Loan Document then due and payable to such Secured Party from the Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be

free to carry out such sale pursuant to such agreement and the Grantor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

Section 6.2 Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of the Collateral, as well as any Collateral consisting of cash and any amounts paid to the Collateral Agent pursuant to any Mortgage, as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any of the Mortgages or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and one legal counsel for it and the holders of the Notes (plus any necessary local counsel), the repayment of all advances made by the Collateral Agent hereunder or under any Mortgage on behalf of the Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any Mortgage;

SECOND, to the payment in full of the Obligations other than the payment of the Accreted Value of the Notes and other than all monetary obligations of the Grantor under the Guaranty Agreement (the amounts so

applied to be distributed among the Secured Parties pro rata in accordance with the amounts of such Obligations owed to them on the date of any such distribution);

THIRD, to the payment in full of the Accreted Value of the Notes (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the Accreted Value of the Notes held by them on the date of any such distribution);

FOURTH, to the payment in full of all monetary obligations of the Grantor under the Guaranty Agreement (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of such Obligations owed to them on the date of any such distribution); and

FIFTH, to the Grantor or its successors, or to whomsoever may lawfully be entitled to receive the same.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement; provided, however, that the Collateral Agent shall apply such
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proceeds, moneys or balances within six months of receipt thereof (such six months to be subject to extension during any period for which the Collateral Agent is not permitted by Applicable Law or this Agreement to apply such proceeds, moneys or balances). Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

ARTICLE VII
RIGHTS AND DUTIES OF COLLATERAL AGENT

Section 7.1 Delegation of Duties. The Collateral Agent may execute any of its duties under any Loan Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel or other advisors concerning all matters pertaining to its duties and rights hereunder. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care except to the extent otherwise expressly required by Section 7.2 or 8.3.

Section 7.2 Powers; General Immunity. (a) Each Secured Party, by its acquisition of any Note or Canadian Note, irrevocably authorizes the Collateral Agent to take such action on such Secured Party's behalf and to exercise such powers under the Loan Documents as are specifically delegated to it by the terms thereof, together with such powers as are reasonably incidental thereto. The Collateral Agent shall have only those duties and responsibilities which are expressly specified in the Loan Documents and it may perform such duties by or through its agents or employees. The duties of the Collateral Agent shall be mechanical and administrative in nature; and the Collateral Agent shall not have by reason of any Loan Document a fiduciary relationship in respect of any Secured Party; and nothing in any of the Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Collateral Agent any obligations in respect of any of the Loan Documents except as expressly set forth therein.

(b) The Collateral Agent shall not be responsible to any Secured Party for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of any of the Loan Documents or for any Liens or Guaranties granted by, or purported to be granted by, any of the Loan Documents, or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statement or in any financial or other

statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Collateral Agent to any Secured Party or by or on behalf of Buyer, Newco, the Grantor or the Canadian Buyer, to the Collateral Agent or any Secured Party, or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or of the existence or possible existence of any Default or Event of Default.

(c) Notwithstanding anything to the contrary in this Agreement, neither the Collateral Agent, nor any of its officers, directors, employees, agents, investigators, consultants, attorneys-in-fact or affiliates shall be liable to any Secured Party for any action taken or omitted under any of the Loan Documents or in connection herewith or therewith unless, but only to the extent, caused by its or their gross negligence or willful misconduct. If the Collateral Agent shall request instructions with respect to any act or action (including the failure to take an action) in connection with any of the Loan Documents, the Collateral Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Mortgage Lenders. Without prejudice to the generality of the foregoing, (i) the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for the Grantor or its Affiliates), accountants, experts and other professional advisors selected by it; and (ii) no Secured Party shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent acting or (where so instructed) refraining from acting under any Loan Document in accordance with the instructions of the Required Mortgage Lenders. The Collateral Agent shall be entitled to refrain

from exercising any power, discretion or authority vested in it under the Loan Documents unless and until it has obtained the instructions of the Required Mortgage Lenders.

(d) The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, the Collateral Agent in its individual capacity as a Secured Party. With respect to any Notes or Canadian Notes that it holds, the Collateral Agent shall have the same rights and powers hereunder as any other Secured Party and may exercise the same as though it were not performing the duties and functions delegated to it hereunder. The Collateral Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of banking, trust, financial advisory or any other business with the Grantor or any Affiliate of the Grantor as if it were not performing the duties specified herein, and may accept fees and other consideration from the Grantor or any Affiliate of the Grantor without having to account for the same to the Secured Parties.

(e) Without limiting the foregoing, the Collateral Agent may deem and treat the holder of any Note or any Canadian Note as the owner thereof for all purposes. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note or Canadian Note shall be conclusive and binding on any subsequent holder, transferee or assignee of that Note or Canadian Note or of any Note or Canadian Note issued in exchange therefor.

(f) The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, on the Register and the copies of the "Register" (as defined in the Canadian Notes), in each case as provided to the Collateral Agent by the Grantor pursuant to Section 4.10, for purposes of determining the names and addresses of the holders of the Notes and the Canadian Notes.

Section 7.3 Non-Reliance on Agent. Each Secured Party, by its acquisition of any Note or Canadian Note, expressly acknowledges that neither the Collateral Agent, nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Collateral Agent hereinafter taken shall be deemed to constitute any representation or warranty by such Person. The Collateral Agent shall not have any duty or responsibility either initially or on a continuing basis to make any such investigation or any such appraisal on behalf of the Secured Parties or to provide any Secured Party with any credit or other information with respect thereto, and the Collateral Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to the Secured Parties.

Section 7.4 Determinations Pursuant to Loan Documents. In each circumstance where, under any provision of any Loan Document, the Collateral Agent shall have the right to grant or withhold any consent, exercise any remedy, make any determination or direct any action under such Loan Document, the Collateral Agent shall act in respect of such consent, exercise of remedies, determination or action, as the case may be, only with the consent of and at the direction of the Required Mortgage Lenders; provided, however, that (i) no such consent of the Required Mortgage Lenders shall be required with respect to any consent, determination or other matter that is, in the Collateral Agent's reasonable judgment, ministerial or administrative in nature or provided for in such Loan Document, (ii) the Collateral Agent is hereby authorized on behalf of all of the Secured Parties, without the necessity of any further consent from any Secured Party, from time to time prior to an Event of Default, to release the security interests and Liens imposed by the Mortgage Documents in connection with any dispositions permitted by the terms of the Mortgage Documents or as may be required by Applicable Law and (iii) the Collateral Agent may in its discretion take such action as it deems necessary, without the consent or

direction of the Required Mortgage Lenders, if in the good faith determination of the Collateral Agent the interests of the Secured Parties would be adversely affected were such action to be delayed pending the obtaining of such consent or direction. In each circumstance where any consent of or direction from the Required Mortgage Lenders is required, the Collateral Agent shall send to the Secured Parties a notice setting forth a description in reasonable detail of the matter as to which consent or direction is requested and the Collateral Agent's proposed course of action with respect thereto. In the event the Collateral Agent shall not have received a response from any Secured Party within five Business Days after the giving of such notice (unless such notice is given by mail, in which case 10 Business Days after the giving of such notice), such Secured Party shall be deemed to have agreed to the course of action proposed by the Collateral Agent, provided that such notice states that a failure to respond shall have the consequences specified in this sentence.

Section 7.5 Resignation of the Collateral Agent. The Collateral Agent may at any time, by giving 30 days' prior written notice to the Grantor, resign and be discharged from the responsibilities hereby created, such resignation to become effective upon the earlier of (i) the acceptance of the appointment of a successor pursuant to the next sentence of this Section or (ii) the appointment of a successor by the Required Mortgage Lenders and the acceptance of such appointment by such successor. If no successor shall be appointed and approved pursuant to clause (ii) above within 30 days after the date of any such resignation, the Collateral Agent may apply to any court of competent jurisdiction to appoint a successor to act until a successor shall have been appointed by the Required Mortgage Lenders as above provided or may, on behalf of the Secured Parties, appoint a successor Collateral Agent. Any successor Collateral Agent shall be (A) a bank with an office in New York, New York, having a combined capital and surplus of at least $500,000,000 that is authorized to perform the functions of the Collateral Agent hereunder or

(B) the holder of a majority in outstanding Accreted Value of the Notes. Any successor Collateral Agent shall assume the obligations of the retiring Collateral Agent under the Landlord Lien Waiver dated the Closing Date among BCI, the Grantor and Seller, as initial Collateral Agent.

ARTICLE VII
MISCELLANEOUS

Section 8.1 Security Interest Absolute; Release of Security Interest.

(a) All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Notes (or any Guaranty endorsed thereon), any Mortgage or the Guaranty Agreement, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Notes (or any Guaranty endorsed thereon), any Mortgage or the Guaranty Agreement or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Grantor in respect of the Obligations or this Agreement, except the payment in full of the Obligations and except for any matter approved in writing by the Required Mortgage Lenders and the Collateral Agent.

(b) The consent or approval of any Secured Party shall not be required for the release of any Collateral by the Collateral Agent to the Grantor in accordance with the express provisions of this Agreement.

Section 8.2 Successors. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors of such party (including, in the case of the Collateral Agent, any successor Collateral Agent); and all covenants, promises and agreements by or on behalf of the Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors (including, in the case of the Collateral Agent, any successor Collateral Agent).

Section 8.3 Collateral Agent Appointed Attorney-in-Fact. The Grantor hereby appoints the Collateral Agent the attorney-in-fact of the Grantor, with power of substitution and in the Grantor's name or otherwise, for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which the Collateral Agent may reasonably deem necessary or advisable to accomplish the purposes hereof, including, upon the occurrence and during the continuance of an Event of Default, the power to (a) receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (d) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; and (e) use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; provided, however, that nothing herein contained shall be construed as requiring or obligating the Collateral

Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Collateral Agent with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of the Grantor or to any claim or action against the Collateral Agent other than any such matter to the extent arising out of the gross negligence or willful misconduct of the Collateral Agent. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Grantor for the purposes set forth above is coupled with an interest and is irrevocable. The provisions of this Section shall in no event relieve the Grantor of any of its obligations hereunder or under any Mortgage with respect to the Collateral or any part thereof or impose any obligation on the Collateral Agent or any Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Collateral Agent or any Secured Party of any other or further right which it may have on the date of this Agreement or hereafter, whether hereunder, by law or otherwise; provided, --------
however, that the Collateral Agent's sole duty with respect to the custody, - -------
safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account.

Section 8.4 Collateral Agent's Expenses; Indemnification. (a) The
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Grantor will pay upon demand to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of one counsel for it and the holders of the Notes (plus any necessary local counsel), of any experts or agents and of any financial institution with which any Cash Collateral Account is maintained, which the Collateral Agent may incur

in connection with (i) the administration of the Mortgage Documents, (ii) the custody, preservation or investment of, or the sale of, collection from or other realization upon any of the Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Collateral Agent hereunder or under any Mortgage or (iv) the failure of the Grantor to perform or observe any of the provisions hereof, other than any such expenses to the extent arising out of the gross negligence or willful misconduct of the Collateral Agent.

(b) The Grantor will indemnify the Collateral Agent against, and hold it harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees and expenses, incurred by or asserted against it arising out of, in any way connected with, or as a result of, the execution, delivery or performance of any Mortgage Document, or any exercise of remedies thereunder, or any claim, litigation, investigation or proceeding relating hereto or to the Collateral or any Mortgage or Mortgaged Property, whether or not a party thereto, other than, and only to the extent, caused by the gross negligence or willful misconduct of the Collateral Agent.

(c) Any such amounts payable as provided hereunder shall be additional Obligations. The provisions of this Section shall remain operative and in full force and effect regardless of the termination of this Agreement, the consummation of the transactions contemplated hereby, the invalidity or unenforceability of any term or provision of this Agreement, any Note, the Guaranty Agreement or any Mortgage, or any investigation made by or on behalf of the Collateral Agent. All amounts due under this Section shall be payable on written demand therefor.

Section 8.5 Waivers; Amendment. (a) No failure or delay of the Collateral Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power,

or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent hereunder are cumulative and are not exclusive of any rights or remedies which it would otherwise have. No waiver of any provisions of this Agreement or consent to any departure by the Grantor therefrom shall in any event be effective unless the same shall be permitted by Section 8.5(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Grantor in any case shall entitle the Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Grantor with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with paragraph 14 of the Notes.

Section 8.6 Termination. This Agreement (including the representations and warranties herein) and the Security Interest shall terminate when and only when all the Obligations have been paid in full. Upon such termination, the Collateral Agent shall forthwith assign, transfer and deliver any Collateral in the possession or under the control of the Collateral Agent (including any Collateral in any Cash Collateral Account) to or on order of the Grantor and, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination. Any execution and delivery of such documents shall be without recourse to or warranty by the Collateral Agent.

Section 8.7 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of

rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

Section 8.8 Notices. All notices and other communications made in connection with this Agreement shall be in writing. Any notice or other communication in connection herewith shall be deemed duly given (a) four Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid or (b) one Business Day after it is sent by overnight courier, in each case, addressed as follows:

(i) if to the Grantor:

CDW Realco, Inc.
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to:

CDW Acquisition Corporation
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

and to:

Debevoise & Plimpton
875 Third Avenue
New York, NY 10022
Attention: Steven Ostner

(ii) if to the Collateral Agent:

Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
11 Stanwix Center
Pittsburgh, PA 15222
Telecopy: (412) 642-3819
Telephone: (412) 244-2000
Attention: Treasurer

with a copy to the attention
of the General Counsel
(telecopy: (412) 642-5671)

or, in each case, at such other address as may be specified in writing to the other parties hereto. Any party may give any notice or other communication in connection herewith using any other means (including, without limitation, personal delivery, messenger service, telecopy, telex or ordinary mail), but no such notice or other communication shall be deemed to have been duly given unless and until it is actually received by the individual for whom it is intended.

Section 8.9 Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 8.10 Entire Agreement. This Agreement, together with the Acquisition Agreement, the Notes, the Canadian Notes, the Mortgages and the Guaranty Agreement, constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

Section 8.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be

deemed an original and all of which shall together constitute one and the same instrument.

Section 8.12 Governing Law. This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of New York, without giving effect to the conflict of laws rules thereof.

Section 8.13 No Third Party Beneficiaries. Nothing in this Agreement shall confer any right upon any person or entity other than the parties hereto, the Secured Parties and each such party's respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CDW REALCO, INC.,

By /s/

Name:
Title:

WESTINGHOUSE ELECTRIC CORPORATION, as Collateral Agent,

By /s/

Name:
Title:

Exhibit A

Debtor:

WESCO Distribution, Inc.
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

Secured Party:

Westinghouse Electric Corporation, as Collateral Agent
Westinghouse Building
Gateway Center
11 Stanwix Street
Pittsburgh, PA 15222
Attention: Treasurer

All of Debtor's accounts, chattel paper, documents, general intangibles, instruments, or securities (whether certificated or uncertificated), in each case now in existence or hereafter arising or acquired, and all proceeds of or substitutions for, any and all of the foregoing collateral and, to the extent not otherwise included, all payments under insurance or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing collateral, and all cash, wherever located.

[to be typed on face of UCC form]

All of Debtor's accounts, chattel paper, documents, general intangibles, instruments or securities now or hereafter arising or acquired, and all proceeds of any of the foregoing, and all payments under insurance or any indemnity payable with respect to any of the foregoing, and all cash, all as more fully described on the attached Schedule A.

Schedule 3.02A
to
Cash Collateral Agreement

Filings

UCC-1 financing statements, in substantially the form of Exhibit A attached hereto, filed in the following jurisdictions:

Delaware

Secretary of State

New York

Secretary of State

Pennsylvania

Secretary of State
Allegheny County

EXHIBIT 4.5

GUARANTEED FIRST MORTGAGE NOTE due February 28, 2001

Original Principal Amount: C$6,757,250 — Toronto, Ontario
R-1 — February 28, 1994

1. OBLIGATION TO PAY

FOR VALUE RECEIVED, the undersigned CDW Canada Acquisition Inc., an Ontario corporation ("MAKER"), promises to pay to the order of WESTINGHOUSE CANADA INC., a corporation organized and existing under the laws of Canada, or registered assigns ("PAYEE"), the principal sum of C$6,757,250, plus interest accrued thereon from and including the date hereof and interest upon such interest accrued at the rate and in the manner provided in paragraph 3 of this Note.

2. DEFINITIONS

The following terms as used herein shall be defined as follows:

"ADDITIONAL PRINCIPAL AMOUNT" of any Note with respect to any Interest Date shall mean the amount of interest accrued on the Principal Amount of such Note equal to the product of (A) the Interest Rate, multiplied by (B) (1) in the case of the Additional Principal Amount with respect to the first Interest Date following the date of issuance of such Note, the Original Principal Amount of such Note, or (2) in the case of each Additional Principal Amount with respect to each Interest Date thereafter, the Principal Amount of such Note as of the immediately preceding Interest Date after giving effect to any partial prepayment of such Note, multiplied by (C) a fraction (X) the numerator of which is the actual number of days elapsed during the period (1) in the case of the Additional Principal Amount with respect to the first Interest Date following the Closing

Date, from and including the Closing Date to but excluding such first Interest Date, or (2) in the case of each Additional Principal Amount with respect to each Interest Date thereafter, from and including the immediately preceding Interest Date to but excluding the Interest Date with respect to which such calculation is being made, and (Y) the denominator of which is 365 or 366, as appropriate.

"ADMINISTRATIVE AGENTS" shall mean the respective administrative agents under the Canadian Senior Credit Agreement and the U.S. Senior Credit Agreement or under any extension, refunding, renewal or refinancing thereof.

"ADVANCES" shall mean any loans or other advances of credit under the Canadian Senior Credit Agreement (or any extension, refunding, renewal or refinancing thereof).

"AFFILIATE" shall mean as to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities by contract or credit arrangement, as trustee or executor, or otherwise. Each of the C&D Fund, Buyer, Newco, Realco and Maker shall be regarded as Affiliates of each other; Seller and Westinghouse Canada Inc. shall be regarded as Affiliates of each other; and none of the C&D Fund, Buyer, Newco, Realco or Maker, on the one hand, and Seller or Westinghouse Canada Inc., on the other hand, shall be regarded as Affiliates of each other.

"APPRAISED VALUE" with respect to any Mortgaged Property shall mean the amount that would be paid for such Mortgaged Property by a willing buyer who purchases such Mortgaged Property "as is" and "where is" in a transaction negotiated on an arm's length basis in which neither such

buyer nor the seller of such Mortgaged Property is under any compulsion to engage in the transaction.

"APPROVED APPRAISER" shall mean (i) any of The Manufacturer's Appraisal Company, Cushman & Wakefield and Binswanger & Co. or (ii) any other independent real estate appraisal firm approved by Maker and the Required Mortgage Lenders.

"BANK" shall mean each financial institution that is listed on the signature pages of the Canadian Senior Credit Agreement and its permitted successors, assigns and transferees under the Canadian Senior Credit Agreement.

"BCI" shall mean Barclays Business Credit, Inc.

"BENEFICIAL OWNER" shall mean a "beneficial owner", as defined in Rule 13d-3 under the United States Securities Exchange Act of 1934, as amended (or any successor provision).

"BOARD OF DIRECTORS" shall mean the Board of Directors of Buyer.

"BORROWING BASE" shall mean the sum of the value of certain accounts receivable plus the value of certain inventory, in each case of Maker and its Subsidiaries, that are eligible under the Canadian Senior Credit Agreement (or any extension, refunding, renewal or refinancing thereof) to support Advances made thereunder, provided that, for the purpose of determining the maximum Advances permitted by the Borrowing Base immediately prior to and immediately after giving effect to a Mixed Asset Sale, any changes pursuant to an amendment, supplement, waiver or other modification to the Canadian Senior Credit Agreement in the method of calculating the Borrowing Base, and in the extent to which a Borrowing Base of a given size and composition supports Advances, that take effect within 10 Business Days prior to the date of such Mixed Asset Sale shall be ignored.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required to close.

"BUYER" shall mean CDW Holding Corporation, a Delaware corporation.

"C&D FUND" shall mean The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership.

"CD&R" shall mean Clayton, Dubilier & Rice, Inc., a Delaware corporation.

"CANADIAN DOLLARS" and "C$" shall mean dollars in the lawful currency of Canada.

"CANADIAN SENIOR CREDIT AGREEMENT" shall mean the Credit Agreement, dated as of the Closing Date, among Maker, Barclays Bank of Canada, as Administrative Agent, BCI, as Collateral Monitoring Agent, and the Banks, as amended, supplemented, waived or otherwise modified from time to time.

"CASH COLLATERAL AGREEMENT" shall mean the Cash Collateral and Security Agreement, dated as of the Closing Date, between Maker and Mortgagee, as amended, supplemented, waived or otherwise modified from time to time.

"CASH CONSIDERATION" shall mean, in respect of any Restricted Asset Sale, any consideration for such sale or other disposition received in the form of cash.

"CHANGE OF CONTROL" shall be deemed to occur at any time that (a) prior to the consummation of the Specified Public Offering, CD&R, the C&D Fund, Seller and their respective Affiliates cease to have the power collectively (whether through the ownership of Voting Stock, by contract with one or more holders of Voting Stock, by irrevocable proxy or by provision of the certificate of incorporation of

Buyer) to elect a majority of the members of the Board of Directors; (b) after the consummation of the Specified Public Offering, any Person or group (as described in Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended), other than either (x) CD&R, the C&D Fund and their respective Affiliates or (y) Seller or any such group of which Seller is a member, is or becomes the Beneficial Owner of Voting Stock that represents more than (i) 30% in the aggregate of the total Voting Stock of Buyer then outstanding and (ii) the total Voting Stock of Buyer of which CD&R, the C&D Fund and their respective Affiliates are Beneficial Owners; (c) Buyer is the Beneficial Owner of less than all the outstanding equity securities of Newco or of Realco; (d) Newco is the Beneficial Owner of less than all the outstanding equity securities of Realco or of Maker; or (e) during any two year period, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by the Board of Directors, was approved by a vote of a majority of the directors of Buyer then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors.

"CHANGE PREPAYMENT DATE" shall have the meaning specified in paragraph 7(b).

"CLOSING DATE" shall mean February 28, 1994.

"CONVERSION RATE" shall mean 0.73995 United States Dollars per Canadian Dollar.

"EVENT OF DEFAULT" shall mean any of the events specified in paragraph 5 provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "DEFAULT" shall mean any of such events, whether or not any such requirement has been satisfied.

"EXCESS RESERVED AMOUNT" shall mean, with respect to any Restricted Asset Sale, an amount equal to the excess, if any, of the initial balance of the Reserved Amount established in respect of such Restricted Asset Sale over the aggregate amount of cash paid by Maker to satisfy the Permitted Liabilities underlying such Reserved Amount at the time the reserves in respect of such Reserved Amount are reversed.

"FAIR MARKET VALUE" with respect to any Mortgaged Property or Mortgaged Properties to be sold or disposed of in a single Restricted Asset Sale or a series of related Restricted Asset Sales (a) shall mean the amount agreed between Maker and the Majority Holders as the fair market value of such Mortgaged Property or Mortgaged Properties or (b) if such agreement is not reached within ten days of notice of the proposed Restricted Asset Sale to each holder of Notes at the time outstanding, shall mean the Appraised Value of such Mortgaged Property or Mortgaged Properties, as determined by an Approved Appraiser selected and compensated by Maker, such determination to be set forth in writing in reasonable detail by such Approved Appraiser and given to Maker and to holders of the Notes at the time outstanding. Notwithstanding the previous sentence, (i) Maker shall endeavor in good faith to select the Approved Appraiser for a given transaction on a basis such that the Restricted Asset Sales through the date of such transaction shall be allocated approximately evenly (by number of Restricted Asset Sales and series of related Restricted Asset Sales) among the Approved Appraisers and (ii) in the event of a Major Asset Sale, within five Business Days after receipt by the holders of the written appraisal contemplated by the preceding sentence, the Majority Holders may require that a second Approved Appraiser determine the Appraised Value of the Mortgaged Property or Mortgaged Properties being disposed of in such Major Asset Sale, in which event (A) such holders shall be responsible for the selection and compensation of such second Approved Appraiser, (B) such second Approved Appraiser shall deliver its determination of Appraised Value to Maker on a date not less than five

Business Days prior to the scheduled closing date of such Major Asset Sale, such determination to be set forth in writing in reasonable detail by such second approved Appraiser and (C) the Fair Market Value shall be the average of the

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respective amounts determined as the Appraised Value by the first and second Approved Appraisers.

"GAAP" shall mean generally accepted accounting principles as in effect in Canada.

"GUARANTY" shall mean, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, lease, dividend or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable.

"INTEREST DATE" shall mean each February 28 and August 31 from and including August 31, 1994, to and including the Interest Date immediately prior to Maturity.

"INTEREST RATE" shall mean 8% per annum.

"LIEN" shall mean any mortgage, pledge, assignment, hypothecation, security deposit arrangement, encumbrance (statutory or other), charge or other security interest or any preference, priority or other lien, security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any Capital Lease having substantially the same economic effect as any of the foregoing).

"MAJOR ASSET SALE" shall mean any Mixed Asset Sale (or series of related transactions involving one or more Mixed Asset Sales to a single purchaser or group of related purchasers) including a Mortgaged Property or Mortgaged

Properties the Fair Market Value of which exceeds, in the aggregate, US$15,000,000.

"MAJORITY HOLDERS" shall mean the holders of at least a majority of the aggregate Principal Amount of (plus accrued interest from the immediately preceding Interest Date on) the Notes at the time outstanding.

"MAKER" shall have the meaning specified in paragraph 1.

"MATURITY" with respect to any Note shall mean the earlier of (a) Stated Maturity or (b) the date on which (whether by acceleration or prepayment or otherwise) all or any part of the Principal Amount of such Note becomes due and payable.

"MIXED ASSET SALE" shall mean any sale or disposition of a Mortgaged Property or Mortgaged Properties to a Person, if such Person or any of its Affiliates is acquiring other assets from Maker or an Affiliate of Maker in connection with such sale or disposition.

"MORTGAGE DOCUMENTS" shall mean (a) each mortgage of real property executed by Maker that by its terms secures the performance by Maker of its obligations under the Notes and (b) the Cash Collateral Agreement.

"MORTGAGED PROPERTY" shall mean the Mortgaged Property, as defined in each of the Mortgage Documents.

"MORTGAGEE" shall mean Westinghouse Canada Inc. in its capacity as Mortgagee under the Mortgage Documents and as Collateral Agent under the Cash Collateral Agreement, or any successor Mortgagee or Collateral Agent.

"NET PROCEEDS" of any Restricted Asset Sale shall mean the proceeds of such Restricted Asset Sale after (a) provision for all income, title, recording or other taxes measured by or resulting from such Restricted Asset

Sale, to the extent payable by Maker or any of its Affiliates, after taking into account all available deductions and credits, (b) payment of all reasonable brokerage commissions, reasonable investment banking and legal fees and other reasonable fees and expenses, to the extent payable by Maker or any of its Affiliates, related to such Restricted Asset Sale (other than any such amounts payable to any Affiliate of Maker), and (c) deduction of an amount equal to the initial balance of the Reserved Amount, if any, in respect of such Restricted Asset Sale; provided that if the reserves underlying such Reserved Amount are reversed, any Excess Reserved Amount with respect to such Restricted Asset Sale shall be added to the Net Proceeds of such Restricted Asset Sale.

"NET PROCEEDS ALLOCABLE TO PAYEE" shall have the meaning specified in paragraph 6(3).

"NET WORTH" shall mean, as to any Person at any time, the excess of the total assets over the total liabilities of such Person at such time, determined on a consolidated basis in accordance with GAAP.

"NEWCO" shall mean CDW Acquisition Corporation, a Delaware corporation and a Wholly Owned Subsidiary of Buyer.

"NOTES" shall mean the Guaranteed First Mortgage Note due February 28, 2001, issued by Maker on the Closing Date in a principal amount of C$6,757,250, and all securities issued upon transfer or exchange thereof. This Note is one of the Notes.

"ORIGINAL PRINCIPAL AMOUNT" of any Note is the amount stated as the Original Principal Amount on the face of such Note.

"PAYEE" shall have the meaning specified in paragraph 1.

"PERMITTED LIABILITY", in respect of any Restricted Asset Sale, shall mean any liability of Maker to the extent (i) arising out of or associated with the assets included in such Restricted Asset Sale and (ii) retained by Maker or Newco after such Restricted Asset Sale, including, without limitation, any liability relating to environmental matters and any liability for indemnification obligations arising out of such Restricted Asset Sale, but excluding any liability to the extent arising out of any breach by Maker of its obligations under the Notes and the Mortgage Documents.

"PERMITTED NON-CASH CONSIDERATION" shall mean, in respect of any Restricted Asset Sale, any consideration for such Restricted Asset Sale received in the form of notes issued by the purchaser (or an Affiliate thereof) in such Restricted Asset Sale, provided that such notes (a) are secured by a perfected, first priority mortgage lien on the Mortgaged Property or Mortgaged Properties sold in such Restricted Asset Sale, (b) are freely transferable (subject only to compliance with applicable securities laws), (c) have a scheduled maturity date no later than the later of (i) Stated Maturity or (ii) the five-year anniversary of the date on which such notes are issued and (d) bear cash interest (i) payable not less often than semiannually and (ii) at a rate not less than the Government of Canada Yield (determined as of the date on which such notes are issued) plus 250 basis points. The "Government of Canada Yield" shall be equal to the yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada Bond would carry if issued, in Canadian Dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the weighted average life to maturity of such Permitted Non-Cash Consideration as of such date of determination. The Government of Canada Yield shall be provided by two investment dealers that are members of the Investment Dealers Association of Canada selected by Maker and acceptable to Payee. Such implied yield shall be determined, if necessary, by interpolating linearly between yields so provided by such investment dealers. The

Government of Canada Yield shall be computed to the fifth decimal place (one thousandth of a percentage point) and rounded to the fourth decimal place (one hundredth of a percentage point).

"PERSON" shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"PREPAYMENT DATE" shall have the meaning specified in paragraph 7(c).

"PRINCIPAL AMOUNT" of any Note on any date of determination shall mean (a) the sum of (i) the Original Principal Amount of such Note plus (ii) the aggregate of the Additional Principal Amounts of such Note accrued from and including the date of issuance of such Note to and including the Interest Date coinciding with or immediately preceding the date of determination minus (b) each partial prepayment of such Note made on or prior to such date of determination (it being understood that the Principal Amount of such Note shall be reduced by the amount of each such partial prepayment as of the date on which such partial prepayment is made).

"REALCO" shall mean CDW Realco, Inc., a Delaware corporation and a Wholly Owned Subsidiary of Buyer.

"REGISTER" shall have the meaning specified in paragraph 9(a).

"REQUIRED MORTGAGE LENDERS" shall mean the holders of at least a majority of the sum of (a) the aggregate Principal Amount (plus accrued interest from the immediately preceding Interest Date on) the Notes at the time outstanding and (b) the aggregate principal amount of (plus any original issue discount accrued on) the U.S. Notes at the time outstanding. For the purpose of this definition,

Canadian Dollar amounts shall be converted to United States Dollar amounts at the Conversion Rate.

"RESERVED AMOUNT" shall mean, in respect of any Restricted Asset Sale, an amount equal to the initial balance of any Liability Reserve (as defined in the Cash Collateral Agreement) established by Maker, in accordance with GAAP at the time of such Restricted Asset Sale in connection with any Permitted Liabilities in respect of such Restricted Asset Sale, as adjusted from time to time pursuant to Section 5.03 of the Cash Collateral Agreement.

"RESPONSIBLE OFFICER" of any Person shall mean any of the following officers of such Person: (a) the chief executive officer or the president of such Person and, with respect to financial matters, the chief financial officer, the treasurer or the controller of such Person, (b) any vice president of such Person or, with respect to financial matters, any assistant treasurer or assistant controller of such Person, who has been designated in writing to Mortgagee as a Responsible Officer by such chief executive officer or president of such Person or, with respect to financial matters, the chief financial officer, the treasurer or the controller of such Person and (c) with respect to paragraphs 6(2) and 16 and without limiting the foregoing, the general counsel of such Person.

"RESTRICTED ASSET SALE" shall mean the sale or disposition of any Mortgaged Property or of assets sold in a Mixed Asset Sale, as the case may be, other than in respect of a casualty to or condemnation of any Mortgaged Property.

"SELLER" shall mean Westinghouse Electric Corporation, a Pennsylvania corporation.

"SHORTFALL AMOUNT" shall have the meaning specified in paragraph 6(3).

"SIMPLE INTEREST COMPONENT" on any date of determination with respect to any Note means that portion of

the Principal Amount of such Note equal to the aggregate amount of interest which has accrued on the Original Principal Amount of such Note from the Closing Date to the date of determination minus the aggregate amount of any partial prepayments previously applied to the Simple Interest Component.

"SPECIFIED PREPAYMENT" shall mean any prepayment in part of the Notes or the U.S. Notes to the extent not made (i) out of the proceeds of the sale or disposition of any Mortgaged Property, (ii) out of the proceeds from the enforcement of any Mortgage Document or U.S. Mortgage Document, (iii) out of amounts released from the Lien of any Mortgage Document (other than any Excess Reserved Amounts, to the extent that such Excess Reserved Amounts do not constitute Net Proceeds Allocable to Payee) or (iv) otherwise pursuant to any Mortgage Document.

"SPECIFIED PUBLIC OFFERING" shall mean the consummation of a bona fide public offering of common stock of Buyer (the "Common Stock") pursuant to a registration statement filed under the United States Securities Act of 1933, as amended, which offering is underwritten by a syndicate of underwriters led by one or more underwriters at least one of which is an underwriter of recognized national standing and which (whether alone or together with any other prior registered offerings) results in (a) an aggregate percentage of the outstanding Common Stock (on a fully diluted basis) being held by the public that is greater than the percentage of the outstanding Common Stock (on a fully diluted basis) held by Seller upon, and after giving effect to, the consummation of such offering, and (b) Buyer being subject to the reporting requirements of Section 13 of the United States Securities Exchange Act of 1934, as amended, other than by reason solely of Section 15(d) of the United States Securities Exchange Act of 1934, as amended.

"STATED MATURITY" shall mean February 28, 2001.

"SUBSIDIARY" of any Person shall mean a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"UNITED STATES DOLLARS" and "US$" shall mean dollars in the lawful currency of the United States of America.

"U.S. MORTGAGE DOCUMENTS" shall mean (a) each mortgage of real property that by its terms secures the performance by Realco of its obligations under the U.S. Notes and (b) the Cash Collateral and Security Agreement dated as of the Closing Date between Realco and Seller.

"U.S. NOTES" shall mean the "Notes", as defined in the first mortgage note issued on the Closing Date by Realco to Seller.

"U.S. SENIOR CREDIT AGREEMENT" shall mean the Credit Agreement, dated as of the Closing Date, among Newco, BCI, as Administrative Agent and Collateral Agent, Barclays Bank PLC, as Managing Agent, and the financial institutions from time to time party thereto, as amended, supplemented, waived or otherwise modified from time to time.

"VOTING STOCK" shall mean, with respect to any corporation or other entity, any shares of stock or other ownership interests of such corporation or entity whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation or to manage any such other entity (irrespective of whether at the time stock or ownership interests of any other class or

classes shall have or might have voting power by reason of the happening of any contingency).

"WHOLLY OWNED" as applied to any Subsidiary of a Person, shall mean a Subsidiary of such Person all the outstanding shares (other than shares, if any, required to qualify directors under applicable law) of every class of stock of which is at the time owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

3. INTEREST

(a) The Principal Amount of this Note outstanding from time to time shall bear interest from the date of this Note until due, whether upon maturity, by acceleration or otherwise, at a rate of 8% per annum. On each Interest Date prior to Maturity, interest accrued on this Note in the amount of the Additional Principal Amount shall be compounded and added to the Principal Amount of this Note, and shall itself bear interest. Except as otherwise specifically stated in this Note, no payment of interest or principal will be due prior to Maturity. On Stated Maturity, the Principal Amount of this Note, with accrued interest from the immediately preceding Interest Date, shall be due and payable in full.

(b) If any amount of Principal Amount of or accrued interest on this Note shall not be paid upon Maturity thereof, such Principal Amount and, to the extent permitted by applicable law, accrued interest, shall bear interest payable on demand, from the date of such Maturity to the date such amount is paid in full, at a rate equal to 9% per annum, compounded semi-annually.

4. PAYMENTS

(a) Maker will pay all sums becoming due on this Note by the method and at the address specified for such

purpose in paragraph 4(b) without the presentation or surrender of this Note or, subject to the next sentence, the making of any notation hereon, except that any Note paid or prepaid in full shall be surrendered to Maker as a condition to such payment or prepayment and shall be cancelled and shall not be reissued. Upon any partial prepayment of this Note, Payee shall endorse hereon the amount and date of such partial prepayment, provided that Payee's failure to do so
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shall not affect Maker's obligations under this Note.

(b) All cash payments due hereunder shall be made by wire transfer of immediately available funds prior to noon, Toronto time, on the due date for payment thereof to such bank account as shall be designated by Payee to Maker in writing at least five Business Days prior to the due date for such payment. For so long as Westinghouse Canada Inc. is Payee, such account shall be the account of Westinghouse Canada Inc., Toronto Dominion Bank, Jackson Square Branch, Hamilton, Ontario, Account No. 0985-159, bank transit number 2512, unless a different account shall be designated by Payee. Any cash payment due hereunder on a day that is not a Business Day shall be made on the first Business Day following the due date for such payment.

(c) As hereinafter provided, Maker shall have the right to prepay this Note in full or in part at any time with accrued interest on the Principal Amount so prepaid through the date of such prepayment and without, in either case, penalty.

5. EVENTS OF DEFAULT AND REMEDIES

Upon the occurrence of an Event of Default (as hereinafter defined), the entire Principal Amount of (plus accrued interest from the immediately preceding Interest Date on) this Note shall, automatically, in the case of any Event of Default described in subdivision (c) or (d) of this paragraph 5 (other than such an Event of Default described in clause (i) of subdivision (c) or described in clause (vi) of subdivision (c) by virtue of reference in such

clause (vi) to such clause (i)) or an Event of Default described in subdivision (a) of this paragraph 5 occurring at Stated Maturity, or by written notice of the Required Mortgage Lenders delivered to Maker, in the case of any other Event of Default, become immediately due and payable, provided that if an Event of
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Default under subdivision (e) has occurred and is continuing, and the entire principal amount of (plus accrued original issue discount on) the U.S. Notes has become due and payable prior to Stated Maturity, such written notice to Maker may be given by the Majority Holders.

The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) Maker shall fail to pay any amount of Principal Amount of (plus accrued interest from the immediately preceding Interest Date on) any Note when the same becomes due and payable; or

(b) Maker shall fail to perform or observe any term, covenant or agreement to be performed or observed by it that is contained in any Note or any Mortgage Document (other than any failure referred to in subdivision (a) above), and any such failure shall remain unremedied for forty-five (45) days after written notice thereof shall have been given to Maker by Mortgagee; or

(c) Maker shall (i) be generally not paying its debts as they become
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due, (ii) file, or consent by answer or otherwise to the filing against it
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of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (iii) make an assignment
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for the benefit of its creditors, (iv) consent to the appointment of a
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custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v)
-
be

adjudicated insolvent or (vi) take corporate action for the purpose of any
of the foregoing; or

(d) a court or governmental authority of competent jurisdiction shall enter an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to Maker or with respect to any substantial part of its property (other than any such order consented to by Maker), or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of Maker or any petition for any such relief shall be filed against Maker and such petition shall not be dismissed within sixty (60) days; or

(e) an "Event of Default" under the U.S. Notes shall have occurred and be continuing.

Presentment, demand, protest and notice of dishonor are hereby waived by Maker.

6. COVENANTS

Covenants of Maker. Maker covenants and agrees that, so long as this Note shall remain unpaid, Maker will perform and observe each and all of the covenants set forth in clauses (1), (2) and (4) below and Maker will not, except with the prior written consent of the Majority Holders, take any action prohibited by the covenants set forth in clauses (3) and (5) below:

(1) Payment of Principal Amount. Maker will duly and punctually pay or cause to be paid the Principal Amount of (plus accrued interest from the immediately preceding Interest Date on) the Notes in accordance with the terms of the Notes.

(2) Events of Default. Within five Business Days of a Responsible Officer of Maker becoming aware of any Event of Default, Maker will deliver to Payee a notice describing such Event of Default, its status and what action Maker is taking or proposes to take with respect thereto.

(3) Sale of Mortgaged Properties. Maker will not make or permit any Restricted Asset Sale unless the following conditions have been satisfied:

(a) such Restricted Asset Sale is to a Person who is not an Affiliate of Maker and (i) if such Restricted Asset Sale does not constitute a Mixed Asset Sale, an amount equal to at least 75% of the Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset Sale) is in the form of Cash Consideration and the balance of such Net Proceeds Allocable to Payee is in the form of Permitted Non-Cash Consideration; or (ii) if such Restricted Asset Sale constitutes a Mixed Asset Sale:

(A) if any amount of Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset Sale) is in a form other than Cash Consideration, such amount of Net Proceeds Allocable to Payee is in the form of Permitted Non-Cash Consideration in an amount not exceeding 25% of the Fair Market Value of the Mortgaged Property or Mortgaged Properties disposed of in such Restricted Asset Sale and the balance of such Net Proceeds Allocable to Payee is in the form of Cash Consideration;

(B) if such Restricted Asset Sale constitutes a Major Asset Sale, the amount of the Net Proceeds Allocable to Payee (determined as of the closing date of such Restricted Asset

sale) is at least 75% of the Fair Market Value of the Mortgaged Property or Mortgaged Properties disposed of in such Restricted Asset Sale;

(C) after giving effect to such Restricted Asset Sale, the aggregate Shortfall Amount for all Mixed Asset Sales to the date of determination (such "Shortfall Amount" to be converted into United States Dollars at the Closing Date Exchange Rate) does not exceed US$8,000,000, reduced by the aggregate "Shortfall Amount" under paragraph 6(c)(6) of the U.S. Notes to the date of determination, and increased by the aggregate amount of any Specified Prepayments made on or prior to the date of determination);

(D) not less than 30 days prior to the closing date of such Restricted Asset Sale (45 days if such Restricted Asset Sale would constitute a Major Asset Sale), Maker delivers to Payee written notice of such Restricted Asset Sale; and

(E) not less than five Business Days prior to the closing date of such Restricted Asset Sale (30 days if such Restricted Asset Sale would constitute a Major Asset Sale), Maker delivers to Payee any written appraisal required by clause (b) of the first sentence of the definition of "Fair Market Value" in paragraph 2; and

(b) (i) all Cash Consideration constituting Net Proceeds -

Allocable to Payee (determined as of the closing date of such Restricted Asset Sale) in respect of such Restricted Asset Sale is immediately paid over by Maker to Mortgagee and held and applied pursuant to the Cash Collateral

Agreement, (ii) any Permitted Non-Cash Consideration (and related security documentation) constituting Net Proceeds Allocable to Payee in respect of such Restricted Asset Sale is immediately delivered by Maker to Mortgagee and held and applied pursuant to the Cash Collateral Agreement and (iii) the initial balance of the Reserved Amount, if any, in respect of such Restricted Asset Sale (A) in the case of any Mixed Asset Sale in respect of which the Shortfall Amount is equal to zero, is immediately paid over by Maker to Newco and (B) in the case of any other Restricted Asset Sale, is immediately paid over by Maker to Mortgagee and held and applied pursuant to the Cash Collateral Agreement.

For purposes of the foregoing, (x) "NET PROCEEDS ALLOCABLE TO PAYEE" shall mean (1) in respect of a Restricted Asset Sale which does not constitute a Mixed Asset Sale, all the Net Proceeds of such Restricted Asset Sale or (2) in respect of a Restricted Asset Sale that constitutes a Mixed Asset Sale, the Net Proceeds of such Restricted Asset Sale (including any Excess Reserved Amount in respect of such Restricted Asset Sale) remaining (not to exceed 100% of the Fair Market Value of the Mortgaged Property or Mortgaged Properties disposed of in such Restricted Asset Sale, it being understood that any amounts of Net Proceeds of such Restricted Asset Sale (including any Excess Reserved Amount in respect of such Restricted Asset Sale) in excess of such Fair Market Value shall be available for the account of Maker or, if held or received by Mortgagee in the form of cash or cash equivalents under the Cash Collateral Agreement, released to Maker within two Business Days of receipt) after a portion of the Cash Consideration is retained by or on behalf of Maker or is applied to reduce the outstanding Advances (such portion to be limited to the excess, if any, of the maximum Advances permitted by the Borrowing Base immediately prior to such Mixed Asset Sale over the maximum Advances permitted by the Borrowing Base immediately after giving effect to such Mixed

Asset Sale), (y) "SHORTFALL AMOUNT" shall mean, in respect of each Restricted Asset Sale which constitutes a Mixed Asset Sale, the amount (if any) by which the Net Proceeds Allocable to Payee in respect of such Restricted Asset Sale (including any Excess Reserved Amount in respect of such Restricted Asset Sale to the extent such Excess Reserved Amount is identified to such Net Proceeds Allocable to Payee) is less than the Fair Market Value of the Mortgaged Property or Mortgaged Properties included in such Mixed Asset Sale, and (z) the amount of any Net Proceeds Allocable to Payee consisting of Permitted Non-Cash Consideration shall be deemed to be equal to the aggregate principal amount of such Permitted Non-Cash Consideration.

(4) Corporate Existence, etc. Maker will (i) at all times preserve and keep in full force and effect its corporate existence, (ii) at all times preserve and keep in full force and effect any rights and franchises of it and its Subsidiaries with respect to which the failure to do so would have a material adverse effect on the business, operations, results of operations, condition (financial or otherwise), assets or liabilities of Maker and its Subsidiaries, taken as a whole, and (iii) qualify to do business in any jurisdiction where the failure to do so would have a material adverse effect on the business, operations, results of operations, condition (financial or otherwise), assets or liabilities of Maker and its Subsidiaries, taken as a whole.

(5) Consolidation, Amalgamation, Sale of Assets, etc. Maker will not consolidate or amalgamate with any Person, or convey, transfer or lease substantially all of its assets to any Person, unless the following conditions are satisfied:

(a) except in the case of a statutory amalgamation under the laws of Canada or a province thereof, the entity formed by such consolidation or amalgamation, or the Person that

acquires by conveyance, transfer or lease substantially all of the assets of Maker, shall be a corporation organized and existing under the laws of Canada or any province thereof, and shall execute and deliver to Payee an agreement, in form and substance satisfactory to the Required Mortgage Lenders, containing an assumption by such successor Person of the due and punctual performance and observance of each obligation, covenant and condition of Maker under this Note and the Mortgage Documents;

(b) immediately before and after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and

(c) immediately after giving effect to such transaction the Net Worth of Maker (or, in the case of a consolidation or amalgamation involving Maker or the conveyance, transfer or lease of substantially all of Maker's assets to any Person, the Net Worth of the Person formed by such consolidation or amalgamation, or of the Person that acquired by conveyance, transfer or lease substantially all of the assets of Maker) shall not be less than 100% of the Net Worth of Maker prior to such consolidation, amalgamation, conveyance, transfer or lease.

7. PREPAYMENTS

(a) Optional Prepayment. Maker may, at its option, upon notice, prepay at any time or from time to time all or any part of the Principal Amount of the Notes (plus accrued interest from the immediately preceding Interest Date through but excluding the date of such prepayment) without premium or penalty.

(b) Contingent Prepayment Upon Change of Control. In the event of a Change of Control, Maker will, not less

than 30 days prior to such Change of Control (or, if none of Buyer, Newco or Maker is aware of such Change of Control until later than 30 days prior thereto, not less than five Business Days after Buyer, Newco or Maker becomes aware of such Change of Control), give written notice of such condition to Payee and Mortgagee by registered mail. Such notice shall contain a written irrevocable offer by Maker to prepay, in whole or in part, by a date (the "CHANGE PREPAYMENT DATE") specified in such notice (which date shall not be less than 30 days and not more than 60 days after the date of such notice), this Note. Such offered prepayment shall be made on the Change Prepayment Date at the Principal Amount of this Note (or the portion of such Principal Amount elected by Payee to be prepaid, if Payee elects to require prepayment of less than all of such Principal Amount) without premium or penalty, calculated as of the Interest Date immediately preceding such prepayment, plus interest accrued on such Principal Amount from such immediately preceding Interest Date through but excluding the Change Prepayment Date, upon acceptance of such offer by Payee mailed to Maker within 10 Business Days after receipt of such notice by Payee, such acceptance to specify the portion of the Principal Amount of this Note to be prepaid and to be accompanied by this Note endorsed in favor of Maker or accompanied by duly executed instruments of transfer. In the event of a prepayment of this Note in part pursuant to this paragraph 7(b), following the Change Prepayment Date, Maker at its expense (except for transfer taxes, if any) (i) will execute and deliver in exchange herefor a new Note or Notes and (ii) will cause Buyer, Newco and Realco to endorse thereon the related Guaranty. Such new Note or Notes shall (A) have an Original Principal Amount of C$100,000 or any multiple thereof (except that a Note may be issued in a lesser Original Principal Amount if the aggregate Principal Amount (after giving effect to such partial prepayment) of the surrendered Note or Notes is not evenly divisible by, or is less than, C$100,000), (B) have the same aggregate Original Principal Amount as the aggregate Principal Amount (after giving effect to such partial prepayment) of the Note or Notes so surrendered,

(C) be dated as of the Interest Date coinciding with or immediately preceding the date of such surrender, and (D) be registered in such name or names, all as may be designated by the holder of the surrendered Note or Notes or such holder's transferee.

(c) Required Notice; Partial Prepayments to be Pro Rata Where More Than One Note Outstanding.

(1) Written notice of each prepayment pursuant to paragraph 7(a) or pursuant to the Cash Collateral Agreement shall be given by Maker to Payee and Mortgagee not less than 10 nor more than 30 days prior to the date fixed for such prepayment (each, a "PREPAYMENT DATE"), specifying (A) such date, (B) the aggregate portion of Principal Amount of all Notes to be prepaid on such date and the balance of such Principal Amount of all Notes after giving effect to such prepayment and (C) the corresponding portion of Principal Amount of this Note to be prepaid on such date and the balance of such Principal Amount of this Note after giving effect to such prepayment. Any such notice shall be irrevocable once given.

(2) In the event of any prepayment pursuant to paragraph 7(a) or pursuant to the Cash Collateral Agreement of less than the entire Principal Amount all of the outstanding Notes, at a time when more than one Note is outstanding, the Principal Amount of the Notes so to be prepaid shall be allocated among the respective Notes and holders thereof so that the Principal Amount of each Note to be prepaid pursuant to paragraph 7(a) or pursuant to the Cash Collateral Agreement shall bear the same ratio to the Principal Amount of such Note as the aggregate amount of such prepayment bears to the aggregate Principal Amount of all Notes then outstanding, except that if upon any allocation on such basis the amount so to be prepaid to any such holder would be greater than, but not be an exact multiple of, C$100,000, then additional or lesser

amounts not exceeding C$100,000 may be allocated to such holder so that such holder shall be entitled to receive an exact multiple of C$100,000, or if the amount so to be prepaid to any such holder pursuant to such paragraph would be less than C$100,000, then no amount need be allocated to such holder, in each such case so long as (i) allocations of prepayments among the respective Notes and holders thereof shall be appropriate to maintain, through successive partial prepayments, as nearly as practicable the ratio above provided and (ii) in the case of a prepayment that is required to be of a certain size, the aggregate amount of the prepayment applied to all the Notes is not less than the required size.

(d) The amount of any prepayment of the Principal Amount shall be applied, first, to the portion of the Principal Amount not attributable to the Simple Interest Component or the Original Principal Amount, second, to the Simple Interest Component and, third, to the Original Principal Amount.

8. SECURITY

(a) Payee is entitled to the benefits of certain security held or to be held by Mortgagee pursuant to the Mortgage Documents. The Notes are entitled to the benefits of the security provided for in such agreements and instruments, to which reference is made for a description of the properties and rights included in such security, the nature and extent of such security and the rights of the holders of the Notes, Mortgagee, Maker, and various parties to such agreements and instruments in respect of such security.

(b) By acceptance of this Note, Payee hereby irrevocably appoints Mortgagee as Payee's agent, and Payee hereby irrevocably authorizes Mortgagee, as Payee's agent, (i) to take such action on Payee's behalf and to exercise such powers and perform such duties under each of the Mortgage Documents as may be delegated to Mortgagee by the

terms thereof, together with all such powers as are reason ably incidental thereto, (ii) to hold any Liens or security interest granted to Mortgagee pursuant to each of the Mortgage Documents for the benefit of Payee and the other holders of the Notes, if any, and (iii) to enforce the Mortgage Documents for the benefit of Payee and the other holders of the Notes, if any, all in accordance with the Mortgage Documents. Payee hereby acknowledges receipt of a copy of the Cash Collateral Agreement (and such of the other Mortgage Documents as Payee shall have requested) (or the form thereof) and Payee has, and each subsequent holder of Notes will be deemed by its acquisition of Notes to have, approved the terms and provisions of each of the Mortgage Documents and agreed to be bound thereby, consented to the appointment of Mortgagee under the Mortgage Documents and acknowledged the rights, immunities and privileges of Mortgagee thereunder (including, without limitation, Article VII of the Cash Collateral Agreement). Neither Mortgagee nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable for any action lawfully taken or omitted to be taken by it or such Person in its capacity as agent under or in connection with this Note or any Mortgage Document (except for its or such Person's own gross negligence or willful misconduct).

9. REGISTRATION, TRANSFERS AND EXCHANGES

(a) Generally. Maker will keep at its principal office at 475 Hood Road, Markham, Ontario L3R 0S8 a register (the "REGISTER") in which Maker will provide for the registration and transfer of the Notes and will record the name of, and address for notices to, each holder of the Notes. Maker, Mortgagee and any agent of Maker or Mortgagee may treat the Person in whose name this Note is registered as the owner of such Note for the purpose of receiving payment of the Principal Amount of (plus accrued interest from the immediately preceding Interest Date on) this Note and for all other purposes, whether or not this Note be overdue, and neither Maker, Mortgagee nor any such agent shall be affected by notice to the contrary.

(b) Transfer and Exchange of Notes. Upon surrender of this Note for registration of transfer or for exchange to Maker at its principal office set forth above, Maker at its expense (except for transfer taxes, if any) (i) will execute and deliver in exchange herefor a new Note or Notes and (ii) will cause Buyer, Newco and Realco to endorse thereon the related Guaranty. Such new Note or Notes shall (A) have an Original Principal Amount of C$100,000 or any multiple thereof (except that a Note may be issued in a lesser Original Principal Amount if the aggregate Principal Amount (after giving effect to such partial prepayment) of the surrendered Note or Notes is not evenly divisible by, or is less than, C$100,000), (B) have the same aggregate Original Principal Amount as the aggregate Principal Amount (after giving effect to such partial prepayment) of the Note or Notes so surrendered, (C) be dated as of the Interest Date coinciding with or immediately preceding the date of such surrender, and (D) be registered in such name or names, all as may be designated by the holder of the surrendered Note or Notes or such holder's transferee.

(c) Restrictions on Transfer. Payee may not transfer this Note to any other Person (x) if there has been any partial prepayment of this Note since the date hereof, unless Payee shall first surrender this Note for exchange pursuant to paragraph 9(b) or (y) prior to the fourth anniversary of the Closing Date, except to one or more Affiliates controlled by Seller, which Affiliates shall at all times that they continue to hold Notes continue to be controlled by Seller. Payee may, on or after the fourth anniversary of the Closing Date, transfer, sell or convey this Note or any portion of this Note (A) to Seller or to one or more Affiliates controlled by Seller, which Affiliates shall at all times that they continue to hold Notes continue to be controlled by Seller or (B) in a minimum aggregate Principal Amount of C$1,000,000 (or, if the aggregate Principal Amount of all Notes held by Payee is less than C$1,000,000, in such aggregate Principal Amount) (i) to any Person with the prior written consent of Maker

and the Administrative Agents, which consent (in each case) shall not be unreasonably withheld, or (ii) to one or more Affiliates controlled by Payee, which Affiliates shall at all times that they continue to hold Notes continue to be controlled by the Person that relied on this clause (ii) in transferring Notes to such Affiliates.

10. NON-WAIVER

No course of dealing between Maker and Payee, or between Maker and Mortgagee, or any delay or failure on the part of Payee or Mortgagee in exercising any rights hereunder or under any Mortgage Document shall operate as a waiver of any rights of Payee, except to the extent expressly waived in writing by Payee.

11. LOSS, THEFT, DESTRUCTION OR MUTILATION OF NOTE

Upon receipt by Maker of evidence reasonably satisfactory to Maker of the loss, theft, destruction or mutilation of this Note, and of indemnity or security reasonably satisfactory to Maker (it being agreed that any indemnity from Seller will be reasonably satisfactory to Maker), and upon reimbursement to Maker of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Note, if mutilated, Maker will make and deliver a new Note of like tenor, in lieu of this Note. Any Note made and delivered in accordance with the provisions of this paragraph 11 shall be dated the date hereof.

12. GOVERNING LAW

This Note shall be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein. Maker hereby irrevocably submits to the non-exclusive general jurisdiction of the courts of the Province of Ontario and appellate courts from any thereof.

13. SUCCESSORS AND ASSIGNS

All the covenants, stipulations, promises and agreements contained in this Note shall bind the successors and assigns of Maker and Payee and shall inure to the benefit of the successors and permitted assigns of Payee, whether so expressed or not. Any assumption of the obligations of Maker hereunder shall not release Maker, as applicable, from its obligations hereunder (including the Guaranties endorsed hereon) without the prior written consent of Payee. The obligations of Maker under this Note may not be assumed by a non-resident of Canada (as defined in the Income Tax Act (Canada)).

14. AMENDMENT

Any term of the Notes or any Mortgage Document may be amended and the observance of any term of the Notes or any Mortgage Document may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of (i) Maker, (ii) the Required Mortgage Lenders, (iii) in the case of any amendment or waiver of any Mortgage Document, Mortgagee and (iv) in the case of any amendment or waiver of (w) the definition of the term "Administrative Agents" in paragraph 2 of this Note, (x) clause (i) of paragraph 9(c) of this Note, (y) paragraph 17 of this Note, or (z) this clause (iv), the Administrative Agents, provided that (1) without the prior written consent of the holders of all the Notes at the time outstanding, no such amendment or waiver shall (a) change the Stated Maturity, the Interest Payment Date or the Principal Amount of, or reduce the Interest Rate on, or change the amount or the time of payment of any Principal Amount of, any Note, (b) amend, modify or waive this proviso to this paragraph 14 or the definition of the term "Required Mortgage Lenders" in paragraph 2 of this Note, (c) release or subordinate the Lien of the Mortgage Documents or (d) release Buyer, Newco or Realco from their respective Guaranties endorsed on any Note, and (2) no such amendment or waiver shall amend, modify or waive any provision of the

Notes without simultaneously amending, modifying or waiving the comparable provision of the U.S. Notes unless such amendment, modification or waiver shall have also received the written consent of the Majority Holders. Any amendment or waiver effected in accordance with this paragraph 14 shall be binding upon each holder of any Note at the time outstanding, each future holder of any Note and Maker, whether or not (in the case of an amendment or waiver affecting the Notes) the substance of such amendment or waiver is thereafter incorporated in the form of the Notes or noted on the face thereof.

15. HEADINGS

The headings of the sections and paragraphs of this Note are inserted for convenience only and shall not be deemed to constitute a part hereof.

16. NOTICES

Any notice or other communication under this Note shall be in writing and shall be deemed to have been duly given or made (i) when delivered by hand, (ii) four Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid, or (iii) one Business Day after it is sent by nationally recognized overnight courier, in each case addressed as follows:

(a) if to Payee, at the address set forth for Payee in the Register, which shall be such address as Payee

shall from time to time furnish to Maker in writing, the initial address for Payee being:

Westinghouse Canada Inc.
120 King Street West
Hamilton, Ontario L8N 3K2
Attention: General Counsel

a copy to:

Blake, Cassels & Graydon
Box 25, Commerce Court West
Toronto, Ontario M5L 1A9
Attention: Mitchell Wigdor

(b) if to Maker, at the address set forth below or at such other address, to the attention of the Responsible Officer of Maker named below or to the attention of such other Responsible Officer, as Maker shall have furnished to Payee in writing:

CDW Canada Acquisition Inc.
475 Hood Street
Markham, Ontario L3R 0S8
Attention: Chief Financial Officer

with a copy to each of Buyer, Newco and Realco at their respective addresses set forth in this paragraph 16 and with a copy to:

Debevoise & Plimpton
875 Third Avenue
New York, NY 10022
Attention: Steven Ostner

(c) if to Buyer, at the address set forth below or at such other address, to the attention of the Responsible Officer of Buyer named below or to the attention of such

other Responsible Officer, as Maker shall have furnished to Payee in writing:

CDW Holding Corporation
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to each of Newco, Maker, Realco and Debevoise & Plimpton at their respective addresses set forth in this paragraph 16;

(d) if to Newco, at the address set forth below or at such other address, to the attention of the Responsible Officer of Newco named below or to the attention of such other Responsible Officer, as Newco shall have furnished to Payee in writing:

CDW Acquisition Corporation
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to each of Buyer, Maker, Realco and Debevoise & Plimpton at their respective addresses set forth in this paragraph 16; and

(e) if to Realco, at the address set forth below or at such other address, to the attention of the Responsible Officer of Realco named below or to the attention of such other Responsible Officer, as Realco shall have furnished to Payee in writing:

CDW Realco, Inc.
One Riverfront Center
Pittsburgh, PA 15222
Attention: Chief Financial Officer

with a copy to each of Buyer, Newco, Maker and Debevoise & Plimpton at their respective addresses set forth in this paragraph 16.

17. PROVISIONS FOR THE BENEFIT OF BANKS

The provisions of clause (i) of paragraph 9(c) of this Note and clause (iv) of paragraph 14 of this Note are for the benefit of the Banks and the financial institutions party to any extension, refunding, renewal or refinancing of the Canadian Senior Credit Agreement, and the Administrative Agents shall be entitled to enforce such provisions on their behalf. Except as set forth in the preceding sentence, nothing in this Note shall confer any rights upon any Person other than Maker, Buyer, Newco, Realco, Mortgagee and Payee and their respective successors and permitted assigns.

IN WITNESS WHEREOF, CDW CANADA ACQUISITION INC. has caused this Note to be signed in its corporate name by a duly authorized officer and to be dated as of the day and year first above written.

CDW CANADA ACQUISITION INC.

By _____
Name: Richard Marshuetz
Title: Vice President,
Assistant Secretary

Note (cont'd)

PREPAYMENTS

Date	Amount of Principal Amount Prepaid	Notation Made By

GUARANTY

The undersigned, CDW HOLDING CORPORATION, CDW ACQUISITION CORPORATION (to be renamed WESCO Distribution, Inc.) and CDW REALCO, INC. (the "Guarantors"), for valuable consideration, hereby each, jointly and severally, unconditionally and irrevocably guarantee, as primary obligor and not merely surety, (i) the due and punctual payment of the Principal Amount (plus all accrued and unpaid interest thereon) of this Note, as the same shall become due and payable, whether at the date of maturity or by prepayment or acceleration or otherwise, (ii) the due and punctual payment of each other payment required to be made by Maker under this Note or any of the Mortgage Documents and (iii) the due and punctual performance by Maker of all other obligations of Maker, respectively, under this Note and the Mortgage Documents (all the foregoing obligations being collectively called the "Guaranteed Obligations"). This Guaranty is an absolute, unconditional present and continuing Guaranty of payment and not of collectibility, and in any case in which the Maker shall fail or be unable punctually to make any payment required to be made by or in respect of this Note, the Guarantors jointly and severally agree to pay the same to the holder of this Note forthwith upon demand. The obligations of each Guarantor under this Guaranty are general full recourse obligations of such Guarantor and may be fully enforced against such Guarantor.

(a) Except as provided below in this subsection (a), all payments made to Payee by any Guarantor pursuant to this Guaranty shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority, excluding (i) net income taxes, franchise taxes, branch taxes or taxes on the overall capital or net worth of Payee imposed by any jurisdiction under the laws of which Payee is organized or

is located, or in which its principal executive office is located, or any nation within which such jurisdiction is located or any political subdivision thereof and (ii) any such taxes or other tax, levy, impost, duty, charge, fee, deduction or withholding imposed by reason of any connection between the jurisdiction imposing such tax and Payee, other than a connection arising solely from Payee having received payment under or enforced, this Guaranty. If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to Payee hereunder, the amounts so payable to Payee shall be increased to the extent necessary to yield to Payee (after payment of all Non-Excluded Taxes, and all Non-Excluded Taxes on the amount of such increase), interest or any such other amounts payable hereunder at the rates or in the amounts specified in the Note on which this Guaranty is endorsed, provided, however, that such Guarantor shall be entitled to deduct and withhold any Non-Excluded Taxes and shall not be required to increase any such amounts payable to Payee if Payee is not organized under the laws of Canada or a province thereof or is not a resident of Canada for purposes of the Income Tax Act (Canada), as amended from time to time. Whenever any Non-Excluded Taxes are payable by any Guarantor, as promptly as possible thereafter such Guarantor shall send to Payee a certified copy or an original official receipt received by such Guarantor showing payment thereof. If such Guarantor fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to Payee the required receipts or other required documentary evidence, such Guarantor shall indemnify Payee for any incremental taxes, interest or penalties that may become payable by Payee as a result of any such failure. The agreements in this subsection shall survive the payment of the Note on which this Guaranty is endorsed and all other amounts payable hereunder.

Upon the request, and at the expense, of any such Guarantor, Payee shall reasonably afford such Guarantor the opportunity to contest, and reasonably cooperate with such

Guarantor in contesting, the imposition of any Non-Excluded Tax giving rise to such payment; provided that (i) Payee shall not be required to afford such Guarantor the opportunity to so contest unless such Guarantor shall have confirmed in writing to Payee its obligation to pay such amounts pursuant to this Guaranty and (ii) such Guarantor shall reimburse Payee for its reasonable attorneys' and accountants' fees and disbursements incurred in so cooperating with such Guarantor in contesting the imposition of such Non-Excluded Tax.

(b) Each Guarantor waives presentment to, demand of payment from and protest to Maker of any of the Guaranteed Obligations, and also waives notice of acceptance of this Guaranty and notice of protest for nonpayment. The obligation of each Guarantor hereunder shall not be affected by (i) the failure of any Person to assert any claim or demand or to enforce any right or remedy against Maker under the provisions of this Note or any Mortgage Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Guaranty or any other agreement; (iii) the release of any security held by any Person for the Guaranteed Obligations or any of them; or (iv) the failure of any Person to exercise any right or remedy against any other guarantor of the Guaranteed Obligations. Each Guarantor further waives any right to require that any resort be had to any security held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of any Person in favor of Maker or any other Person.

(c) The obligations of each Guarantor shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the fore-

going, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of any Person to assert any claim or demand or to enforce any remedy under this Note, any Mortgage Document, any Guaranty or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or omission which may or might in any manner or to any extent vary the risk of the Guarantors or otherwise operate as a discharge of the Guarantors as a matter of law or equity (other than the payment in full of all the Guaranteed Obligations). Upon payment and performance in full of the Guaranteed Obligations, each Guarantor shall be subrogated to the rights of the holder of this Note in respect of any payment or other obligation with respect to which an amount has been payable by such Guarantor hereunder. This Guaranty shall survive and be in full force and effect so long as any Guaranteed Obligation is outstanding and has not been indefeasibly paid.

(d) Paragraphs 10, 12, 14 and 15 and the first sentence of paragraph 13 of this Note shall apply to this Guaranty as if references therein to "this Note" were references to this Guaranty and references therein to "Maker" were references to the Guarantors. The definitions in paragraph 2 of this Note and the second sentence of paragraph 13 of this Note shall apply to this Guaranty.

CDW HOLDING CORPORATION

By /s/

Name:
Title:

CDW ACQUISITION CORPORATION

By /s/

Name:
Title:

CDW REALCO, INC.

By /s/

Name:
Title:

EXHIBIT 4.12

CASH COLLATERAL AND SECURITY AGREEMENT dated as of February 28, 1994, between CDW CANADA ACQUISITION INC., an Ontario corporation (the "Grantor") and WESTINGHOUSE CANADA INC., a Canadian corporation, as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties, as defined herein.

Reference is made to the Canadian Asset Acquisition Agreement (the "Acquisition Agreement") dated as of February 28, 1994, between the Grantor and Westinghouse Canada Inc., as seller (in such capacity, "Seller") pursuant to which (a) Seller has agreed to transfer certain assets to the Grantor and the Grantor has agreed to acquire such assets from Seller, (b) in partial consideration for such acquisition, the Grantor has agreed to execute and deliver, or cause to be executed and delivered, to Seller (i) C$6,757,250.00 Original Principal Amount of the Grantor's guaranteed first mortgage notes due 2001 (the "Notes"), (ii) the guaranties endorsed on the Notes by each of Buyer, Newco and Realco, (iii) mortgages by the Grantor on the real property acquired by the Grantor from Seller securing the Notes and (iv) a security agreement by the Grantor in the form hereof.

Accordingly, the Grantor and the Collateral Agent hereby agree as follows:

ARTICLE I. DEFINITIONS

Section 1.01 Terms Defined in the Notes. Terms used herein and not otherwise defined herein shall have the meanings set forth in the Notes.

Section 1.02 Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Applicable Law" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), rules, regulations, ordinances, codes or orders of any Governmental Authority and (ii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

"Cash Collateral Accounts" shall mean the Cash Consideration Account, the Reserve Account and the Specified Loss Account.

"Cash Consideration Account" shall mean the Cash Consideration Account established pursuant to Section 5.01.

A "Change Prepayment Event" shall have occurred and be continuing if
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(a) a Change of Control has occurred and (b) the Grantor has not yet discharged in full its obligations with respect to giving notice of such Change of Control to the holders of the Notes and the prepayment of Notes, in part or in whole, at the request of such holders.

"Collateral" shall mean all right, title and interest of the Grantor
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in all (i) Permitted Non-Cash Consideration that forms part of the Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale and all related FMN Mortgages, (ii) Cash Consideration that forms part of the Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale, (iii) amounts (including Specified Loss Proceeds) required to be deposited in, and amounts from time to time held in, the Cash Collateral Accounts, (iv) Permitted Investments held for the account of any Cash Collateral Account, (v) Documents and (vi) Proceeds.

"Documents" shall mean all instruments, files, records, ledger sheets
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and documents covering or relating to any of the Collateral and includes, for greater certainty, the Register.

"FMN Debtor" shall mean any Person who is or who may become obligated
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under, with respect to or on account of any Permitted Non-Cash Consideration that forms part of the Collateral.

"FMN Mortgages" shall mean the mortgages that secure any Permitted
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Non-Cash Consideration.

"Governmental Approval" shall mean any consent, approval,
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authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with or report or notice to any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any
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state, province, territory or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the United States, Canada, any state of the United States, any province or territory of Canada or any political subdivision thereof, and any tribunal or arbitrator(s) of competent jurisdiction, and any self-regulatory organization.

"Liability Reserve", with respect to any Restricted Asset Sale, shall
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mean any reserve established by the Grantor in accordance with GAAP pursuant to

Section 5.03(a) at the time of such Restricted Asset Sale in connection with any Permitted Liabilities in respect of such Restricted Asset Sale.

"Loan Documents" shall mean the Notes (including the Guaranties endorsed thereon) and the Mortgage Documents.

"Mortgages" shall mean the mortgages of real property executed by the Grantor that by their terms secure the payment by the Grantor of its obligations under the Notes (whether or not such mortgages also secure other obligations).

"Obligations" shall mean (i) the due and punctual payment by the Grantor of (A) the Principal Amount of the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (B) all monetary obligations of the Grantor under the Loan Documents and (ii) the due and punctual performance of all other obligations of the Grantor under the Loan Documents.

"Permitted Encumbrances", with respect to any Replacement Property, shall mean the "Permitted Encumbrances", as defined in the Mortgage relating to such Replacement Property.

"Permitted Investments" shall mean:

(a) marketable direct obligations issued or unconditionally guaranteed by the government of Canada or issued by any agency thereof and backed by the full faith and credit of the government of Canada, in each case maturing within one year from the date of acquisition thereof;

(b) marketable general obligations issued by any government of any province of Canada or any political subdivision of any such province or any public instrumentality thereof maturing within six months from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings generally obtainable from either CBRS Inc. or Dominion Bond Rating Service Limited;

(c) commercial paper maturing no more than six months from the date of creation thereof and, at the time of acquisition, having a rating of A-1 (low) or higher from CBRS Inc. or R-1 (low) or higher from Dominion Bond Rating Service Limited;

(d) domestic certificates of deposit, guaranteed investment certificates, deposit receipts or evidences of demand deposits or bankers' acceptances

maturing within six months after the date of acquisition issued by any Canadian chartered bank or any loan or trust company organized under the laws of Canada or any province thereof, having combined capital, surplus and undivided profits (less any undivided losses), as of its last annual audited financial statements, of not less than C$250,000,000; and

(e) fully collateralized repurchase agreements with a term of not more than 30 days for underlying securities of the type described in clause (a) or (b) above entered into with any company which is registered and in good standing as an investment dealer under the Securities Act (Ontario), which is a member in good standing of the Investment Dealers Association of Canada or any successor association thereof and which meets the quantitative qualifications specified in clause (d) above;

provided, however, that any Permitted Investment (i) must have a stated maturity prior to Stated Maturity (ii) be denominated in Canadian Dollars and (iii) be in bearer form or, if in registrable form, be registered in the name of the Collateral Agent.

"Permitted Liens" shall mean any (i) Liens for taxes that are not yet due and payable or that may after contest be paid without penalty or that are being contested in good faith by the Grantor and (ii) Liens arising by reason of any judgment, decree or order of any Governmental Authority that does not arise out of any breach by the Grantor of any of the Loan Documents if (A) appropriate legal proceedings have been duly initiated for the review of such judgment, decree or order, are being diligently prosecuted and have not been finally terminated or (B) the period within which such proceedings may be initiated has not expired.

"PPSA" shall mean the Personal Property Security Act (Ontario).

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other disposition of any asset or property which constitutes Collateral, any payments received on Permitted Non-Cash Consideration that forms part of the Collateral, any payments or other assets received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral (but only to the extent such payment relates to any such asset or property), and shall include all cash and negotiable instruments received or held on behalf of the Collateral Agent pursuant to Article V.

"Replacement Property" shall have the meaning ascribed thereto in Section 5.01(d)(1).

"Reserve Account" shall mean the Reserve Account established
pursuant to Section 5.03.

"Secured Parties" shall mean (i) each holder of Notes, (ii) the
Collateral Agent in its capacity as such, (iii) the beneficiaries of each indemnification obligation undertaken by the Grantor under any Mortgage Document and (iv) the successors of the foregoing.

"Security Interest" shall have the meaning ascribed thereto in
Section 2.01.

"Specified Loss Account" shall mean the Specified Loss Account
established pursuant to Section 5.04.

"Specified Loss Proceeds" shall mean any amounts paid to the
Collateral Agent pursuant to Section 11 or 12 of any Mortgage.

Section 1.03 Extended Meanings. Words importing the singular include the plural thereof and vice versa, and words importing gender include the masculine, feminine and neuter genders. Any defined term used in the singular preceded by "any" or "each" shall be taken to indicate any number of the members of the relevant class. When used in this Agreement, the following words have the following meanings: (i) "mortgage" means "mortgage, charge or hypothec"; (ii) "mortgaging" means "mortgaging, charging or hypothecating"; and (iii) "real property" means "freehold real or immoveable property". Unless otherwise specified, any reference in this Agreement to any statute will include all regulations made thereunder or in connection therewith from time to time, and will include such statute as it may be amended, supplemented or replaced from time to time.

ARTICLE II. SECURITY INTEREST

Section 2.01 Security Interest. As security for the payment or performance, as the case may be, of the Obligations, the Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent and its successors, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent and its successors, for the benefit of the Secured Parties, a security interest in, all the Grantor's right, title and interest in, to and under the Collateral (the "Security Interest").

Section 2.02 No Assumption of Liability. The Security Interest is granted as security only and shall not subject the Collateral Agent or any Secured Party

to, or in any way alter or modify, any obligation or liability of the Grantor with respect to or arising out of any of the Collateral.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

As of the date hereof and as of the date any Cash Consideration or Permitted Non-Cash Consideration is delivered to the Collateral Agent to be held pursuant to this Agreement, the Grantor represents and warrants to the Collateral Agent and the Secured Parties that:

Section 3.01 Title and Authority. The Grantor has (or, in the case of after-acquired Collateral, on the date of its delivery to the Collateral Agent, will have) good and valid rights in and title to the Collateral with respect to which it has purported to grant a Security Interest hereunder and has (or, in the case of after-acquired Collateral, on the date of its delivery to the Collateral Agent, will have) full power and authority to grant to the Collateral Agent the Security Interest in such Collateral pursuant hereto and has full power and authority to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person, other than any consent or approval which has been obtained.

Section 3.02 Filings. The Grantor has (or promptly after the Closing Date, but in no event later than the date Collateral is first delivered to the Collateral Agent, will have) made all the filings, recordings and registrations listed on Schedule 3.02A, which are the only filings, recordings and registrations necessary to create, preserve, perfect and protect the Security Interest under all Applicable Laws (including, without limitation, the PPSA) in all applicable jurisdictions in Canada, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration, of the filings, recordings and reregistrations listed on Schedule 3.02A is necessary under any such Applicable Law in any such applicable jurisdiction, except as provided under Applicable Law with respect to the filing, recording or registration of continuation statements, financing change statements or analogous documents and except that additional filings, recordings or registrations may be necessary if the Grantor thereafter changes its name, identity or corporate structure or the location of its places of business, its chief executive office, its chief place of business or the Collateral or thereafter transfers all or any part of the Collateral, with or without the prior consent of the Collateral Agent. Without limiting the generality of the foregoing or of Section 4.04, simultaneously with delivery of any Permitted Non-Cash Consideration to the Collateral Agent or as soon thereafter as practicable, the Grantor shall have taken all such actions and made all such filings, recordings and registrations that are necessary in order to enable the Collateral Agent to enforce directly against the applicable FMN

Debtor its obligations in respect of such Permitted Non-Cash Consideration and to exercise remedies under the applicable FMN Mortgage, without the necessity of any further consent or approval of the Grantor.

Section 3.03 Validity of Security Interest. The Security Interest constitutes (or, in the case of after-acquired Collateral, will on the date of delivery of such after-acquired Collateral to the Collateral Agent constitute) (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Obligations and (b) a perfected security interest in all Collateral in which a security interest may be perfected by either (i) possession of the Collateral by the Collateral Agent (assuming continuing possession by the Collateral Agent) or (ii) filing, recording or registering a financing statement or analogous document under the PPSA or any other Applicable Law in any applicable jurisdiction in Canada. Except as otherwise agreed from time to time by the Collateral Agent in writing, the Security Interest is and shall be prior to any other Lien on any of the Collateral, including any Permitted Lien.

Section 3.04 Absence of Other Liens. The Collateral is owned by the Grantor free and clear of any Lien (other than the Security Interest and any Permitted Lien). Other than as contemplated hereby, the Grantor has not filed or consented to the filing of (a) any financing statement or analogous document under any Applicable Law covering any Collateral or (b) any assignment in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any Governmental Authority.

Section 3.05 Location of Chief Executive Office. The registered office, principal place of business, chief place of business and chief executive office of the Grantor, and the office where the Grantor keeps the Documents and any other books and records concerning the Collateral, are located at the address specified for the Grantor in Section 8.08. The exact corporate name of the Grantor as it appears in its constating documents, each other corporate name the Grantor has had, and all other names (including trade names or similar appellations) under which the Grantor or any of its divisions, subsidiaries or other business units has carried on business are as listed in the caption to this Agreement or notified to the Collateral Agent pursuant to Section 4.01.

ARTICLE IV. COVENANTS

Section 4.01 Change of Name; Location of Collateral: Place of Business. The Grantor will promptly notify the Collateral Agent of any change (i) in its corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of its registered office, its chief

executive office, its chief place of business, its principal place of business or any office in which it maintains books or records relating to Collateral or (iii) in its identity or corporate structure. The Grantor will not effect or permit any change referred to in the preceding sentence unless all filings, recordings or registrations have been made under all Applicable Laws in all applicable jurisdictions in Canada or otherwise which are required in order for the Collateral Agent to continue at all times following such change to have a legal, valid and perfected Lien in all the Collateral in which a Lien may be perfected or by which the priority of the Lien may be protected under such Applicable Law by filing, recording or registering this Agreement, any security documentation delivered by the Grantor to the Collateral Agent pursuant hereto or any by the Grantor to the Collateral Agent pursuant hereto or any financing statement or similar document.

Section 4.02 Periodic Certification. Each year, at the time of delivery of Newco's annual financial statements with respect to the preceding fiscal year pursuant to the U.S. Notes, the Grantor will deliver to the Collateral Agent a certificate executed by a financial officer and the chief legal officer of the Grantor (a) certifying that all appropriate financing statements or analogous documents or other appropriate filings, recordings or registrations (including registrations of notices of security interest in fixtures, as applicable), including all refilings, rerecordings and reregistrations have been filed, recorded or registered under all Applicable Laws in all applicable jurisdictions in Canada to the extent necessary under (i) the PPSA to protect and perfect the Security Interest for a period of not less than 6 months after the date of such certificate and (ii) all other Applicable Laws in all other applicable jurisdictions in Canada to create, preserve, perfect and protect the Security Interest and any Lien constituted by any security documentation delivered by the Grantor to the Collateral Agent pursuant hereto, in each case for a period of not less than 6 months after the date of such certificate, (b) setting forth all filings, recordings and registrations, including all refilings, rerecordings and reregistrations, that, with respect to the Collateral as of the date of such certificate, would be necessary under the PPSA and under all other Applicable Laws in all other applicable jurisdictions in Canada within 18 months after the date of such certificate in order to create, preserve, perfect and protect the Security Interest in such Collateral and any Lien in such Collateral constituted by any security documentation delivered by the Grantor to the Collateral Agent pursuant hereto, (c) setting forth, with respect to each filing, recording or registration (including each refiling, rerecording or reregistration) made since the date of the most recent certificate delivered pursuant to this Section, the filing office, the date of filing, all relevant filing numbers thereof, the collateral description set out therein and the expiry date thereof and (d) attaching true, correct and complete verification statements, acknowledgment copies or copies of this Agreement or of such other security documentation, as applicable, with filing particulars officially stamped thereon, of each such filing, recording or registration not theretofore delivered to the Collateral Agent.

Section 4.03 Protection of Security. The Grantor will, at its own cost and expense, take any and all actions necessary to (i) defend title to the Collateral against all Persons and to defend the Security Interest or any other Lien of the Collateral Agent in the Collateral and the priority thereof against any Lien (other than any Permitted Lien) and (ii) resist enforcement of any Permitted Lien against any Collateral.

Section 4.04 Further Assurances. (a) The Grantor will, at its own cost and expense, execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and remedies created hereby, including the payment of any fees and filing, registration, stamp and other similar taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest or such other Lien and the filing or execution of any financing or financing charge statements or analogous documents (including registrations of notices of security interest in fixtures) under any Applicable Law in any jurisdiction with respect to the Security Interest. The Grantor also hereby authorizes the Collateral Agent to file any such financing or financing change statement or analogous document without the signature of the Grantor to the extent permitted by Applicable Law. If permitted by Applicable Law, a copy of this Agreement will be sufficient as a financing statement or an analogous document for filing in any jurisdiction. Without limiting the generality of the foregoing, the Grantor acknowledges that this Agreement has been prepared based upon the requirements of existing laws in the Province of Ontario and that such laws may change. The Grantor also acknowledges that the laws of other jurisdictions may require the execution and delivery of different forms of security documentation. The Grantor agrees that the Collateral Agent will have the right to require that this Agreement be amended or supplemented: (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if the Grantor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer upon the Collateral Agent the Security Interest intended to be created hereby.

(b) Without limiting the generality of the foregoing, any Permitted Non-Cash Consideration delivered to the Collateral Agent (and the related FMN Mortgage) shall, unless otherwise requested by the Collateral Agent, be registered in the name of the Collateral Agent or its nominee. If the Collateral Agent requests that any such Permitted Non-Cash Consideration and the related FMN Mortgage not be registered in the name of the Collateral Agent or its nominee, such Permitted Non-Cash Consideration and related FMN Mortgage (i) shall be duly endorsed in a manner, or accompanied by registrable instruments of transfer or assignment in a form reasonably

satisfactory to the Collateral Agent (it being agreed that the Collateral Agent may at any time in its sole and absolute discretion register any of such instruments), (ii) shall provide that (A) the rights of the Grantor under such Permitted Non-Cash Consideration and related FMN Mortgage may be assigned without the consent of the applicable FMN Debtor, (B) any assignee of the Grantor can exercise all of the rights of the Grantor under such Permitted Non-Cash Consideration and related FMN Mortgage, (C) the applicable FMN Debtor will make all payments under such Permitted Non-Cash Consideration as directed by the Grantor, and (D) the terms of such Permitted Non-Cash Consideration and related FMN Mortgage shall not be amended or modified, and the Grantor will not agree to a waiver or compromise thereof, without the consent of the Grantor and any assignee of the Grantor and (iii) shall be accompanied by an instrument duly executed by the applicable FMN Debtor, in a form reasonably satisfactory to the Collateral Agent, pursuant to which such FMN Debtor shall acknowledge the assignment to the Collateral Agent of all the rights of the Grantor in respect of such Permitted Non-Cash Consideration and related FMN Mortgage (it being agreed that, as between the Grantor and the Collateral Agent, the exercise of rights and powers accruing to the owner of any Permitted Non-Cash Consideration shall be governed by this Agreement).

(c) The Collateral Agent shall have the right (in its sole and absolute discretion) to hold any Permitted Non-Cash Consideration forming part of the Collateral in its own name as pledgee, the name of its nominee or the name of the Grantor. The Grantor will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to any Permitted Non-Cash Consideration forming part of the Collateral registered in the name of the Grantor.

(d) The Collateral Agent shall, upon the reasonable request of the Grantor, sign any financing statement or other similar document, in form and substance reasonably satisfactory to the Collateral Agent, required to be filed by the Grantor pursuant to this Agreement and that requires the signature of the Collateral Agent.

Section 4.05 Rights and Obligations Under Permitted Non-Cash Consideration. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Grantor that the Grantor's rights under this Section are being suspended:

(i) The Grantor shall be entitled to exercise any and all the rights and powers of the owner of any Permitted Non-Cash Consideration forming part of the Collateral (and the related FMN Mortgage) to amend, waive or modify the terms thereof and to grant consents or approvals thereunder; provided, however, that (A) such exercise could not reasonably be expected to materially and adversely affect the rights inuring to a holder of such Permitted Non-Cash

Consideration or the rights and remedies of the Collateral Agent or any of the Secured Parties under any of the Loan Documents or any of the Secured Parties to exercise the same and (B) the Grantor may not amend, waive, modify or compromise any such Permitted Non-Cash Consideration (or the related FMN Mortgage) to (w) extend the maturity or decrease the principal amount of, or reduce the rate of interest or extend the time of payment of any installment of principal of or interest on, any such Permitted Non-Cash Consideration, (x) release or subordinate the Lien of any FMN Mortgage forming part of the Collateral or adversely affect the ability to exercise remedies thereunder, (y) permit any FMN Mortgage forming part of the Collateral to secure any obligation other than an obligation to the Grantor or an obligation under Permitted Non-Cash Consideration forming part of the Collateral or (z) restrict the assignability thereof.

(ii) The Grantor shall be entitled to (and hereby agrees for the benefit of the Secured Parties that it will exercise commercially reasonable efforts to) enforce, in a commercially reasonable manner, the rights and remedies accruing to the owner of any Permitted Non-Cash Consideration forming part of the Collateral (and the related FMN Mortgage), including enforcement of the payment when due of amounts payable thereunder; provided, however, that the foregoing shall not be construed to
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constitute a guarantee by the Grantor of collection or otherwise.

(iii) The Collateral Agent will execute and deliver to the Grantor, or cause to be executed and delivered to the Grantor, all such proxies, powers of attorney and other instruments as the Grantor may reasonably request for the purpose of enabling the Grantor to exercise the rights and powers which it is entitled (or obligated) to exercise pursuant to Section 4.05(a)(i) or 4.05(a)(ii).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantor of the suspension of its rights under Section 4.05(a), then all rights and obligations of the Grantor to exercise the rights and powers which it is entitled to exercise pursuant to Section 4.05(a), and the obligations of the Collateral Agent under Section 4.05(a), shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such rights and powers.

(c) Any notice given by the Collateral Agent to the Grantor suspending its rights under Section 4.05(a) (i) may be given by telephone if promptly confirmed in writing and (ii) may suspend the rights of the Grantor under Section 4.05(a) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's

rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

Section 4.06 Inspection and Verification. The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, at any reasonable time or times, to inspect all records (including, without limitation, all of the Documents) related to the Collateral (and to make extracts and copies from such records) and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral, including by contacting FMN Debtors. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party. Without the prior written consent of the Grantor, the Collateral Agent shall not disclose, and shall require as a condition to sharing such information with any Secured Party or other Person that such Secured Party or other Person agree not to disclose, to any Person that is not a Secured Party any such information which is designated by the Grantor to the Collateral Agent in writing as confidential; provided, however, that the Collateral Agent or any Secured Party may disclose such information (a) to any of their respective accountants, counsel, consultants, employees or agents who are advised of the confidential nature of such information, (b) if it becomes publicly available other than by reason of a breach of this sentence, (c) if received from a third party not bound by any confidentiality agreement with the Grantor, (d) required by Applicable Law or any Governmental Approval to be disclosed by such Person, (e) necessary to establish such Person's rights under any of the Loan Documents or (f) to any prospective permitted assignee of all or a portion of the rights of such Person under the Loan Documents if such prospective permitted assignee agrees to be bound by the confidentiality provisions contained in this sentence.

Section 4.07 Taxes: Encumbrances. At its option, the Collateral Agent may discharge past-due taxes, assessments, charges, fees or other Liens at any time levied or placed on the Collateral (other than any Permitted Lien), and may pay for the maintenance and preservation of the Collateral to the extent the Grantor fails to do so, and the Grantor agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this Section shall be interpreted as excusing the Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of the Grantor with respect to taxes, assessments, charges, fees or other Liens and maintenance.

Section 4.08 Continuing Obligations of the Grantor. The Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the

Collateral unless and until title to such contract, agreement or instrument has been indefeasibly vested in the Collateral Agent pursuant to the exercise of its remedies under Article VI, all in accordance with the terms and conditions thereof, and the Grantor will indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability arising out of the Grantor's performance or failure to perform the same.

Section 4.09 Use and Disposition of Collateral. Except for the Security Interest, the Grantor will not (i) make or permit to be made an assignment, pledge or hypothecation of the Collateral or (ii) grant any other Lien in respect of the Collateral. The Grantor will not make or permit to be made any transfer of the Collateral other than withdrawals from the Cash Collateral Accounts made in accordance with Article V.

ARTICLE V. CASH COLLATERAL ACCOUNTS

Section 5.01 Cash Consideration Account. (a) Prior to the first delivery to the Collateral Agent of any Cash Consideration or Permitted Non-Cash Consideration constituting Net Proceeds Allocable to Payee, the Collateral Agent will establish with a financial institution reasonably satisfactory to the Grantor (it being agreed that such financial institution shall not be a creditor of the Grantor or any of its Affiliates) an account maintained in the name of the Collateral Agent and in Toronto, Ontario (the "Cash Consideration Account") over which the Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal.

(b) Any Proceeds from the investment pursuant to Section 5.05 of amounts of Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale, net of the amount so invested, shall, solely for the purposes of this Section, constitute additional Net Proceeds in respect of such Restricted Asset Sale.

(c) The Collateral Agent will, upon written request from the Grantor, withdraw cash from the Cash Consideration Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written request; provided, however, that (i) such instructions are consistent with paragraph 7(c) of the Notes, (ii) such written request specifies each Restricted Asset Sale the Net Proceeds Allocable to Payee in respect of which are to be so applied and, if more than one Restricted Asset Sale is so specified, the amount of the Net Proceeds Allocable to Payee in respect of each Restricted Asset Sale to be so applied, (iii) the amount of any Net Proceeds Allocable to Payee in respect of any Restricted Asset Sale to be so applied does not exceed the remaining balance of such Net Proceeds Allocable to Payee in respect of such Restricted Asset Sale and (iv) any cash withdrawn from the

Cash Consideration Account pursuant to this Section 5.01(c) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(d) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Cash Consideration Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than 10 Business Days prior to the date on which such cash is to be withdrawn. Such request shall have specified the amount of cash to be withdrawn and shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that (x) no Event of Default has occurred and is continuing and (y) the proceeds of such withdrawal are to be used to finance the purchase by the Grantor of a fee simple interest in real property located in Canada (the "Replacement Property") from a Person who
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is not an Affiliate of the Grantor and (B) a copy of a contract for the purchase of the Replacement Property.

(2) On or prior to the date on which such cash is to be withdrawn, the Collateral Agent shall have received (A) a first mortgage securing the Obligations, in registrable form and otherwise substantially in the form and substance of the Mortgages, of the Replacement Property, duly executed and delivered by the Grantor, (B) at the Collateral Agent's option (acting reasonably), either (i) a title opinion rendered by legal counsel, duly qualified in the jurisdiction in which the Replacement Property is located and satisfactory to the Collateral Agent (acting reasonably), confirming the fee simple interest of the Grantor in the Replacement Priority, the priority of the Collateral Agent's mortgage therein (in each case, subject only to standard exceptions and Permitted Encumbrances) and such other matters as the Collateral Agent may reasonably request or (ii) a title insurance policy, issued by a nationally recognized title insurance company satisfactory to the Collateral Agent (acting reasonably), insuring the Lien of the Collateral Agent's mortgage in the Replacement Property subject only to standard exceptions and Permitted Encumbrances, in an amount not less than the amount of the proposed withdrawal, and (C) such surveys, environmental audits and documents relating to the Permitted Encumbrances and compliance with Applicable Law and applicable Governmental Approvals, as reasonably requested by the Collateral Agent, as shall be reasonably necessary to satisfy the Collateral Agent that the mortgaging of the Replacement Property to secure the Obligations and the proposed withdrawal, taken together, would not materially and adversely affect the aggregate value of the Mortgaged Property and the Collateral or the rights

and remedies of the Collateral Agent or any of the Secured Parties under the Loan Documents or the ability of the Collateral Agent or any of the Secured Parties to exercise the same.

(3) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a certificate bringing down to date the certificate referred to in Section 5.01(d)(1)(A).

(4) If the Replacement Property is being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the fair market value of the Replacement Property. If the Replacement Property is not being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the cash purchase price for the Replacement Property.

(5) The Grantor directs that the cash withdrawn is to be paid to, or at the direction of, the seller of the Replacement Property.

(6) The amount of cash to be withdrawn does not exceed (A) the amount of Cash Consideration received by the Collateral Agent during the preceding 18 months (including in such amount any portion of Excess Reserved Amounts transferred to the Cash Consideration Account from the Reserve Account pursuant to Section 5.03(e) in respect of a Liability Reserve established within the preceding 18 months) and not previously withdrawn from the Cash Consideration Account plus (B) the amount of cash Proceeds received by the Collateral Agent during the preceding 18 months in respect of Permitted Non-Cash Consideration and not previously withdrawn from the Cash Consideration Account plus (C) the amount of any Proceeds from the investment pursuant to Section 5.05 of cash described in clause (A) or (B) above to the extent not previously withdrawn from the Cash Consideration Account.

(e) At least 10 days prior to each Interest Date that occurs at least 18 months after the receipt by the Collateral Agent of any Net Proceeds Allocable to Payee, the Grantor shall direct the Collateral Agent in writing (1) to retain in the Cash Consideration Account all Net Proceeds Allocable to Payee deposited therein less than 18 months (including in such amount any amounts transferred to the Cash Consideration Account from the Reserve Account pursuant to Section 5.03(e) in respect

of a Liability Reserve established within the preceding 18 months) prior to such Interest Date (and all Proceeds therefrom or from the investment thereof in accordance with Sections 5.01(b) and 5.05) and (2) to apply any balance of the amount in the Cash Collateral Account after such retention and after any application pursuant to Section 5.01(d) to prepayment of the Notes on such Interest Date. Upon such written direction of the Grantor the Collateral Agent shall withdraw cash in an amount equal to such balance, if any, from the Cash Consideration Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written direction; provided, however, that (i) such instructions are consistent
with paragraph 7(c) of the Notes and (ii) any cash withdrawn from the Cash Consideration Account pursuant to this Section 5.01(e) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(f) If an Event of Default has occurred and is continuing, the Collateral Agent may, in its sole discretion, apply all amounts on deposit in the Cash Consideration Account to satisfy in accordance with Section 6.02 any Obligations then due and payable.

Section 5.02 Deposits. (a) The Grantor will notify and direct promptly each FMN Debtor and every other Person obligated to make payments on or with respect to Permitted Non-Cash Consideration forming part of the Collateral to make all such payments to the Cash Consideration Account. The Grantor shall use all reasonable efforts to cause each FMN Debtor and every other Person identified in the preceding sentence to make all payments on or with respect to Permitted Non-Cash Consideration forming part of the Collateral directly to the Cash Consideration Account.

(b) In the event that the Grantor directly receives any Proceeds on or with respect to Permitted Non-Cash Consideration forming part of the Collateral (including Proceeds from any exercise of remedies in respect thereof, under any FMN Mortgage or otherwise) notwithstanding the arrangements for payment directly into the Cash Consideration Account, such Proceeds shall be held in trust for the benefit of the Collateral Agent and the Secured Parties and shall be segregated from other funds of the Grantor, subject to the Security Interest granted hereby, and the Grantor shall cause such Proceeds to be deposited into the Cash Consideration Account as soon as practicable after the Grantor's receipt thereof.

(c) All Cash Consideration constituting Net Proceeds Allocable to Payee received by the Grantor or the Collateral Agent shall forthwith be deposited into the Cash Consideration Account, subject to (i) the rights of the Collateral Agent to apply Cash Consideration in accordance with Section 6.02 if an Event of Default has

occurred and is continuing and (ii) the rights of the Grantor hereunder to direct the Collateral Agent to withdraw amounts on deposit in the Cash Consideration Account.

(d) All cash Proceeds from investments pursuant to Section 5.01(b) shall be deposited into the Cash Consideration Account.

Section 5.03 Reserve Account. (a) In connection with any Restricted Asset Sale, the Grantor may establish a Liability Reserve (not in excess of the reserve in respect thereof required by GAAP) by:

(i) not less than five Business Days prior to the consummation of such Restricted Asset Sale, giving the Collateral Agent written notice that the Grantor intends to establish a Liability Reserve with respect to such Restricted Asset Sale;

(ii) simultaneously with the consummation of such Restricted Asset Sale, delivering to the Collateral Agent a certificate, signed by the chief accounting officer of the Grantor, stating (A) that the Grantor is establishing a reserve with respect to Permitted Liabilities in respect of such Restricted Asset Sale and stating the initial balance of the related Reserved Amount, (B) that the Grantor is required by GAAP to establish such a reserve in an amount not less than such stated initial balance and (C) whether the Grantor is obligated by paragraph 6(3)(b) of the Notes to deliver cash equal to such Reserved Amount for deposit hereunder; and

(iii) simultaneously with the consummation of such Restricted Asset Sale, if obligated to do so by paragraph 6(3)(b) of the Notes, delivering to the Collateral Agent an amount of cash equal to the initial balance of the Reserved Amount (such amount to be in addition to any Cash Consideration paid to the Collateral Agent in connection with such Restricted Asset Sale to be deposited in the Cash Consideration Account).

(b) Prior to the first delivery to the Collateral Agent of any cash pursuant to Section 5.03(a)(iii), the Collateral Agent will establish with a financial institution reasonably satisfactory to the Grantor (it being agreed that such financial institution shall not be a creditor of the Grantor or any of its Affiliates) an account maintained in the name of the Collateral Agent and in Toronto, Ontario (the "Reserve Account") over which the Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal. All amounts received by the Collateral Agent pursuant to Section 5.03(a)(iii) and all cash Proceeds from investments thereof pursuant to Section 5.05 shall forthwith be deposited into the Reserve Account.

(c) The Reserved Amount in respect of any Restricted Asset Sale shall be increased by the amount of any Proceeds from the investment of such Reserved Amount pursuant to Section 5.05, net of the amount so invested, and reduced by any withdrawals pursuant to this Section in respect of such Reserved Amount.

(d) The Collateral Agent will, upon written request from the Grantor, withdraw cash from the Reserve Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written request; provided, however, that (i) such instructions are
consistent with paragraph 7(c) of the Notes, (ii) such written request specifies each Restricted Asset Sale the Reserved Amount in respect of which is to be reduced in connection with such withdrawal and, if more than one Restricted Asset Sale is so specified, the amount by which each related Reserved Amount is to be reduced, (iii) the amount by which any Reserved Amount is to be reduced does not exceed the remaining balance of such Reserved Amount and (iv) any cash withdrawn from the Reserve Account pursuant to this Section 5.03(d) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(e) Unless an Event of Default has occurred and is continuing, the Collateral Agent will, upon written request from the Grantor, transfer all or a portion of any Excess Reserved Amount from the Reserve Account to the Cash Consideration Account if the following conditions shall have been satisfied:

(1) Such request shall specify each Restricted Asset Sale with respect to which such Excess Reserved Amount has arisen and, if more than one Restricted Asset Sale is so specified, the amount of each related Excess Reserved Amount.

(2) The amount of each Excess Reserved Amount does not exceed the remaining balance of the related Reserved Amount.

(3) Such request shall be accompanied by a certificate, signed by the chief accounting officer of the Grantor, to the effect that the Grantor is no longer required by GAAP to maintain the related Excess Reserved Amount in its reserve in respect of each such Restricted Asset Sale.

(4) The amount of each such Excess Reserved Amount to be transferred constitutes Net Proceeds Allocable to Payee.

(f) Unless an Event of Default or a Change Prepayment Event has occurred and is continuing, the Collateral Agent will withdraw cash from the Reserve

Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that no Event of Default or Change Prepayment Event has occurred and is continuing and (B) a certificate, signed by the chief accounting officer of the Grantor, to the effect that the proceeds of such withdrawal are to be used to discharge a Permitted Liability which is then due and payable (and describing such Permitted Liability in general terms, including the Restricted Asset Sale out of which such Permitted Liability has arisen).

(2) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received certificates bringing down to date the certificates referred to in Section 5.03(f)(1).

(3) The amount of cash to be withdrawn does not exceed the remaining balance of the Reserved Amount in respect of such Restricted Asset Sale.

(g) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Reserve Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that no Event of Default has occurred and is continuing and (B) a certificate, signed by the chief accounting officer of the Grantor, to the effect that the proceeds of such withdrawal are to be used to discharge a Permitted Liability which is then due and payable (and describing such Permitted Liability in general terms, including the Restricted Asset Sale out of which such Permitted Liability has arisen).

(2) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received certificates bringing down to date the certificates referred to in Section 5.03(g)(1).

(3) The amount of cash to be withdrawn does not exceed the remaining balance of the Reserved Amount in respect of such Restricted Asset Sale.

(4) Such Restricted Asset Sale was a Mixed Asset Sale, and the Shortfall Amount in respect of such Restricted Asset Sale is zero.

(h) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw Cash from the Reserve Account representing all or a portion of any Excess Reserved Amount and pay such cash to or at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have specified each Restricted Asset Sale with respect to which such Excess Reserved Amount arises, and, if more than one Restricted Asset Sale is so specified, the amount of each related Excess Reserved Amount. Such request shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that no Event of Default has occurred and is continuing and (B) a certificate, signed by the chief accounting officer of the Grantor, to the effect that the Grantor is no longer required by GAAP to maintain the related Excess Reserved Amount in its reserve in respect of each such Restricted Asset Sale.

(2) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received certificates bringing down to date the certificates referred to in Section 5.03(h)(1).

(3) The amount of each such Excess Reserved Amount to be withdrawn does not exceed the then remaining balance of the related Reserved Amount.

(4) Each such Restricted Asset Sale was a Mixed Asset Sale, and the Shortfall Amount in respect of each such Restricted Asset Sale is zero.

(i) If an Event of Default has occurred and is continuing, the Collateral Agent may, in its sole discretion, apply all amounts on deposit in the Reserve Account to satisfy in accordance with Section 6.02 any Obligations then due and payable.

Section 5.04 Specified Loss Account. (a) Prior to the first
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delivery to the Collateral Agent of any Specified Loss Proceeds, the Collateral Agent will establish with a financial institution reasonably satisfactory to the Grantor (it being agreed that

such financial institution shall not be a creditor of the Grantor or any of its Affiliates) an account maintained in the name of the Collateral Agent and in Toronto, Ontario (the "Specified Loss Account") over which the Collateral Agent
shall have exclusive dominion and control, including the exclusive right of withdrawal. All Specified Loss Proceeds received by the Collateral Agent and all cash Proceeds from investments thereof pursuant to Section 5.04(b) shall forthwith be deposited into the Specified Loss Account.

(b) The amount of Specified Loss Proceeds in respect of any Mortgaged Property shall be increased by the amount of any Proceeds from the investment of amounts of such Specified Loss Proceeds pursuant to Section 5.05, net of the amount so invested.

(c) The Collateral Agent will, upon written request from the Grantor, withdraw cash from the Specified Loss Account and apply such cash to prepay, in whole or in part, the Notes in accordance with the instructions of the Grantor set forth in such written request; provided, however, that (i) such instructions
are consistent with paragraph 7(c) of the Notes, (ii) such written request specifies the Mortgaged Property the Specified Loss Proceeds in respect of which are to be reduced in connection with such withdrawal, (iii) the amount by which the Specified Loss Proceeds in respect of any Mortgage Property are to be reduced does not exceed the remaining balance of such Specified Loss Proceeds and (iv) any cash withdrawn from the Specified Loss Account pursuant to this Section 5.04(c) shall be applied to the prepayment of the Notes only at the direction of the Grantor.

(d) Unless an Event of Default or a Change Prepayment Event has occurred and is continuing, the Collateral Agent will withdraw cash from the Specified Loss Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than five Business Days prior to the date on which such cash is to be withdrawn. Such request shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that no Event of Default or Change Prepayment Event has occurred and is continuing and (B) a certificate, signed by the chief accounting officer of the Grantor, to the effect that the proceeds of such withdrawal are to be used to pay for costs of repairs to or restoration of the Mortgaged Property in respect of which Specified Loss Proceeds were received by the Collateral Agent pursuant to Section 11 or 12 of the applicable Mortgage and (C) a copy of an invoice or invoices for such costs (the issuer or issuers of which shall not be Affiliates of

the Grantor) evidencing that such costs have been incurred and are then due (or have been paid).

(2) Such request shall have been received by the Collateral Agent not sooner than 30 days following the most recent withdrawal from the Specified Loss Account under this Section 5.04(d).

(3) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received certificates bringing down to date the certificates referred to in Section 5.04(d)(1).

(4) The amount of cash to be withdrawn (i) does not exceed the aggregate amount shown on the invoice or invoices accompanying the certificate delivered pursuant to Section 5.04(d)(1)(B) and (ii) when aggregated with all other amounts previously withdrawn pursuant to this Section with respect to such Mortgaged Property, does not exceed such Specified Loss Proceeds.

(5) Either (i) the cash withdrawn is paid to the Grantor to reimburse the Grantor for amounts paid to the issuer of the invoice or invoices accompanying the certificate delivered pursuant to Section 5.04(d)(1)(B) that are marked "paid" or (ii) the Grantor directs that the cash withdrawn is to be paid to, or at the direction of, the issuer or issuers of any unpaid invoice or invoices.

(e) Unless an Event of Default has occurred and is continuing, the Collateral Agent will withdraw cash from the Specified Loss Account and pay such cash at the direction of the Grantor on the date specified by the Grantor if the following conditions shall have been satisfied:

(1) The Grantor shall have requested in writing that the Collateral Agent effect such withdrawal not less than 10 Business Days prior to the date on which such cash is to be withdrawn. Such request shall have specified the amount of cash to be withdrawn and specified the Mortgaged Property the replacement of which is to be effected with the cash to be withdrawn and shall have been accompanied by (A) a certificate, signed by the chief financial officer of Newco, to the effect that (x) no Event of Default has occurred and is continuing and (y) the proceeds of such withdrawal are to be used to finance the purchase by the Grantor of Replacement Property from a Person who is not an Affiliate of the Grantor and (B) a copy of a contract for the purchase of the Replacement Property.

(2) On or prior to the date on which such cash is to be withdrawn, the Collateral Agent shall have received (A) a first mortgage securing the

Obligations, in registrable form and otherwise substantially in the form and substance of the Mortgages, of the Replacement Property, duly executed and delivered by the Grantor, (B) at the Collateral Agent's option (acting reasonably), either (i) a title opinion rendered by legal counsel, duly qualified in the jurisdiction in which the Replacement Property is located and satisfactory to the Collateral Agent (acting reasonably), confirming the fee simple interest of the Grantor in the Replacement Priority, the priority of the Collateral Agent's mortgage therein (in each case, subject only to standard exceptions and Permitted Encumbrances) and such other matters as the Collateral Agent may reasonably request or (ii) a title insurance policy, issued by a nationally recognized title insurance company satisfactory to the Collateral Agent (acting reasonably), insuring the Lien of the Collateral Agent's mortgage in the Replacement Property subject only to standard exceptions and Permitted Encumbrances, in an amount not less than the amount of the proposed withdrawal, and (C) such surveys, environmental audits and documents relating to the Permitted Encumbrances and compliance with Applicable Law and applicable Governmental Approvals, as reasonably requested by the Collateral Agent, as shall be reasonably necessary to satisfy the Collateral Agent that the mortgaging of the Replacement Property to secure the Obligations and the proposed withdrawal, taken together, would not materially and adversely affect the aggregate value of the Mortgaged Property and the Collateral or the rights and remedies of the Collateral Agent or any of the Secured Parties under the Loan Documents or the ability of the Collateral Agent or any of the Secured Parties to exercise the same.

(3) On the date on which such cash is to be withdrawn, the Collateral Agent shall have received a certificate bringing down to date the certificate referred to in Section 5.04(e)(1)(A).

(4) If the Replacement Property is being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the fair market value of the Replacement Property. If the Replacement Property is not being purchased in connection with the purchase by the Grantor, or any of its Affiliates, of any assets or services from the seller of the Replacement Property or any of its Affiliates, the Collateral Agent shall be reasonably satisfied that the amount of cash proposed to be withdrawn shall not be greater than the cash purchase price for the Replacement Property.

(5) The amount of cash to be withdrawn in respect of any Mortgaged Property (when aggregated with all other amounts previously withdrawn pursuant to this Section 5.04 with respect to such Mortgaged Property) does not exceed the Specified Loss Proceeds received in respect of such Mortgaged Property.

(6) The Grantor directs that the cash withdrawn is to be paid to, or at the direction of, the seller of the Replacement Property.

(f) If Specified Loss Proceeds with respect to a Mortgaged Property have been withdrawn from the Specified Loss Account pursuant to Section 5.04(d), upon completion of the repairs to such Mortgaged Property the Grantor shall direct the Collateral Agent pursuant to Section 5.04(c) to apply any balance of such Specified Loss Proceeds with respect to such Mortgaged Property remaining in the Specified Loss Account to the prepayment of the Notes. If the Grantor has notified the Collateral Agent in accordance with the Mortgage that Specified Loss Proceeds with respect to a Mortgaged Property are to be used to finance the purchase of Replacement Property pursuant to Section 5.04(e), the Grantor may at any time and from time to time direct the Collateral Agent pursuant to Section 5.04(c) to apply any portion of such Specified Loss Proceeds with respect to such Mortgaged Property to the prepayment of the Notes.

(g) If an Event of Default has occurred and is continuing, the Collateral Agent may, in its sole discretion, apply all amounts on deposit in the Specified Loss Account to satisfy in accordance with Section 6.02 any Obligations then due and payable.

Section 5.05 Investment. Unless an Event of Default has occurred and is continuing, the Collateral Agent will accept directions from the Grantor as to the investment of any funds in any Cash Collateral Account in Permitted Investments; provided, however, that (i) the Collateral Agent shall not be required to make any investment that, in its sole judgment, would require or cause the Collateral Agent to be, or would result in, any violation of Applicable Law or any Governmental Approval, (ii) the Collateral Agent shall be authorized to sell any investment held for the account of any Cash Collateral Account to the extent cash is needed in such Cash Collateral Account to make a withdrawal of cash from such Cash Collateral Account (and shall not be liable for any loss resulting from any such sale) and (iii) the Collateral Agent shall not be required to make any investment unless the Collateral Agent is able to perfect the Security Interest in such investment. The Grantor will indemnify the Collateral Agent for any losses resulting from such investments pursuant to this Section. Except as expressly set forth in this Section, the Collateral Agent shall not be obligated to invest any amounts on deposit in any Cash Collateral Account, nor shall

any Cash Collateral Account pay interest. The Collateral Agent shall, upon reasonable request from the Grantor from time to time, provide the Grantor with a report as to the Collateral Agent's holdings of Permitted Investments.

ARTICLE VI. REMEDIES

Section 6.01 Remedies upon Default. (a) Upon the occurrence and during the continuance of an Event of Default, the Grantor will deliver each item of Collateral at the time in the possession of the Grantor to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right (subject to applicable law), with or without legal process and with or without previous notice or demand for performance, to exercise, in addition to all other rights granted to the Collateral Agent in this Agreement, any and all rights afforded to a secured party under the PPSA or other Applicable Law. Without limiting the generality of the foregoing, the Collateral Agent (and, in the case of Section 6.01(vi), any other Secured Party) may at any time or from time to time upon the occurrence and during the continuance of an Event of Default take any one or more of the following actions:

(i) enter into possession of the Collateral;

(ii) commence proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;

(iii) file proofs of claim and any other documents to establish its claims in any proceeding relative to the Grantor;

(iv) collect, receive, appropriate and realize upon the Collateral, and/or sell, give one or more options to purchase, or otherwise dispose of and deliver all or any part of the Collateral (or contract to do any of the foregoing), at public or private sale or sales, at any broker's board or on any securities exchange or elsewhere upon such terms and conditions as the Collateral Agent may deem advisable and at such prices as it may deem best, for cash or on credit or future delivery without assumption of any credit risk;

(v) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part of any property in addition to the Collateral securing any of the Obligations, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any Person with respect to any such property; and/or

(vi) to the extent permitted by applicable law, purchase any or all of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise.

(b) Without limiting the generality of the foregoing and, in particular, of Sections 6.01(l)(iv) and 6.01(l)(vi), the Collateral Agent shall be authorized at any offer or sale of any of the Collateral (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such public or private sale shall hold the property sold absolutely, free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by law) all rights or equity of redemption, stay and appraisal which the Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. At any such public or private sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any sale made pursuant to this Section 6.01 to any Secured Party, the Collateral or any part thereof purchased by any such Secured Party shall be free (to the extent permitted by law) from any right or equity of redemption, stay, valuation or appraisal on the part of the Grantor (all said rights being also hereby waived and released to the extent permitted by law). To the extent permitted by law, such Secured Party may make payment on account of such sale by using any claim under any Loan Document then due and payable to such Secured Party from the Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and the Grantor shall not be entitled to the return of the Collateral or any

portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full.

(c) The Collateral Agent may take any or all of the foregoing actions without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by law) to or upon the Grantor or any other Person, and the Grantor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law.

(d) To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Collateral Agent or any other Secured Party arising out of the exercise by the Collateral Agent of any rights hereunder. The Grantor will remain liable for any deficiency if the proceeds from any proceeding or of any collection, receipt, appropriation, realization, sale, other disposition or delivery of the Collateral are insufficient to pay and satisfy the Obligations.

Section 6.02 Application of Proceeds. The Collateral Agent shall apply the proceeds from any proceeding or of any collection, receipt, appropriation, realization, sale, other disposition or delivery of any of the Collateral, as well as any Collateral consisting of cash and any amounts paid to the Collateral Agent pursuant to any Mortgage, as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any of the Mortgages or any of the Obligations or incidental to the care or safekeeping of any of the Collateral, including all court costs and the reasonable fees and expenses of its agents, experts and one legal counsel on a solicitor and his own client basis for it and the holders of the Notes (plus any necessary local counsel), the repayment of all advances made by the Collateral Agent hereunder or under any Mortgage on behalf of the Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any Mortgage;

SECOND, to the payment in full of the Obligations in such order as the Collateral Agent may elect (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of such Obligations owed to them on the date of any such distribution); and

THIRD, after payment by the Collateral Agent of any other amount required by applicable law, to the Grantor or its successors, or to whomsoever may lawfully be entitled to receive the same.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement; provided, however, that the Collateral Agent shall apply such
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proceeds, moneys or balances within 6 months of receipt thereof (such 6 months to be subject to extension during any period for which the Collateral Agent is not permitted by Applicable Law or this Agreement to apply such proceeds, moneys or balances). Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

ARTICLE VII. RIGHTS AND DUTIES OF COLLATERAL AGENT

SECTION 7.01. Delegation of Duties. The Collateral Agent may execute
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any of its duties under any Loan Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel or other advisors concerning all matters pertaining to its duties and rights hereunder. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care except to the extent otherwise expressly required by Section 7.02 or 8.03.

SECTION 7.02. Powers; General Immunity. (a) Each Secured Party, by
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its acquisition of any Note, irrevocably authorizes the Collateral Agent to take such action on such Secured Party's behalf and to exercise such powers under the Loan Documents as are specifically delegated to it by the terms thereof, together with such powers as are reasonably incidental thereto. The Collateral Agent shall have only those duties and responsibilities which are expressly specified in the Loan Documents and it may perform such duties by or through its agents or employees. The duties of the Collateral Agent shall be mechanical and administrative in nature; and the Collateral Agent shall not have by reason of any Loan Document a fiduciary relationship in respect of any Secured Party; and nothing in any of the Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Collateral Agent any obligations in respect of any of the Loan Documents except as expressly set forth therein.

(b) The Collateral Agent shall not be responsible to any Secured Party for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of any of the Loan Documents or for any Liens or Guaranties granted by, or purported to be granted by, any of the Loan Documents, or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents in connection herewith or therewith furnished or made by the Collateral Agent to any Secured Party or by or on behalf of Buyer, Newco, Realco or the Grantor, to the Collateral Agent or any Secured Party, or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein or of the existence or possible existence of any Default or Event of Default.

(c) Notwithstanding anything to the contrary in this Agreement, neither the Collateral Agent, nor any of its officers, directors, employees, agents, investigators, consultants, attorneys-in-fact or Affiliates shall be liable to any Secured Party for any action taken or omitted under any of the Loan Documents or in connection herewith or therewith unless, but only to the extent, caused by its or their gross negligence or willful misconduct. If the Collateral Agent shall request instructions with respect to any act or action (including the failure to take an action) in connection with any of the Loan Documents, the Collateral Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Mortgage Lenders. Without prejudice to the generality of the foregoing, (i) the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for the Grantor or its Affiliates), accountants, experts and other professional advisors selected by it; and (ii) no Secured Party shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent acting or (where so instructed) refraining from acting under any Loan Document in accordance with the instructions of the Required Mortgage Lenders. The Collateral Agent shall be entitled to refrain from exercising any power, discretion or authority vested in it under the Loan Documents unless and until it has obtained the instructions of Required Mortgage Lenders.

(d) The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, the Collateral Agent in its individual capacity as a Secured Party. With respect to any Notes that it holds, the Collateral Agent shall have the same rights and powers hereunder as any other Secured Party and may exercise the same as though it were not performing the duties and functions delegated to it hereunder. The Collateral Agent and its Affiliates

may accept deposits from, lend money to and generally engage in any kind of banking, trust, financial advisory or any other business with the Grantor or any Affiliate of the Grantor as if it were not performing the duties specified herein, and may accept fees and other consideration from the Grantor or any Affiliate of the Grantor without having to account for the same to the Secured Parties.

(e) Without limiting the foregoing, the Collateral Agent may deem and treat the holder of any Note as the owner thereof for all purposes. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee or assignee of that Note or of any Note issued in exchange therefor.

(f) The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, on the Register and the copies of the Register, in each case as provided to the Collateral Agent by the Grantor pursuant to Section 4.06, for purposes of determining the names and addresses of the holders of the Notes.

Section 7.03 Non-Reliance on Agent. Each Secured Party, by its acquisition of any Note, expressly acknowledges that neither the Collateral Agent, nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates have made any representations or warranties to it and that no act by the Collateral Agent hereinafter taken shall be deemed to constitute any representation or warranty by such Person. The Collateral Agent shall not have any duty or responsibility either initially or on a continuing basis to make any such investigation or any such appraisal on behalf of the Secured Parties or to provide any Secured Party with any credit or other information with respect thereto, and the Collateral Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to the Secured Parties.

Section 7.04 Determinations Pursuant to Loan Documents. In each circumstance where, under any provision of any Loan Document, the Collateral Agent shall have the right to grant or withhold any consent, exercise any remedy, make any determination or direct any action under such Loan Document, the Collateral Agent shall act in respect of such consent, exercise of remedies, determination or action, as the case may be, only with the consent of and at the direction of the Required Mortgage Lenders; provided, however, that (i) no such consent of the Required Mortgage Lenders shall be required with respect to any consent, determination or other matter that is, in the Collateral Agent's reasonable judgment, ministerial or administrative in nature or provided for in such Loan Document, (ii) the Collateral Agent is hereby authorized on behalf of all of the Secured Parties, without the necessity of any further consent from any Secured Party, from time to time prior to an Event of Default, to

release the security interests and Liens imposed by the Mortgage Documents in connection with any dispositions permitted by the terms of the Mortgage Documents or as may be required by Applicable Law and (iii) the Collateral Agent may in its discretion take such action as it deems necessary, without the consent or direction of the Required Mortgage Lenders, if in the good faith determination of the Collateral Agent the interests of the Secured Parties would be adversely affected were such action to be delayed pending the obtaining of such consent or direction. In each circumstance where any consent of or direction from the Required Mortgage Lenders is required, the Collateral Agent shall send to the Secured Parties a notice setting forth a description in reasonable detail of the matter as to which consent or direction is requested and the Collateral Agent's proposed course of action with respect thereto. In the event the Collateral Agent shall not have received a response from any Secured Party within five Business Days after the giving of such notice (unless such notice is given by mail, in which case 10 Business Days after the giving of such notice), such Secured Party shall be deemed to have agreed to the course of action proposed by the Collateral Agent, provided that such notice states that a failure to respond shall have the consequences specified in this sentence.

Section 7.05 Resignation of the Collateral Agent. The Collateral Agent may at any time, by giving 30 days' prior written notice to the Grantor, resign and be discharged from the responsibilities hereby created, such resignation to become effective upon the earlier of (i) the acceptance of the appointment of a successor pursuant to the next sentence of this Section or (ii) the appointment of a successor by the Required Mortgage Lenders and the acceptance of such appointment by such successor. If no successor shall be appointed and approved pursuant to clause (ii) above within 30 days after the date of any such resignation, the Collateral Agent may apply to any court of competent jurisdiction to appoint a successor to act until a successor shall have been appointed by the Required Mortgage Lenders as above provided or may, on behalf of the Secured Parties, appoint a successor Collateral Agent. Any successor Collateral Agent shall be (A) a Canadian chartered bank or any loan or trust company organized under the laws of Canada or any province thereof with an office in Toronto, Ontario, having a combined capital, surplus and undivided profits (less any undivided losses), as of its last annual audited financial statements, not less than C$250,000,000 and being authorized to perform the functions of the Collateral Agent hereunder (who, if appointed after the fourth anniversary of the Closing Date, shall be entitled to receive reasonable fees from the Grantor for its services as Collateral Agent) or (B) the holder of at least a majority of the aggregate Principal Amount of the Notes then outstanding plus all accrued interest thereon from the immediately preceding Interest Date.

ARTICLE VII MISCELLANEOUS

Section 8.01 Security Interest Absolute; Release of Security Interest. (a) All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Notes (or any Guaranty endorsed thereon), any Mortgage, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Notes (or any Guaranty endorsed thereon), any Mortgage or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Grantor in respect of the Obligations or this Agreement, except the payment in full of the Obligations and except for any matter approved in writing by, subject to paragraph 14 of the Notes, the Required Mortgage Lenders and the Collateral Agent.

(b) The consent or approval of any Secured Party shall not be required for the release of any Collateral by the Collateral Agent to the Grantor in accordance with the express provisions of this Agreement.

Section 8.02 Successors. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors of such party (including, in the case of the Collateral Agent, any successor Collateral Agent); and all covenants, promises and agreements by or on behalf of the Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors (including, in the case of the Collateral Agent, any successor Collateral Agent).

Section 8.03 Collateral Agent Appointed Attorney-in-Fact. (a) The Grantor hereby appoints the Collateral Agent the attorney-in-fact of the Grantor, with power of substitution and in the Grantor's name or otherwise, for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which the Collateral Agent may reasonably deem necessary or advisable to accomplish the purposes hereof, including, upon the occurrence and during the continuance of an Event of Default, the power to (a) receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all

or any of the Collateral or to enforce any rights in respect of any Collateral; (d) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; and (e) use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; provided, however, that nothing contained in this Section or in this Agreement
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shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Collateral Agent with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of the Grantor or to any claim or action against the Collateral Agent, other than any such matter to the extent arising out of the gross negligence or willful misconduct of the Collateral Agent. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Grantor for the purposes set forth above is coupled with an interest and is irrevocable. The provisions of this Section shall in no event relieve the Grantor of any of its obligations hereunder or under any Mortgage with respect to the Collateral or any part thereof or impose any obligation on the Collateral Agent or any Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Collateral Agent or any Secured Party of any other or further right which it may have on the date of this Agreement or hereafter, whether hereunder, by law or otherwise; provided, however, that the Collateral
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Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession or under its control shall be to use reasonable care in the custody and preservation of such Collateral. The Grantor agrees that the Collateral Agent shall be deemed to have used reasonable care in the custody and preservation of the Collateral if the Collateral Agent deals with such Collateral in the same manner as the Collateral Agent deals with similar property for its own account and, to the extent permitted by applicable law, the Collateral Agent need not take any steps to preserve rights against any other Person (including prior parties).

(b) The Grantor also authorizes the Collateral Agent, at any time and from time to time, upon the occurrence and during the continuance of an Event of Default, to execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral in connection with any sale provided for in Section 6.01 hereof.

Section 8.04 Collateral Agent's Expenses; Indemnification. (a) The
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Grantor will pay upon demand to the Collateral Agent the amount of any and all

reasonable expenses, including the reasonable fees and expenses of one counsel on a solicitor and his own client basis for it and the holders of the Notes (plus any necessary local counsel), of any experts or agents and of any financial institution with which any Cash Collateral Account is maintained, which the Collateral Agent may incur in connection with (i) the administration of the Mortgage Documents, (ii) the custody, preservation or investment of, or the sale of, collection from or other realization upon any of the Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Collateral Agent (hereunder, under any Mortgage or otherwise) or (iv) the failure of the Grantor to perform or observe any of the provisions hereof, other than any such expenses to the extent arising out of the gross negligence or willful misconduct of the Collateral Agent. If the Grantor fails to perform or observe any of the provisions hereof, then the Collateral Agent shall be entitled, but shall have no obligation, to perform or observe or otherwise cause the performance or observance of any of the provisions hereof.

(b) The Grantor will indemnify the Collateral Agent against, and hold it harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees and expenses on a solicitor and his own client basis, incurred by or asserted against it arising out of, in any way connected with, or as a result of, the execution, delivery or performance of any Mortgage Document, or any exercise of remedies thereunder, or any claim, litigation, investigation or proceeding relating hereto or to the Collateral or any Mortgage or Mortgaged Property, whether or not a party thereto, other than, and only to the extent, caused by the gross negligence or willful misconduct of the Collateral Agent.

(c) Any such amounts payable as provided hereunder shall be additional Obligations. The provisions of this Section shall remain operative and in full force and effect regardless of the termination of this Agreement, the consummation of the transactions contemplated hereby, the invalidity or unenforceability of any term or provision of this Agreement, any Note or any Mortgage, or any investigation made by or on behalf of the Collateral Agent. All amounts due under this Section shall be payable on written demand therefor.

Section 8.05 Waivers, Amendment. (a) No failure or delay of the Collateral Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent hereunder are cumulative, may be exercised singly or concurrently and in any order, and are not exclusive of any rights or remedies which it would otherwise have. No waiver of any provisions of this Agreement or consent to any departure by the Grantor therefrom shall in any event be effective unless

the same shall be permitted by Section 8.05(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Grantor in any case shall entitle the Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Grantor with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with paragraph 14 of the Notes.

Section 8.06 Termination. This Agreement (including the representations and warranties herein) and the Security Interest shall terminate when and only when all the Obligations have been paid in full. Upon such termination, the Collateral Agent shall forthwith assign, transfer and deliver any Collateral in the possession or under the control of the Collateral Agent (including any Collateral in any Cash Collateral Account) to or on order of the Grantor and, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination. Any execution and delivery of such documents shall be without recourse to or warranty by the Collateral Agent.

Section 8.07 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

Section 8.08 Notices. All notices and other communications made in connection with this Agreement shall be in writing. Any notice or other communication in connection herewith shall be deemed duly given (a) four Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid or (b) one Business Day after it is sent by overnight courier, in each case, addressed as follows:

(i) if to the Grantor:

CDW Canada Acquisition Inc.
475 Hood Road
Markham, Ontario
L3R 0S8

Attention: Chief Financial Officer

with a copy to:

Debevoise & Plimpton
875 Third Avenue
New York, NY 10022

Attention: Steven Ostner

and a copy to each of Buyer, Newco and Realco at the addresses set forth in paragraph 16 of the Notes

(ii) if to the Collateral Agent:

Westinghouse Canada Inc.
120 King Street West, 6th Floor
Hamilton, Ontario
L8N 3K2

Attention: General Counsel

or, in each case, at such other address as may be specified in writing to the other parties hereto. Any party may give any notice or other communication in connection herewith using any other means (including, without limitation, personal delivery, messenger service, telecopy, telex or ordinary mail), but no such notice or other communication shall be deemed to have been duly given unless and until it is actually received by the individual for whom it is intended.

Section 8.09 Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 8.10 Entire Agreement. This Agreement, together with the Acquisition Agreement, the Notes and the Mortgages, constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

Section 8.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

Section 8.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein. Without prejudice to the ability of the Collateral Agent to enforce this Agreement in any other proper jurisdiction, the Grantor hereby irrevocably submits and attorns to the jurisdiction of the courts of the Province of Ontario for the purposes of this Agreement.

Section 8.13 No Third Party Beneficiaries. Nothing in this Agreement shall confer any right upon any Person, other than the parties hereto, the Secured Parties and each such party's respective successors and permitted assigns.

Section 8.14 No Merger. Neither the taking and holding of the Collateral nor the obtaining of any judgment by the Collateral Agent will operate as a merger of any Obligation or any other indebtedness or liability of the Grantor to the Collateral Agent, the Secured Parties or any of them or operate to prejudice the security constituted by this Agreement. This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Collateral Agent in respect of the Grantor, the Obligations or the Collateral. No remedy for the enforcement of the rights of the Collateral Agent hereunder will be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercise0d independently or in combination.

Section 8.15 Release of Information. The Grantor hereby authorizes the Collateral Agent and any other Secured Party to deliver a copy of this Agreement and to provide such other information as may be requested of any of the Secured Parties by Persons entitled thereto pursuant to the PPSA, any other applicable statute and otherwise with the consent of the Grantor.

Section 8.16 Miscellaneous Provisions. Possession of an executed copy of this Agreement by the Collateral Agent constitutes conclusive evidence that this Agreement was executed and delivered by the Grantor, free of all conditions. The

Grantor confirms that value has been given and that the parties have not agreed to postpone the time for attachment of the Security Interest to any of the Collateral.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CDW CANADA ACQUISITION INC.,

By: /s/ R.J. Marshuetz

Name: R.J. Marshuetz
Title:

WESTINGHOUSE CANADA INC., as
Collateral Agent

By: /s/ Carolyn Crowe Worthington

Name: Carolyn Crowe Worthington
Title: Assistant Secretary

/s/ J.S. Cowan

J.S. Cowan
Vice President and Treasurer

SCHEDULE 3.02A

REQUIRED FILINGS, RECORDINGS AND REGISTRATIONS

1. Province of Ontario.

EXHIBIT 4.7

PROMISSORY NOTE

$700,000 HOUSTON, TEXAS
DECEMBER 10, 1996

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation ("Maker"), hereby promises to pay to the order of POWER SUPPLY, INC., a Texas corporation ("Payee"), the principal sum of Seven Hundred Thousand Dollars ($700,000) together with Accrued Interest, as defined herein, on the terms provided in this Note. All payments hereunder shall be made to Payee when due at the following address: Byron Snyder, P.O. Box 56766, Houston, Texas 77256-6766, or such other address as Payee shall designate in writing to Maker.

This Note shall bear interest at the annual rate of eight percent (8%) (computed on the basis of a 365 day year) compounded monthly, subject to provisions contained herein regarding interest after default. Interest shall not be paid but shall accrue monthly (the "Accrued Interest") until Maturity (as defined herein) when the principal balance of the Note and all Accrued Interest shall be satisfied. Principal and Accrued Interest shall be due and payable, if not sooner paid or accelerated pursuant to the terms of this Note on the fifth anniversary of the date of this Note ("Maturity").

If at any time the Maker shall effect an underwritten public offering of shares of common stock of Maker ("Common Stock") led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (the "Public Offering") then effective upon the closing of the sale of shares of Common Stock pursuant to such Public Offering, the unpaid principal sum of the Note and all Accrued Interest shall without further action of Maker or Payee automatically convert to shares of restricted Common Stock. The number of shares of common stock of the Maker to be delivered to the Payee shall be determined by dividing the principal sum of the Note plus all Accrued Interest by the initial purchase price per share of Common Stock paid by the public in the Public Offering. Certificates evidencing the shares of restricted Common Stock will be delivered to Payee upon surrender of the Note and execution and delivery of a stock subscription agreement in form and substance reasonably satisfactory to Maker.

If the Maker has not closed a Public Offering on or before December 31, 1999, then at Maker's sole option, Maker may any time after December 31, 1999 prepay all, but not less than all, of the principal sum of this Note together with all

Accrued Interest to the day of prepayment, without penalty. Maker shall exercise this option by delivering written notice ("Prepayment Notice") to Payee of its election to prepay this Note. Such prepayment shall be made in immediately available funds and shall be paid to Payee within seven (7) days of the date of the Prepayment Notice.

The Maker waives presentment, demand, notice, protest and all other demands and notices in respect to the delivery, acceptance, performance, default or enforcement of this Note, except as expressly provided herein.

This Note is non-assignable by the holder hereof other than to Byron Snyder, a shareholder of Payee, or in the event of his death, to his heirs or to a trust for the benefit of his heirs.

For a period of six months from the date hereof, the principal amount of this Note and Accrued Interest is subject to set-off on a dollar-for-dollar basis by the Maker for unpaid claims for indemnification made by the undersigned as provided in Section 8(e) of the Asset Purchase Agreement dated as of the date hereof among the Maker, Sharman and the Payee, which agreement is incorporated herein by reference.

The following events shall be "Events of Default" hereunder.

(a) Default by Maker in the payment of any principal of or interest on the indebtedness evidenced by or arising under this Note within ten (10) days of its due date; or

(b) Default by Maker in the due observance or performance of any material term, provision, covenant or agreement herein (other than for the payment of principal or interest), or in the Asset Purchase Agreement, if such default continues unremedied for a period of ten (10) days after written notice to Maker.

If any one or more of the foregoing Events of Default shall occur, then Payee or the holder hereof may, at any time and at its option, by written notice to Maker, declare the unpaid principal balance of and interest on the indebtedness evidenced by or arising under this Note and any and all other indebtedness of Maker to Payee to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Maker, and Payee or the holder hereof may take such additional action as provided by law.

Upon the occurrence and during the continuance of any "Event of Default" as defined in this Note, the principal balance outstanding hereunder shall bear interest at a per annum rate of twelve percent (12%), which interest shall be computed and payable as otherwise set forth herein.

The Maker shall pay all reasonable expenses and costs incurred in the collection of this Note, including, without limitation, attorneys' fees and court costs.

No extension of this Note and no delay in the enforcement of the payment of this Note shall affect the liability of Maker.

This Note shall be governed by and construed and enforced in accordance with the law of the State of Texas other than the laws of said State relating to conflict of laws.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has caused this Note to be executed the day and year first above written.

WESCO DISTRIBUTION, INC.

By: /s/

Title: Vice President

EXHIBIT 4.8

ASSIGNMENT OF PROMISSORY NOTE

This Assignment is effective from and after the 6th day of May, 1997 (the "Effective Date"), as follows:

Frase Enterprises, Inc. ("Frase"), formerly known as Ambord Corporation ("Ambord"), a California corporation, hereby irrevocably assigns and transfers to Michael Baker, his successors and assigns, any and all rights and interest in and to that Promissory Note No. 1 ("Note No. 1") dated May 6, 1997, and issued to Ambord in connection with the Asset Purchase Agreement executed on May 6th, 1997, and attached hereto as Appendix 1 and by this reference made a part hereof.

Frase warrants that it is the sole owner of the interest assigned hereby, and that the interest is not subject to any liens or encumbrances.

FRASE ENTERPRISES, INC.

By: /s/ Robert Frase

Robert C. Frase, President

By: /s/ Sharon Frase

Sharon Frase, Secretary

PROMISSORY NOTE NO. 1

$250,000 SAN FRANCISCO, CALIFORNIA
MAY 6, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation ("Maker"), hereby promises to pay to the order of AMBORD CORPORATION, a California corporation ("Payee"), or its successors or assigns, the principal sum of Two Hundred Fifty Thousand Dollars ($250,000) together with Accrued Interest, as defined herein, on the terms provided in this Note. All payments hereunder shall be made to Payee when due to Payee's Account No. 4435-410-402 at Wells Fargo Bank, or such other account or address as Payee shall designate in writing to Maker.

This Note shall bear interest at the annual rate of nine percent (9%) (computed on the basis of a 365 day year) compounded monthly, subject to provisions contained herein regarding interest after default. Interest shall not be paid but shall accrue monthly (the "Accrued Interest") until Maturity (as defined herein) when the principal balance of the Note and all Accrued Interest shall be satisfied.

Principal and Accrued Interest shall be due and payable, if not sooner paid or accelerated pursuant to the terms of this Note on the eighteen (18) month anniversary of the date of this Note ("Maturity").

If at any time prior to Maturity the Maker shall effect an underwritten public offering of shares of common stock of Maker ("Common Stock") led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (the "Public Offering") then, effective upon the closing of the sale of shares of Common Stock pursuant to such Public Offering, the unpaid principal sum of the Note and all Accrued Interest shall without further action of Maker or Payee automatically convert to shares of restricted Common Stock. The number of shares of common stock of the Maker to be delivered to the Payee shall be determined by dividing the principal sum of the Note plus all Accrued Interest by the initial purchase price per share of Common Stock paid by the public in the Public Offering.

Certificates evidencing the shares of restricted Common Stock will be delivered to Payee upon surrender of the Note and execution and delivery of a stock subscription agreement in form and substance reasonably satisfactory to Maker.

The Maker waives presentment, demand, notice, protest and all other demands and notices in respect to the delivery, acceptance, performance, default or enforcement of this Note, except as expressly provided herein.

The following events shall be "Events of Default" hereunder.

(a) Default by Maker in the payment of any principal of or interest on the indebtedness evidenced by or arising under this Note within ten (10) days of its due date; or

(b) Default by Maker in the due observance or performance of any material term, provision, covenant or agreement herein (other than for the payment of principal or interest), or in the Asset Purchase Agreement, dated as of the date hereof among the Maker and Payee, which agreement is memorialized herein by reference, if such default continues unremedied for a period of ten (10) days after written notice to Maker.

If any one or more of the foregoing Events of Default shall occur, then Payee or the holder hereof may, at any time and at its option, by written notice to Maker, declare the unpaid principal balance of and interest on the indebtedness evidenced by or arising under this Note and any and all other indebtedness of Maker to Payee to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Maker, and Payee or the holder hereof may take such additional action as provided by law.

Upon the occurrence and during the continuance of any "Event of Default" as defined in this Note, the principal balance outstanding hereunder shall bear interest at a per annum rate of twelve percent (12%), which interest shall be computed and payable as otherwise set forth herein.

The Maker shall pay all reasonable expenses and costs incurred in the collection of this Note, including, without limitation, attorneys' fees and court costs.

No extension of this Note and no delay in the enforcement of the payment of this Note shall affect the liability of Maker.

This Note shall be governed by and construed and enforced in accordance with the law of the State of California other than the laws of said State relating to conflict of laws.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has caused this Note to be executed the day and year first above written.

WESCO DISTRIBUTION, INC.

By: /s/

Title: Vice President

EXHIBIT 4.9

ASSIGNMENT OF PROMISSORY NOTE

This Assignment is effective from and after the 6th day of May, 1997 (the "Effective Date"), as follows:

Frase Enterprises, Inc. ("Frase"), formerly known as Ambord Corporation ("Ambord"), a California corporation, hereby irrevocably assigns and transfers to Glenn Lancaster, his successors and assigns, any and all rights and interest in and to that Promissory Note No. 2 ("Note No. 2") dated May 6, 1997, and issued to Ambord in connection with the Asset Purchase Agreement executed on May 6th, 1997, and attached hereto as Appendix 1 and by this reference made a part hereof.

Frase warrants that it is the sole owner of the interest assigned hereby, and that the interest is not subject to any liens or encumbrances.

FRASE ENTERPRISES, INC.

By: /s/ Robert Frase

Robert C. Frase, President

By: /s/ Sharon Frase

Sharon Frase, Secretary

PROMISSORY NOTE NO. 2

$250,000 SAN FRANCISCO, CALIFORNIA
MAY 6, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation ("Maker"), hereby promises to pay to the order of AMBORD CORPORATION, a California corporation ("Payee"), or its successors or assigns, the principal sum of Two Hundred Fifty Thousand Dollars ($250,000) together with Accrued Interest, as defined herein, on the terms provided in this Note. All payments hereunder shall be made to Payee when due to Payee's Account No. 4435-410-402 at Wells Fargo Bank, or such other account or address as Payee shall designate in writing to Maker.

This Note shall bear interest at the annual rate of nine percent (9%) (computed on the basis of a 365 day year) compounded monthly, subject to provisions contained herein regarding interest after default. Interest shall not be paid but shall accrue monthly (the "Accrued Interest") until Maturity (as defined herein) when the principal balance of the Note and all Accrued Interest shall be satisfied.

Principal and Accrued Interest shall be due and payable, if not sooner paid or accelerated pursuant to the terms of this Note on the eighteen (18) month anniversary of the date of this Note ("Maturity").

If at any time prior to Maturity the Maker shall effect an underwritten public offering of shares of common stock of Maker ("Common Stock") led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (the "Public Offering") then, effective upon the closing of the sale of shares of Common Stock pursuant to such Public Offering, the unpaid principal sum of the Note and all Accrued Interest shall without further action of Maker or Payee automatically convert to shares of restricted Common Stock. The number of shares of common stock of the Maker to be delivered to the Payee shall be determined by dividing the principal sum of the Note plus all Accrued Interest by the initial purchase price per share of Common Stock paid by the public in the Public Offering.

Certificates evidencing the shares of restricted Common Stock will be delivered to Payee upon surrender of the Note and execution and delivery of a stock subscription agreement in form and substance reasonably satisfactory to Maker.

The Maker waives presentment, demand, notice, protest and all other demands and notices in respect to the delivery, acceptance, performance, default or enforcement of this Note, except as expressly provided herein.

The following events shall be "Events of Default" hereunder.

(a) Default by Maker in the payment of any principal of or interest on the indebtedness evidenced by or arising under this Note within ten (10) days of its due date; or

(b) Default by Maker in the due observance or performance of any material term, provision, covenant or agreement herein (other than for the payment of principal or interest), or in the Asset Purchase Agreement, dated as of the date hereof among the Maker and Payee, which agreement is memorialized herein by reference, if such default continues unremedied for a period of ten (10) days after written notice to Maker.

If any one or more of the foregoing Events of Default shall occur, then Payee or the holder hereof may, at any time and at its option, by written notice to Maker, declare the unpaid principal balance of and interest on the indebtedness evidenced by or arising under this Note and any and all other indebtedness of Maker to Payee to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Maker, and Payee or the holder hereof may take such additional action as provided by law.

Upon the occurrence and during the continuance of any "Event of Default" as defined in this Note, the principal balance outstanding hereunder shall bear interest at a per annum rate of twelve percent (12%), which interest shall be computed and payable as otherwise set forth herein.

The Maker shall pay all reasonable expenses and costs incurred in the collection of this Note, including, without limitation, attorneys' fees and court costs.

No extension of this Note and no delay in the enforcement of the payment of this Note shall affect the liability of Maker.

This Note shall be governed by and construed and enforced in accordance with the law of the State of California other than the laws of said State relating to conflict of laws.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has caused this Note to be executed the day and year first above written.

WESCO DISTRIBUTION, INC.

By: /s/

Title: Vice President

EXHIBIT 4.10

PROMISSORY NOTE NO. 3

$500,000 SAN FRANCISCO, CALIFORNIA
MAY 6, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation ("Maker"), hereby promises to pay to the order of AMBORD CORPORATION, a California corporation ("Payee"), the principal sum of Five Hundred Thousand Dollars ($500,000) together with Accrued Interest, as defined herein, on the terms provided in this Note. All payments hereunder shall be made to Payee when due to Payee's Account No. 4435-410-402 at Wells Fargo Bank, or such other account or address as Payee shall designate in writing to Maker.

This Note shall bear interest at the annual rate of nine percent (9%) (computed on the basis of a 365 day year) compounded monthly, subject to provisions contained herein regarding interest after default. Interest shall not be paid but shall accrue monthly (the "Accrued Interest") until Maturity (as defined herein) when the principal balance of the Note and all Accrued Interest shall be satisfied. Principal and Accrued Interest shall be due and payable, if not sooner paid or accelerated pursuant to the terms of this Note on the four (4) year anniversary of the date of this Note ("Maturity").

If at any time prior to Maturity the Maker shall effect an underwritten public offering of shares of common stock of Maker ("Common Stock") led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (the "Public Offering") then, effective upon the closing of the sale of shares of Common Stock pursuant to such Public Offering, the unpaid principal sum of the Note and all Accrued Interest shall without further action of Maker or Payee automatically convert to shares of restricted Common Stock. The number of shares of common stock of the Maker to be delivered to the Payee shall be determined by dividing the principal sum of the Note plus all Accrued Interest by the initial purchase price per share of Common Stock paid by the public in the Public Offering. Upon

surrender of this Note, execution and delivery of a stock subscription agreement in form and substance satisfactory to Maker in the reasonable exercise of its discretion and execution and delivery of a Pledge Agreement substantially in the same form as attached hereto as Exhibit A (the "Pledge Agreement"), certificates evidencing the number described in the next sentence (the "Pledged Shares") of shares of restricted Common Stock to be issued to Payee will be delivered to Maker to be held subject to the terms and conditions of the Pledge Agreement. The number of the Pledged Shares shall be the number of shares that have been issued with respect to the principal amount of Five Hundred Thousand Dollars ($500,000.00) of this Note.

The Maker waives presentment, demand, notice, protest and all other demands and notices in respect to the delivery, acceptance, performance, default or enforcement of this Note, except as expressly provided herein.

The principal amount of this Note and Accrued Interest is subject to set-off on a dollar-for-dollar basis by the Maker as provided in sections 1(e), 1(f), and 8(e) of the Asset Purchase Agreement dated as of the date hereof among the Maker and the Payee, which agreement is incorporated herein by reference. No interest shall accrue on the principal amount hereof which is set-off as described above.

The following events shall be "Events of Default" hereunder.

(a) Default by Maker in the payment of any principal of or interest on the indebtedness evidenced by or arising under this Note within ten (10) days of its due date; or

(b) Default by Maker in the due observance or performance of any material term, provision, covenant or agreement herein (other than for the payment of principal or interest), or in the Asset Purchase Agreement, if such default continues unremedied for a period of ten (10) days after written notice to Maker.

If any one or more of the foregoing Events of Default shall occur, then Payee or the holder hereof may, at any time and at its option, by written notice to Maker, declare the unpaid principal balance of and interest on the indebtedness evidenced by or arising under this Note and any and all other indebtedness

of Maker to Payee to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, without presentment, demand, protest or notice of any land, all of which are hereby expressly waived by Maker, and Payee or the holder hereof may take such additional action as provided by law.

Upon the occurrence and during the continuance of any "Event of Default" as defined in this Note, the principal balance outstanding hereunder shall bear interest at a per annum rate of twelve percent (12%), which interest shall be computed and payable as otherwise set forth herein.

The Maker shall pay all reasonable expenses and costs incurred in the collection of this Note, including, without limitation, attorneys' fees and court costs.

No extension of this Note and no delay in the enforcement of the payment of this Note shall affect the liability of Maker.

This Note shall be governed by and construed and enforced in accordance with the law of the State of California other than the laws of said State relating to conflict of laws.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has caused this Note to be executed the day and year first above written.

WESCO DISTRIBUTION, INC.

By: /s/

Title: Vice President

EXHIBIT 4.11

PROMISSORY NOTE NO. 4

$500,000 SAN FRANCISCO, CALIFORNIA
MAY 6, 1997

FOR VALUE RECEIVED, the undersigned, WESCO DISTRIBUTION, INC., a Delaware corporation ("Maker"), hereby promises to pay to the order of AMBORD CORPORATION, a California corporation ("Payee"), the principal sum of Five Hundred Thousand Dollars ($500,000) together with Accrued Interest, as defined herein, on the terms provided in this Note. All payments hereunder shall be made to Payee when due to Payee's Account No. 4435-410-402 at Wells Fargo Bank, or such other account or address as Payee shall designate in writing to Maker.

Principal and Accrued Interest shall be due and payable, if not sooner paid or accelerated pursuant to the terms of this Note on the eighteen (18) month anniversary of the date of this Note ("Maturity").

If at any time prior to Maturity the Maker shall effect an underwritten public offering of shares of common stock of Maker ("Common Stock") led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (the "Public Offering") then, effective upon the closing of the sale of shares of Common Stock pursuant to such Public Offering, the unpaid principal sum of the Note and all Accrued Interest shall without further action of Maker or Payee automatically convert to shares of restricted Common Stock. The number of shares of common stock of the Maker to be delivered to the Payee shall be determined by dividing the principal sum of the Note plus all Accrued Interest by the initial purchase price per share of Common Stock paid by the public in the Public Offering. Upon surrender of this Note, execution and delivery of a stock subscription agreement in form and substance satisfactory to Maker in the reasonable exercise of its discretion and execution and delivery of a Pledge Agreement substantially in the same form as attached hereto as Exhibit A (the "Pledge Agreement"), certificates evidencing the number described in the next sentence

(the "Pledged Shares") of shares of restricted Common Stock to be issued to Payee will be delivered to Maker to be held subject to the terms and conditions of the Pledge Agreement. The number of the Pledged Shares shall be the number of shares that have been issued with respect to the principal amount of Five Hundred Thousand Dollars ($500,000.00) of this Note.

The Maker waives presentment, demand, notice, protest and all other demands and notices in respect to the delivery, acceptance, performance, default or enforcement of this Note, except as expressly provided herein.

The principal amount of this Note and Accrued Interest is subject to set-off on a dollar-for-dollar basis by the Maker as provided in sections 1(e), 1(f), and 8(e) of the Asset Purchase Agreement dated as of the date hereof among the Maker and the Payee, which agreement is incorporated herein by reference. No interest shall accrue on the principal amount hereof which is set-off as described above.

The following events shall be "Events of Default" hereunder.

(a) Default by Maker in the payment of any principal of or interest on the indebtedness evidenced by or arising under this Note within ten (10) days of its due date; or

(b) Default by Maker in the due observance or performance of any material term, provision, covenant or agreement herein (other than for the payment of principal or interest), or in the Asset Purchase Agreement, if such default continues unremedied for a period of ten (10) days after written notice to Maker.

If any one or more of the foregoing Events of Default shall occur, then Payee or the holder hereof may, at any time and at its option, by written notice to Maker, declare the unpaid principal balance of and interest on the indebtedness evidenced by or arising under this Note and any and all other indebtedness of Maker to Payee to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, without presentment, demand, protest or notice of any land, all of which are hereby expressly waived by Maker, and Payee or the holder hereof may take such additional action as provided by law.

Upon the occurrence and during the continuance of any "Event of Default" as defined in this Note, the principal balance outstanding hereunder shall bear interest at a per annum rate of twelve percent (12%), which interest shall be computed and payable as otherwise set forth herein.

The Maker shall pay all reasonable expenses and costs incurred in the collection of this Note, including, without limitation, attorneys' fees and court costs.

No extension of this Note and no delay in the enforcement of the payment of this Note shall affect the liability of Maker.

This Note shall be governed by and construed and enforced in accordance with the law of the State of California other than the laws of said State relating to conflict of laws.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has caused this Note to be executed the day and year first above written.

WESCO DISTRIBUTION, INC.

By: /s/

Title: Vice President

EXHIBIT 4.12

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CDW HOLDING CORPORATION

REGISTRATION AND PARTICIPATION AGREEMENT

Dated as of February 28, 1994

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TABLE OF CONTENTS
(Not Part of Agreement)

REGISTRATION AND PARTICIPATION AGREEMENT

REGISTRATION AND PARTICIPATION AGREEMENT, dated as of February 28, 1994, among CDW Holding Corporation, a Delaware corporation (the "Company"), and the undersigned parties hereto.

1. Background. (a) The Company is a party to an Asset Acquisition Agreement, dated as of February 15, 1994 (the "Acquisition Agreement"), with Westinghouse Electric Corporation, a Pennsylvania corporation ("Westinghouse").

(b) In connection with the transactions contemplated by the Acquisition Agreement, the Company is a party to (i) a Stock Subscription Agreement, dated as of the date hereof (the "Fund Stock Subscription Agreement"), between the Company and The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership (the "C&D Fund"), pursuant to which the Company has agreed to issue 833,280 shares of Class A Common Stock (as this term and other capitalized terms used herein are defined in Section 2) to the C&D Fund, (ii) a Management Stock Subscription Agreement, dated as of the date hereof (the "Management Stock Subscription Agreement"), between the Company and one of its executive officers (the "Management Purchaser"), pursuant to which the Company has agreed to issue an aggregate of 16,720 shares of Class A Common Stock to the Management Purchaser, (iii) a Management Stock Option Agreement, dated as of the date hereof (the "Management Stock Option Agreement"), between the Company and the Management Purchaser, covering options to acquire up to an aggregate of 22,280 shares of Class A Common Stock, and (iv) a Capital Call Agreement, dated as of the date hereof (the "Capital Call Agreement"), among the Company, Barclays Business Credit, Inc. and the C&D Fund, pursuant to which the Company has agreed to issue, under certain circumstances, up to 50,000 shares of Class A Common Stock to the C&D Fund.

(c) Pursuant to the Acquisition Agreement, the Company is a party to a Stock Subscription, Stock Option and Stockholders Agreement, dated as of the date hereof (the "Westinghouse Stock Subscription and Stock Option Agreement"), among the Company, Westinghouse and the C&D Fund, pursuant to which the Company has agreed, in partial payment of the U.S. Purchase Price (as defined in the Acquisition Agreement), to (i) issue to Westinghouse 100,000 shares of Class A Common Stock and (ii) grant to Westinghouse an option (the "Option") to purchase 100,000 shares of Class A Common Stock.

(d) The Company or the C&D Fund may in the future issue or sell directly, or pursuant to options or other rights, additional shares of Class A Common Stock to certain directors, executive officers and key employees of the Company or one of its Subsidiaries (the "Subsequent Management Purchasers"), and additional shares of Class A Common Stock to certain Individual Investors or other purchasers (the "Subsequent Purchasers"), in each case, pursuant to stock subscription or purchase agreements the terms of which are not inconsistent with the terms of this Agreement (the "Subsequent Stock Subscription Agreements") or stock option or rights agreements, plans or arrangements the terms of which are not inconsistent with the terms of this Agreement (the "Subsequent Stock Option Agreements").

(e) The Management Purchaser and the Subsequent Management Purchasers and any trusts holding shares of Class A Common Stock or options to purchase shares of Class A Common Stock for the benefit of relatives or dependents of the Management Purchaser or any Subsequent Management Purchaser are referred to herein collectively as the "Management Stockholders". The Fund Stock Subscription Agreement, the Management Stock Subscription Agreement, the Management Stock Option Agreement, the Capital Call Agreement, the Westinghouse Stock Subscription and Stock Option Agreement, the Subsequent Stock Subscription Agreements and the Subsequent Stock Option Agreements are referred to herein collectively as the "Stock Subscription Agreements".

2. Definitions. For purposes of this Agreement, the following terms have the following respective meanings:

"Accepting Holder": See Section 5.2(a).

"Acquisition Agreement": See Section 1.

"Affiliate": With respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise. The C&D Fund and the Company shall be deemed not to be Affiliates of Westinghouse. Any director, member of management or other employee of the Company or any of its Subsidiaries who would not otherwise be an Affiliate of the C&D Fund shall not be deemed to be an Affiliate of the C&D Fund.

"Allocated Amount": See Section 5.2(b).

"Allocation Calculation": See Section 5.2(b).

"Business Day": A day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required to close.

"C&D Fund": See Section 1.

"C&D Offeree": See Section 5.1.

"C&D Sale": See Section 5.1.

"CD&R": Clayton, Dubilier & Rice, Inc., a Delaware corporation.

"Capital Call Agreement": See Section 1.

"Class A Common Stock": The Class A Common Stock, par value $.01 per share, of the Company.

"Class B Common Stock": The Class B Common Stock, par value $.01 per share, of the Company.

"Common Stock": The Class A Common Stock and the Class B Common Stock.

"Company": See the introduction to this Agreement.

"Eligible Holder": See Section 5.1.

"Exchange Act": The Securities Exchange Act of 1934, as amended, or any successor Federal statute, and the rules and regulations thereunder which shall be in effect at the time. Any reference to a particular section thereof shall include a reference to the corresponding section, if any, of any such successor Federal statute, and the rules and regulations thereunder.

"Fund Stock Subscription Agreement": See Section 1.

"Individual Investors": Directors or senior executives of corporations in which entities managed or sponsored by CD&R have made substantial equity investments.

"Initial Public Offering": The consummation of a bona fide public offering of Common Stock pursuant to a registration statement filed under the Securities Act, which offering is underwritten on a firm commitment basis by a syndicate of underwriters led by one or more underwriters at least one of which is an underwriter of recognized national standing.

"Management Purchaser": See Section 1.

"Management Stockholders": See Section 1.

"Management Stock Option Agreement": See Section 1.

"Management Stock Subscription Agreement": See Section 1.

"NASD": National Association of Securities Dealers, Inc.

"NASDAQ": The NASD Automated Quotation System.

"Newco": CDW Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of the Company.

"Offer": See Section 5.1.

"Offered Securities": See Section 5.2(a).

"Option": See Section 1(c).

"Participants": See Section 5.2(b).

"Person": Any natural person, firm, partnership, association, corporation, company, trust, business trust, governmental entity or other entity.

"Proportionate First Share": See Section 5.2(b).

"Proportionate Subsequent Share": See Section 5.2(b).

"Qualifying Sale": See Section 4(b).

"Qualifying Securities": See Section 4(a).

"Registrable Securities": (a) Any Class A Common Stock or Class B Common Stock issued pursuant to the Stock Subscription Agreements (including upon exercise of options

granted pursuant to the Management Stock Option Agreement, the Subsequent Stock Option Agreements or the Westinghouse Stock Subscription and Stock Option Agreement), only if, in the case of the issuance pursuant to any Stock Subscription Agreement, such Stock Subscription Agreement provides that such Common Stock shall be entitled to the benefits of this Agreement applicable to Registrable Securities, (b) any Class A Common Stock issued upon conversion of the Class B Common Stock referred to in clause (a) above, (c) any Class B Common Stock issued in exchange for the Class A Common Stock referred to in clause (a) or (b) above, (d) any equity securities of the Company issued pursuant to the terms of, and under the circumstances set forth in, Section 5, and (e) any securities issued or issuable with re spect to any equity securities of the Company referred to in the foregoing clauses (i) upon any conversion or exchange thereof, (ii) by way of stock dividend or stock split, (iii) in connection with a combination of shares, recapital ization, merger, consolidation or other reorganization or (iv) otherwise, in all cases subject to the last paragraph of Section 3.3. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (A) a registration statement (other than a Special Registration pursuant to which such securities were issued by the Company) with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (B) such securities shall have been distributed to the public in reliance upon Rule 144, (C) subject to the provisions of the second paragraph of Section 7.1, such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any similar state law then in force or (D) such securities shall have ceased to be outstanding. Subject to the immediately preceding sentence, Registrable Securities shall not cease to be Registrable Securities upon transfer.

"Registration Expenses": All expenses incident to the Company's performance of its obligations under or compliance with Section 3, including, but not limited to, all registration and filing fees, all fees and expenses of complying with securities or blue sky laws, all fees and expenses associated with listing securities on exchanges or NASDAQ, all fees and other expenses associated with filings with the NASD (including, if required, the fees and expenses of any "qualified independent underwriter" and its counsel), all printing expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, and the expenses of any special audits made by such account ants required by or incidental to such performance and compliance, but not including (a) fees and disbursements of counsel retained by the holders of Registrable Securities or (b) any underwriting discounts or commissions or any trans fer taxes payable in respect of the sale of Registrable Securities by the holders thereof.

"Requisite Percentage of Stockholders": At any time prior to an Initial Public Offering, the holder or holders (other than Westinghouse and its successors and permitted assigns) of at least 50% (by number of shares) of the Registrable Securities at the time outstanding; there after, the holder or holders (other than Westinghouse and its successors and permitted assigns) of at least 20% (by number of shares) of the Registrable Securities at the time outstanding.

"Rule 144": Rule 144 (or any successor provision) under the Securities Act.

"Rule 144A": Rule 144A (or any successor provision) under the Securities Act.

"Sale Notice": See Section 4(a).

"Securities Act": The Securities Act of 1933, as amended, or any successor Federal statute, and the rules and regulations thereunder which shall be in effect at the time.

Any reference to a particular section thereof shall include a reference to the corresponding section, if any, of any such successor Federal statute, and the rules and regulations thereunder.

"Securities and Exchange Commission": The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act or the Exchange Act.

"Special Registration": The registration of shares of equity securities and/or options or other rights in respect thereof (a) to be offered to directors, members of management, employees or sales agents, distributors or similar representatives of the Company or its Subsidiaries, (b) concerning or relating to shares of Class A Common Stock to be offered to Individual Investors or (c) made solely on Form S-4 or S-8 or any successor form.

"Specified Public Offering": The consummation of any offering of Common Stock pursuant to a registration statement filed under the Securities Act, which offering is underwritten by a syndicate of underwriters led by one or more underwriters at least one of which is an underwriter of recognized national standing, which represents a bona fide offering to the public and which (together with any prior registered offerings) results in (a) an aggregate percentage of the outstanding Common Stock (on a fully diluted basis) being held by the public (it being agreed that no party hereto who holds more than 5% of the outstanding Common Stock (on a fully diluted basis) constitutes a member of the public) that is greater than the percentage of the outstanding Common Stock (on a fully diluted basis) held by Westinghouse upon, and after giving effect to, the consummation of such offering, and (b) the Company being subject to the reporting requirements of Section 13 of the Exchange Act other than by reason solely of Section 15(d) of the Exchange Act.

"Specified Securities": See Section 4(a).

"Stock Subscription Agreements": See Section 1.

"Subscribed Amount": See Section 5.2(a).

"Subsequent Management Purchasers": See Section 1.

"Subsequent Purchasers": See Section 1.

"Subsequent Stock Option Agreements": See Section 1.

"Subsequent Stock Subscription Agreements": See Section 1.

"Subsidiary": Each corporation or other Person in which a person owns or controls, directly or indirectly, capital stock or other equity interests representing at least 50% of the outstanding voting stock or other equity interests.

"Westinghouse": See Section 1.

"Westinghouse Stock Subscription and Stock Option Agreement": See Section 1.

3. Registration.

3.1. Registration on Request.

(a) Requests other than by Westinghouse. Subject to the provisions of Section 3.6, at any time or from time to time the Requisite Percentage of Stockholders shall have the right to make one or more written requests that the Company effect the registration under the Securities Act of all or part of the Registrable Securities of the holder or holders making such request, which requests shall specify the intended method of disposition thereof by such holder or holders.

(b) Request by Westinghouse. Subject to the provisions of Section 3.6, at any time after the fifth anniversary of the date hereof Westinghouse (or a permitted assignee to which Westinghouse has transferred all or a portion of its rights under this Section 3.1(b)) shall have the right to make two written requests that the Company effect the registration under the Securities Act of all or part of the Registrable Securities owned by Westinghouse (or such assignee), which requests shall specify the intended method of disposition thereof by Westinghouse (or such assignee).

(c) Obligation to Effect Registration. Upon receipt by the Company of any request for registration pursuant to Section 3.1(a) or 3.1(b), the Company will promptly give written notice of such requested registration to all holders of Registrable Securities, and thereupon will use its best efforts to effect the registration under the Securities Act of

(i) the Registrable Securities which the Company has been so requested to register pursuant to Section 3.1(a) or 3.1(b), as the case may be, and

(ii) all other Registrable Securities which the Company has been requested to register by the holders thereof by written request given to the Company within 30 days after the Company has given such written notice (which request shall specify the intended method of disposition of such Registrable Securities),

all to the extent required to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered. Notwithstanding the preceding sentence:

(A) the Company shall not be required to effect a registration requested pursuant to Section 3.1(a) if the aggregate number of Registrable Securities referred to in clauses (i) and (ii) of the preceding sentence to

be included in such registration shall be less than 20% of the Registrable Securities at the time outstanding;

(B) the Company shall not include in any regis tration requested pursuant to Section 3.1(b) any Regis trable Securities of any holder (other than a holder entitled to make a request under Section 3.1(b)) who was not a stockholder of the Company on the date of this Agreement; and

(C) if the Board of Directors of the Company determines in its good faith judgment, after consultation with a firm of nationally recognized underwriters, that there will be an adverse effect on a then contemplated Initial Public Offering unless such Initial Public Offering is not made contemporaneously with a registration pursuant to Section 3.1(a) or 3.1(b), each holder of Registrable Securities to be included pursuant to this Section 3.1(c) in a requested registration shall be given notice of such fact and the holder or holders of Registrable Securities initiating such request for registration pursuant to Section 3.1(a) or 3.1(b), as the case may be, shall be deemed to have withdrawn such request and such registration shall not be deemed to have been effected pursuant to this Section 3.1, provided that the Company may not exercise its rights under
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this clause (C) with respect to a request pursuant to Section 3.1(b) if the Company has exercised its rights under this clause (C) with respect to such a request made more than 180 days, but less than 15 months, prior to such request.

(d) Registration Statement Form. Each registration requested
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pursuant to this Section 3.1 shall be effected by the filing of a registration statement on Form S-1, Form S-2 or Form S-3 (or any other form which includes substantially the same information as would be required to be included in a registration statement on such forms as presently constituted), unless the use of a different form is (i) required by law or (ii) permitted by law and agreed
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in writing by holders holding at least a majority (by number of shares) of the Registrable Securities as to which registration has been requested pursuant to this Section 3.1. At any time after the Company has issued and sold any shares of its capital stock registered under an effective registration statement under the Securities Act, or after the Company shall have registered any class of equity securities pursuant to Section 12 of the Exchange Act, it will use its best efforts to qualify for registration on Form S-2 or Form S-3 (or any other comparable form hereinafter adopted).

(e) Expenses. The Company will pay all Registration Expenses in connection with (i) the first three registrations effected pursuant to a request under Section 3.1(a) and (ii) the two registrations effected pursuant to a request under Section 3.1(b). The Registration Expenses in connection with each other registration, if any, requested under Section 3.1(a) shall be apportioned among the holders whose Registrable Securities are then being registered, on the basis of the respective amounts (by number of shares) of Registrable Securities then being registered, provided that any such Registration Expenses so apportioned to Westinghouse will be paid by the Company. However, in the case of each registration requested under Section 3.1(a) or 3.1(b), the Company shall pay all amounts in respect of (A) any allocation of salaries of personnel of the Company and its Subsidiaries or other general overhead expenses of the Company and its Subsidiaries or other expenses for the preparation of financial statements or other data normally prepared by the Company and its Subsidiaries in the ordinary course of its business, (B) the expenses of any officers' and directors' liability insurance, (C) the expenses and fees for listing the securities to be registered on each exchange on which similar securities issued by the Company are then listed or, if no such securities are then listed, on an exchange selected by the Company or on NASDAQ and (D) all fees associated with filings required to be made with the NASD (including, if required, the fees and expenses of any "qualified independent underwriter" and its counsel).

(f) Inclusion of Other Securities. The Company shall not register securities (other than Registrable Securities) for sale for the account of any Person other than the Company in any registration requested pursuant to Section 3.1(a) or 3.1(b) unless (i) in the case of a registration requested pursuant to Section 3.1(a), permitted to do so by the written consent of holders holding at least a majority (by number of shares) of the Registrable Securities proposed to be sold in such registration and (ii) in the case of a registration requested pursuant to Section 3.1(b), such securities are being sold for the account of a Person who was a stockholder of the Company on the date of this Agreement or who is entitled to make a request under Section 3.1(b).

(g) Effective Registration Statement. A registration requested pursuant to Section 3.1(a) or 3.1(b) will not be deemed to have been effected unless it has become effective for the period specified in Section 3.3(b). Notwithstanding the preceding sentence, a registration requested pursuant to Section 3.1(a) or 3.1(b) which does not become effective after the Company has filed a registration statement with respect thereto solely by reason of the refusal to proceed of the holder or holders of Registrable Securities requesting the registration shall be deemed to have been effected by the Company at the request of such holder or holders, provided that this sentence shall not apply to the first registration requested pursuant to Section 3.1(b) that so fails to become effective if the Person requesting such registration reimburses the Company for all Registration Expenses with respect thereto.

(h) Pro Rata Allocation. If the holders of a majority (by number of shares) of the Registrable Securities for which registration is being requested pursuant to Section 3.1(a) or 3.1(b) determine, based on consultation with the managing underwriters or, in an offering which is not underwritten, with an investment banker, that the number of securities to be sold in any such offering should be limited due to market conditions or otherwise, all holders of

Registrable Securities proposing to sell their securities in such registration and (if the Company proposes to sell securities for its own account in such offering) the Company shall share pro rata in the number of securities being offered (as determined by the holders holding a majority (by number of shares) of the Registrable Securities for which registration is being requested in consultation with the managing underwriters or investment banker, as the case may be) and registered for their account, such sharing to be based on the number of Registrable Securities as to which registration was requested by such holders and the number of securities that the Company proposed to sell for its own account in such offering, respectively, provided that, in the case of a
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registration requested pursuant to Section 3.1(b), all Registrable Securities that the Person making such request under Section 3.1(b) wishes to include in such registration shall be included in such registration (at the time such registration becomes effective) before any other securities are included in such registration, unless such Person otherwise consents in writing.

3.2. Incidental Registration. If the Company at any time proposes to
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register any of its equity securities (as defined in the Exchange Act) under the Securities Act (other than pursuant to Section 3.1 or pursuant to a Special Registration), whether or not for sale for its own account, and the registration form to be used may be used for the registration of Registrable Securities, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and, upon the written request of any holder of Registrable Securities given to the Company within 30 days after the Company has given any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder and the intended method of disposition thereof), 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 the holders thereof, to the extent required to permit the disposition (in accordance with the intended methods thereof as

aforesaid) of the Registrable Securities so to be registered, provided that:

(a) if such registration shall be in connection with the Initial Public Offering, the Company shall not include any Registrable Securities in such proposed registration if the Company's Board of Directors shall have determined, after consultation with the managing underwriters for such offering, that it is not in the best interests of the Company to include any Registrable Securities in such registration, provided that, if the
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Company's Board of Directors makes such a determination, the Company shall not include in such registration any securities not being sold for the account of the Company;

(b) if, at any time after giving written notice of its intention to register any securities 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 may, at its election, give written notice of such determination to each holder of Registrable Securities that was previously notified of such registration and, thereupon, shall not register any Registrable Securities in connection with such registration (but shall nevertheless pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any holder or holders of Registrable Securities to request that a registration be effected under Section 3.1; and

(c) if the Company shall be advised in writing by the managing underwriters (or, in connection with an offering which is not underwritten, by an investment banker) that in their or its opinion the number of securities requested to be included in such registration (whether by the Company, pursuant to this Section 3.2 or pursuant to any other rights granted by the Company to a holder or holders of its securities to

request or demand such registration or inclusion of any such securities in any such registration) exceeds the number of such securities which can be sold in such offering,

(i) the Company shall include in such registration the number (if any) of Registrable Securities so requested to be included which in the opinion of such underwriters or investment banker, as the case may be, can be sold and shall not include in such registration any securities (other than securities being sold by the Company, which shall have priority in being included in such registration) so requested to be included other than Registrable Securities unless all Registrable Securities requested to be so included are included therein, and

(ii) if in the opinion of such underwriters or investment banker, as the case may be, some but not all of the Registrable Securities may be so included, all holders of Registrable Securities requested to be included therein shall share pro rata in the number of shares of Registrable Securities included in such public offering on the basis of the number of Registrable Securities requested to be included therein by such holders, provided that, in the case of a registration
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initially requested or demanded by a holder or holders of securities other than Registrable Securities, the holders of the Registrable Securities requested to be included therein and the holders of such other securities shall share pro rata (based on the number of shares if the requested or demanded registration is to cover only Common Stock and, if not, based on the proposed offering price of the total number of securities included in such public offering requested to be included therein),

and the Company shall so provide in any registration agreement hereinafter entered into with respect to any of its securities.

The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 3.2. No registration effected under this Section 3.2 shall relieve the Company from its obligation to effect registrations upon request under Section 3.1.

3.3. Registration Procedures. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 3.1 and 3.2, the Company will promptly:

(a) prepare and file with the Securities and Exchange Commission within 120 days, and use its best efforts to prepare and file within 60 days, after receipt of a request pursuant to Section 3.1 a registration statement with respect to such securities, make all required filings with the NASD and use best efforts to cause such registration statement to become effective;

(b) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith and such other documents as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement, but in no event for a period of more than six months after such registration statement becomes effective;

(c) furnish to counsel (if any) selected by the holders of a majority (by number of shares) of the Registrable Securities covered by such registration statement and to counsel for the underwriters in any underwritten offering copies of all documents proposed to be filed with the Securities and Exchange Commission (including all documents to be filed on a confidential basis) in connection with such registration, which documents will be subject to the review of such counsel;

(d) furnish to each seller of such securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case, including all exhibits and documents filed therewith (other than those filed on a confidential basis), except that the Company shall not be obligated to furnish any seller of securities with more than two copies of such exhibits and documents), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request in order to facilitate the disposition of the securities owned by such seller;

(e) use its best efforts to register or qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each seller shall request, and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, subject itself to taxation in any jurisdiction wherein it is not so subject, or take any action which would subject it to general

service of process in any jurisdiction wherein it is not so subject;

(f) in connection with an underwritten public offering only, furnish to each seller a signed counterpart, addressed to the sellers, of

(i) an opinion of counsel for the Company experienced in securities law matters, dated the effective date of the registration statement, and

(ii) a "comfort" letter signed by the independent public accountants who have issued an audit report on the Company's financial statements included in the registration statement,

covering substantially the same matters with respect to the registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities;

(g) (i) notify each holder of Registrable Securities covered by such registration statement if such registration statement, at the time it or any amendment thereto became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and, as promptly as practicable, prepare and file with the Securities and Exchange Commission a post-effective amendment to such registration statement and use best efforts to cause such post-effective amendment to become effective such that such registration statement, as so amended, shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not

misleading, and (ii) notify each holder of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, if the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, as promptly as is practicable, prepare and furnish to such holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) otherwise use its best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement of the Company complying with the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act;

(i) notify each seller of any securities covered by such registration statement (i) when such registration statement, or any post-effective amendment to such registration statement, shall have become effective, or any amendment of or supplement to the prospectus used in connection therewith shall have been filed, (ii) of any request by the Securities and Exchange Commission to amend such registration statement or to amend or supplement such prospectus or for additional information, (iii) of the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of such registration statement or of any

order preventing or suspending the use of any preliminary prospectus, and (iv) of the suspension of the qualification of such securities for offering or sale in any jurisdiction, or of the institution of any proceedings for any of such purposes;

(j) use its best efforts (i) (A) to list such securities on any securities exchange on which the Common Stock is then listed or, if no Common Stock is then listed, on an exchange selected by the Company, if such listing is then permitted under the rules of such exchange or (B) if such listing is not practicable or the Board of Directors of the Company determines that quotation as a NASDAQ National Market System security is preferable, to secure designation of such securities as a NASDAQ "national market system security" within the meaning of Rule 11Aa2-1 under the Exchange Act or, failing that, to secure NASDAQ authorization for such securities, and, without limiting the foregoing, to arrange for at least two market makers to register as such with respect to such securities with the NASD, (ii) to provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such registration statement and (iii) to obtain a CUSIP number for the Registrable Securities; and

(k) use every reasonable effort to obtain the lifting of any stop order that might be issued suspending the effectiveness of such registration statement or of any order preventing or suspending the use of any preliminary prospectus.

The Company may require each seller of any securities as to which any registration is being effected to furnish to the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing and as shall be required by law in connection therewith. Each such holder agrees to furnish promptly to the Company all information required to be disclosed in order to make the

information previously furnished to the Company by such holder not materially misleading.

The Company agrees not to file or make any amendment to any registration statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, which refers to any seller of any securities covered thereby by name, or otherwise identifies such seller as the holder of any securities of the Company, without the consent of such seller, such consent not to be unreasonably withheld, except that no such consent shall be required for any disclosure that is required by law.

By acquisition of Registrable Securities, each holder of such Registrable Securities shall be deemed to have agreed that upon receipt of any notice from the Company pursuant to Section 3.3(g), such holder will promptly discontinue such holder's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder shall have received, in the case of clause (i) of Section 3.3(g), notice from the Company that such registration statement has been amended, as contemplated by Section 3.3(g), and, in the case of clause (ii) of Section 3.3(g), copies of the supplemented or amended prospectus contemplated by Section 3.3(g). If so directed by the Company, each holder of Registrable Securities will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, in such holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice. In the event that the Company shall give any such notice, the period mentioned in Section 3.3(b) shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 3.3(g).

Although shares of Class A Common Stock issuable upon the exercise of options and shares of Class B Common Stock are included in the definition of Registrable Securities, the Company shall, in respect of any such Registrable Securities requested to be registered pursuant hereto, be required to include in any registration statement only shares of Class A Common Stock issuable upon conversion of or pursuant to such Registrable Securities and only if the Company has received assurances, reasonably satisfactory to it, in the case of shares issuable upon exercise of options, that such options will be exercised and in the case of Class B Common Stock that such Registrable Securities will be converted into shares of Class A Common Stock, in each case, promptly after such registration statement has become effective or the sale to an underwriter has been consummated so that only Class A Common Stock shall be distributed to the public under such registration statement.

3.4. Underwritten Offerings. The provisions of this Section 3.4 do not establish additional registration rights but instead set forth procedures applicable, in addition to those set forth in Sections 3.1 through 3.3, to any registration which is an underwritten offering.

(a) Underwritten Offerings Exclusive. Whenever a registration requested pursuant to Section 3.1 is for an underwritten offering, only securities which are to be distributed by the underwriters may be included in the registration.

(b) Underwriting Agreement. If requested by the underwriters for any underwritten offering by holders of Registrable Securities pursuant to a registration requested under Section 3.1, the Company shall enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the holders of a majority (by number of shares) of the Registrable Securities to be covered by such registration and to the underwriters and to contain such representations and warranties by the Company and such other

terms and provisions as are customarily contained in agreements of this type, including, but not limited to, indemnities to the effect and to the extent provided in Section 3.7, provisions for the delivery of officers' certificates, opinions of counsel and accountants' "comfort" letters and hold-back arrangements. The holders of Registrable Securities to be distributed by such underwriters shall be parties to such underwriting agreement and may, at their option, require that any or all of the representations and warranties by, and the agreements on the part of, the Company to and for the benefit of such underwriters be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holders of Registrable Securities. In the case of a registration requested by the C&D Fund pursuant to Section 3.1(a), Westinghouse shall not be required by the Company or the C&D Fund to make any representations or warranties to, or agreements with, the Company or the under writers other than as set forth in Section 3.4(e) and representations, warranties or agreements regarding Westinghouse and its intended method of distribution.

(c) Selection of Underwriters. Whenever a registration requested pursuant to Section 3.1 is for an underwritten offering, the Company will have the right to select one or more underwriters to administer the offering at least one of which shall be an underwriter of nationally recognized standing,

provided that, in the case of any such registration requested pursuant to Section 3.1(b), the selection of such underwriters by the Company shall be subject to the consent of Westinghouse, which consent shall not be unreasonably withheld. If the Company at any time proposes to register any of its securities under the Securities Act for sale for its own account and such securities are to be distributed by or through one or more underwriters, the Company will have the right to select one or more underwriters to administer the offering at least one of which shall be an underwriter of nationally recognized standing.

(d) Incidental Underwritten Offerings. Subject to the provisions of the proviso to the first sentence of Section 3.2, if the Company at any time proposes to register any of its equity securities under the Securities Act (other than pursuant to Section 3.1 or pursuant to a Special Registration), whether or not for its own account, and such securities are to be distributed by or through one or more underwriters, the Company will give prompt written notice to all holders of Registrable Securities of its intention to do so and, if requested by any holder of Registrable Securities, will arrange for such underwriters to include the Registrable Securities to be offered and sold by such holder among those to be distributed by such underwriters. The holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and may, at their option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of the underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holders of Registrable Securities. No such holder of Registrable Securities shall be required by the Company to make any representations or warranties to, or agreements with, the Company or the underwriters other than as set forth in Section 3.4(e) and representations, warranties or agreements regarding such holder and such holder's intended method of distribution.

(e) Hold Back Agreements. If and whenever the Company proposes to register any of its equity securities under the Securities Act for its own account (other than pursuant to a Special Registration) or is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3.1 or 3.2, each holder of Registrable Securities agrees by acquisition of such Registrable Securities not to effect (other than pursuant to such registration) any public

sale or distribution, including, but not limited to, any sale pursuant to Rule 144 or Rule 144A, of any Registrable Securities, any other equity securities of the Company or any securities convertible into or exchangeable or exercisable for any equity securities of the Company for 120 days (180 days if such registration statement relates to the Initial Public Offering) after, and (assuming compliance by the Company with Section 3.4(f)) during the 20 days prior to, the effective date of such registration and the Company agrees to cause each holder of any equity security, or of any security convertible into or exchangeable or exercisable for any equity security, of the Company purchased from the Company at any time other than in a public offering to enter into a similar agreement with the Company. The Company further agrees not to effect (other than pursuant to such registration or pursuant to a Special Registration) any public sale or distribution, or to file any registration statement (other than such registration or a Special Registration) covering any, of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the 20 days prior to, and for 120 days (180 days if such registration statement relates to the Initial Public Offering) after, the effective date of such registration.

(f) Notice of Impending Effective Date. The Company will give at least 20 days' written notice to each holder of Registrable Securities of the date when the Company expects, in its good faith judgment, that any registration pursuant to Section 3.1 or 3.2 will become effective (such notice to specify the expected effective date) and will respond promptly to any subsequent reasonable requests from any holder of Registrable Securities concerning the likely effective date of such registration.

3.5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company will give the holders of such Registrable Securities so to be registered and their

underwriters, if any, and their respective counsel and accountants the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Securities and Exchange Commission, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have issued audit reports on its financial statements as shall be necessary, in the opinion of such holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

3.6. Other Registrations. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3.1 or 3.2, and if such registration shall not have been withdrawn or abandoned, the Company shall not be obligated to and shall not file any registration statement with respect to any of its securities (including Registrable Securities) under the Securities Act (other than a Special Registration), whether of its own accord or at the request or demand of any holder or holders of such securities, until a period of six months shall have elapsed from the effective date of such previous registration; and the Company shall so provide in any registration agreement with respect to any of its securities.

3.7. Indemnification.

(a) Indemnification by the Company. In the event of any registration of any Registrable Securities under the Securities Act pursuant to Section 3.1 or 3.2, the Company will indemnify and hold harmless the seller of such securities, its directors, officers, and employees, each other person who participates as an underwriter, broker or dealer in the offering or sale of such securities and each other person, if any, who controls such seller or any such participating person within the meaning of either Section 15 of

the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which such seller or any such director, officer, employee, participating person or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein or related thereto, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state a fact required to be stated in any such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement or necessary to make the statements therein not misleading; and the Company will reimburse such seller and each such director, officer, employee, participating person and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided that the Company shall not be liable in any such case to the extent that any any loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such seller or participating person expressly for use in the preparation thereof and provided, further, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission in the prospectus, if such untrue statement or alleged untrue statement or omission or alleged omission is completely corrected in an amendment or supplement to the prospectus and the seller of Registrable Securities thereafter fails to deliver such prospectus as so amended or supplemented prior

to or concurrently with the sale of Registrable Securities to the person asserting such loss, claim, damage, liability or expense after the Company had furnished such seller with a sufficient number of copies of the same or if the seller received notice from the Company of the existence of such untrue statement or alleged untrue statement or omission or alleged omission and the seller continued to dispose of Registrable Securities prior to the time of the receipt of either (A) an amended or supplemented prospectus which completely corrected such untrue statement or omission or (B) a notice from the Company that the use of the existing prospectus may be resumed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any such director, officer, employee, participating person or controlling person and shall survive the transfer of such securities by such seller.

(b) Indemnification by the Sellers. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 3.3, that the Company shall have received an undertaking satisfactory to it from each of the prospective sellers of such securities, to indemnify and hold harmless (in the same manner and to the extent as set forth in Section 3.7(a)) the Company, each director of the Company, each officer of the Company who shall sign such registration statement and each other person, if any, who controls the Company within the meaning of the Securities Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, if such statement or omission was made in reliance upon and in conformity with written information furnished to the Company by such seller expressly for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, provided that the liability of each such seller will be in proportion to and limited to the net amount received by such seller (after deducting any underwriting discount

and expenses) from the sale of Registrable Securities pursuant to such registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by such seller.

(c) Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 3.7, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party hereunder, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided therein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 3.7. In case any such action is brought against an indemnified party, the indemnifying party will be entitled to participate therein and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, provided that if such indemnified party and the indemnifying party reasonably determine, based upon advice of their respective independent counsel, that a conflict of interest may exist between the indemnified party and the indemnifying party with respect to such action and that it is advisable for such indemnified party to be represented by separate counsel, such indemnified party may retain other counsel, reasonably satisfactory to the indemnifying party, to represent such indemnified party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of such indemnified party,

which consent shall not be unreasonably withheld, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) Other Indemnification. Indemnification similar to that specified in the preceding paragraphs of this Section 3.7 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of such Registrable Securities under any Federal or state law or regulation of governmental authority other than the Securities Act.

(e) Other Remedies. If for any reason the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, other than by reason of the exceptions provided therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities or expenses party as well as any other relevant equitable considerations (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other from the offering of Registrable Securities (taking into account the portion of the proceeds of the offering realized by each such party) or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in such proportion as is appropriate to reflect not only the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other but also the relative fault of the indemnifying party and the indemnified. 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. No party shall be

liable for contribution under this Section 3.7(e) except to the extent and under such circumstances as such party would have been liable to indemnify under this Section 3.7 if such indemnification were enforceable under applicable law.

(f) Officers and Directors. As used in this Section 3.7, the terms "officers" and "directors" shall include the partners of the holders of Registrable Securities which are partnerships.

4. Participation Rights. The C&D Fund shall not make any Qualifying Sale, except pursuant to the following provisions of this Section 4.

(a) Procedures for Qualifying Sales. At least 30 days prior to making any Qualifying Sale, the C&D Fund will deliver a written notice (the "Sale Notice") to the Company, the holder of the Option and the holders of Registrable Securities. The Sale Notice will fully disclose the identity of the prospective transferee and the terms and conditions of the proposed Qualifying Sale, including the class of Registrable Securities to be sold (the "Specified Securities"), the maximum amount of Specified Securities that the prospective transferee is willing to purchase and the intended consummation date of such Qualifying Sale. The C&D Fund may not give a Sale Notice with respect to any Qualifying Sale unless both the C&D Fund and the prospective transferee shall be legally bound to complete such Qualifying Sale (subject only to the satisfaction of the conditions of such Qualifying Sale disclosed in such Sale Notice and compliance with this Section 4 and any Applicable Law). The C&D Fund will not consummate any Qualifying Sale until at least 30 days after the related Sale Notice has been given to the holder of the Option and the holders of Registrable Securities, unless the C&D Fund shall have received a notice from each holder of Specified Securities or securities presently convertible into or exchangeable or exercisable for Specified Securities (collectively, "Qualifying Securities") indicating whether or not such holder has elected to participate in such Qualifying Sale and the amount of

Specified Securities to be sold by each such holder so electing to participate has been finally determined pursuant hereto prior to the expiration of such 30-day period. Each holder of Qualifying Securities may elect to participate in the contemplated Qualifying Sale by giving written notice to the C&D Fund and the Company within 30 days after the C&D Fund has given the related Sale Notice to such holder. If a holder of Qualifying Securities elects to participate, such holder will be entitled to sell in the contemplated Qualifying Sale, at the same price and (subject to the immediately following sentence) on the same terms and conditions as set forth in the related Sale Notice, an amount of Specified Securities equal to the product of (i) the quotient determined by dividing (A) the amount of Specified Securities then held by such holder (including in such amount all Specified Securities issuable upon conversion, exchange or exercise of all Qualifying Securities then held by such holder) by (B) the aggregate amount of Specified Securities held by the C&D Fund and all holders of Qualifying Securities (other than the C&D Fund) so electing to participate (including in such aggregate amount all Specified Securities issuable upon conversion, exchange or exercise of Qualifying Securities then held by the C&D Fund and such holders) and (ii) the amount of Specified Securities such transferee has agreed to purchase in the contemplated Qualifying Sale. Notwithstanding the immediately preceding sentence, Westinghouse shall not be required in connection with any Qualifying Sale in which it elects to participate (x) to enter into any non-competition covenant or agreement having a scope or duration beyond that contained in the Non-Competition Agreement dated the date hereof entered into by Westinghouse pursuant to the Acquisition Agreement or (y) other than in respect of representations, warranties, covenants and agreements made solely on its own behalf, to undertake any liability in excess of its proportionate share (based on the amount of securities sold in such Qualifying Sale) for representations, warranties, covenants and agreements made jointly by the selling holders in such Qualifying Sale. If a holder of Qualifying Securities elects to participate in any Qualifying Sale, the C&D Fund will not

consummate such Qualifying Sale unless such holder has been afforded the opportunity to consummate simultaneously the sale by such holder of the amount of Specified Securities determined in accordance with the preceding sentence with respect to such holder. Each holder of Qualifying Securities proposing to include in any contemplated Qualifying Sale Specified Securities to be issued to such holder upon the conversion of other Qualifying Securities then held by such holder shall effect such conversion prior to the time of such Qualifying Sale.

(b) Qualifying Sale Defined. The term "Qualifying Sale" shall mean any sale or transfer of securities of the Company by the C&D Fund other than any sale or transfer (i) pursuant to a bona fide firm commitment underwritten public offering (A) pursuant to a registration under the Securities Act effected pursuant to Section 3.1 or (B) pursuant to a registration under the Securities Act not effected pursuant to Section 3.1 if Section 3.2 applies to such registration and, in each of clauses (A) and (B), the Company has complied with all its obligations under Section 3 with respect to such registration, (ii) if the Company is subject to the reporting requirements of the Exchange Act, in transactions that comply with the manner of sale requirements set forth in Rule 144(f)) or (iii) to Individual Investors or Management Stockholders.

5. Investors' Rights to Purchase Additional Capital Stock.

5.1. C&D Sale. If, prior to the consummation of a Specified Public Offering, the Company shall propose to issue any additional shares of its capital stock (or any securities that may be exercised or exchanged for or converted into such capital stock) to the C&D Fund or any Affiliate of the C&D Fund (such Persons to whom the Company proposes to issue securities are referred to collectively as the "C&D Offeree", and such issuance is referred to as a "C&D Sale"), the Company shall offer to the holder of the Option and each holder of Registrable Securities (other than

the C&D Offeree) that is an accredited investor (as defined in Rule 501 of Regulation D under the Securities Act) (each, an "Eligible Holder") the right to acquire such holder's Allocated Amount of such securities (an "Offer"). Notwithstanding the foregoing, none of the following transactions shall constitute a C&D Sale: the issuance by the Company of any shares of its capital stock (or any securities that may be exercised or exchanged for or converted into such capital stock) (A) pursuant to the Fund Stock Subscription Agreement or the Capital Call Agreement (each as in effect on the date hereof), (B) in exchange for Class A Common Stock, (C) upon conversion of Class B Common Stock or (D) as a dividend or other distribution (including, but not limited to, in connection with any merger, consolidation or other reorganization) made pro rata to the holders of the Common Stock outstanding on the record date for such dividend or distribution.

5.2. Offer Procedures.

(a) Procedures. The Company shall make an Offer by giving to each Eligible Holder at least 30 Business Days' prior written notice of the proposed C&D Sale. Such notice will (i) identify the class and number of shares or amount of securities proposed to be issued (the "Offered Securities"), the proposed date of issuance and the price and other terms of the issuance and (ii) constitute an offer to issue to each such Eligible Holder its Allocated Amount of the Offered Securities at the same price and on the same other terms (subject to Section 5.2(c)) as are proposed for such C&D Sale, which offer shall remain open for a period of 15 Business Days from the date such notice is given by the Company. Each Eligible Holder desiring to accept such Offer shall give written notice to the Company prior to the end of the 15-Business Day period of such Offer. Such notice (a "Notice of Acceptance") will (A) set forth the maximum amount of the Offered Securities which such Eligible Holder elects to purchase (such Eligible Holder's "Subscribed Amount") and (B) constitute an acceptance of the Offer with respect to such Eligible Holder's Allocated Amount of the

Offered Securities. If any such Eligible Holder fails to give a Notice of Acceptance, such Eligible Holder shall be deemed to have rejected such Offer in full. At the closing of the C&D Sale, each Eligible Holder who shall have timely accepted the related Offer pursuant to this Section 5.2(a) (each, an

"Accepting Holder") shall acquire from the Company, and the Company shall issue
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to such Eligible Holder, its Allocated Amount of the Offered Securities at the same price and on the same other terms (subject to Section 5.2(c)) as such C&D Sale. The C&D Offeree shall be entitled to acquire at the closing of the C&D Sale its Allocated Amount of the Offered Securities. Any Offered Securities not issued at the C&D Sale may not thereafter be sold or otherwise issued by the Company to the C&D Fund or any Affiliate of the C&D Fund until they are again offered to the Eligible Holders under the procedures specified in this Section 5(a).

(b) Allocated Amount Defined. For the purposes of Section 5.2(a),
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the term "Allocated Amount" shall mean, with respect to each Accepting Holder
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and the C&D Offeree (collectively, the "Participants") in a C&D Sale, the aggregate amount of the Offered Securities in such C&D Sale allocated to such Participant in a series of calculations (each, an "Allocation Calculation") as
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follows: first, each Participant shall be allocated an amount of the Offered Securities in such C&D Sale equal to the lesser of (a) such Participant's
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Subscribed Amount of such Offered Securities and (b) such Participant's
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Proportionate First Share of such Offered Securities; thereafter, in each subsequent Allocation Calculation for such C&D Sale, each Participant whose Subscribed Amount of such Offered Securities exceeds the aggregate amount of Offered Securities allocated to such Participant in prior Allocation Calculations in respect of such C&D Sale shall be allocated an additional amount of Offered Securities equal to the lesser of (i) such Participant's
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Proportionate Subsequent Share of such Offered Securities and (ii) the excess of
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such Participant's Subscribed Amount of such Offered Securities over the aggregate amount of Offered Securities allocated to such Participant

in all prior Allocation Calculations in respect of such C&D Sale. For the purposes of this Section 5.2(a), the term "Proportionate First Share" shall mean, with respect to each Participant in a C&D Sale, an amount of the Offered Securities in such C&D Sale that is equal to the product of (a) the quotient determined by dividing (i) the percentage of the outstanding Common Stock (on a fully diluted basis) held by such Participant by (ii) the aggregate percentage of the outstanding Common Stock (on a fully diluted basis) held by all Participants in such C&D Sale and (b) the aggregate amount of such Offered Securities. For the purposes of this Section 5.2(b), the term "Proportionate Subsequent Share" shall mean, with respect to each Participant in a C&D Sale being allocated a Proportionate Subsequent Share of Offered Securities in an Allocation Calculation for such C&D Sale, an amount of the Offered Securities in such C&D Sale equal to the product of (a) the quotient determined by dividing (i) the percentage of the outstanding Common Stock (on a fully diluted basis) held by such Participant by (ii) the aggregate percentage of the outstanding Common Stock (on a fully diluted basis) held by all Participants being allocated a Proportionate Subsequent Share of Offered Securities in such Allocation Calculation and (b) the aggregate amount of the Offered Securities not allocated to the Participants in such C&D Sale in any prior Allocation Calculation.

(c) Terms of Offer. Notwithstanding Section 5.2(a), if the terms of any C&D Sale provide for the payment by the C&D Offeree of consideration other than cash, then the purchase price payable by each Accepting Holder (other than Westinghouse) per unit of Offered Securities shall be an amount in cash equal to the fair market value of the aggregate consideration payable by the C&D Offeree per unit of Offered Securities. For the purpose of determining the fair market value of any noncash consideration, (i) any portion of such consideration in the form of securities shall be valued at the arithmetical average of the closing sale prices of such securities over the five trading days immediately preceding the relevant date on the national securities exchange on which such securities are listed, or,

if not so listed, as reported by the National Association of Securities Dealers Automated Quotations System, or, if not so reported, at the average of the high bid and low asked quotations for the securities as reported by the National Quotations Bureau Incorporated or a similar organization, or, if no price quotations are available, such securities shall be valued by the Board of Directors of the Company in good faith as of the relevant date or, at the election (which shall be made in its Notice of Acceptance) and expense of an Accepting Holder which has succeeded by assignment to Westinghouse's rights under this Section 5 (other than Section 5.2(d)) in respect of Registrable Securities or the Option transferred by Westinghouse to such Accepting Holder, by an independent valuer with expertise in valuing such securities selected by the Company with the approval of such Accepting Holder, such approval not to be unreasonably withheld; and (ii) any other portion of such consideration shall be valued by the Board of Directors of the Company in good faith as of the relevant date or, at the election (which shall be made in its Notice of Acceptance) and expense of such an Accepting Holder, by an independent valuer with expertise in valuing such consideration selected by the Company with the approval of such Accepting Holder, such approval not to be unreasonably withheld.

(d) Election as to Form of Consideration. Notwithstanding Section 5.2(a), if Westinghouse elects to exercise its rights under Section 5.2(a) with respect to any C&D Sale the terms of which provide for payment in consideration other than cash, Westinghouse may, at its option, make such payment in the form of consideration provided by such terms (including, if the consideration consists in whole or in part of the delivery of any debt security of any Person or other promise of any Person to pay cash, by delivery of a security or other promise of Westinghouse, of the same tenor) or in cash equal to the fair market value of such consideration. For the purpose of determining the fair market value of any non-cash consideration, (i) any portion of such consideration in the form of securities shall be valued at the arithmetical average of the closing sale

prices of such securities over the five trading days immediately preceding the relevant date on the national securities exchange on which such securities are listed, or, if not so listed, as reported by the National Association of Securities Dealers Automated Quotations System, or, if not so reported, at the average of the high bid and low asked quotations for the securities as reported by the National Quotations Bureau Incorporated or a similar organization, or, if no price quotations are available, such securities shall be valued by the Board of Directors of the Company in good faith as of the relevant date or, at the election (which shall be made in its Notice of Acceptance) and expense of Westinghouse, by an independent valuer with expertise in valuing such securities selected by the Company with the prior approval of Westinghouse, such approval not to be unreasonably withheld; and (ii) any other portion of such consideration shall be valued by the Board of Directors of the Company in good faith as of the relevant date or, at the election (which shall be made in its Notice of Acceptance) and expense of Westinghouse, by an independent valuer with expertise in valuing such consideration selected by the Company with the prior approval of Westinghouse, such approval not to be unreasonably withheld.

6. Designation of Directors by the C&D Fund. (a) So long as the C&D Fund owns any securities of the Company, the C&D Fund shall have the right to nominate one candidate for election to the board of directors (each, a "Board") of each of the Company, Newco and the Canadian Buyer. In the event that the C&D Fund shall exercise its rights under this Section 6, (i) each of the parties hereto (other than the Company) shall vote, or cause to be voted, the capital stock of the Company held or controlled by such party or any Affiliate of such party and (ii) the Company shall vote, or cause to be voted, the capital stock of Newco and the Canadian Buyer held or controlled by the Company or any Affiliate of the Company, in each case, in favor of a slate of directors which includes the nominees of the C&D Fund for the Boards of the Company, Newco and the Canadian Buyer, respectively.

(b) The respective By-Laws of the Company, Newco and the Canadian Buyer shall provide that, in the event that a vacancy shall be created on the Board of such Buyer Party as a result of the death, resignation or removal (with or without cause) of a director nominated by the C&D Fund in accordance with Section 6(a), such Board shall within five Business Days of the creation of such vacancy request the C&D Fund to nominate a candidate to be appointed by such Board to fill such vacancy. In the event that any such vacancy shall be created on the Board of the Company, Newco or the Canadian Buyer immediately before or at the annual meeting of the stockholders of such Buyer Party, the C&D Fund shall have the right to nominate a candidate to fill such vacancy and the provisions of the second sentence of the immediately preceding paragraph shall apply with respect to the election of such nominee to fill such vacancy. If the preceding sentence shall not be applicable and a candidate nominated by the C&D Fund to fill any such vacancy shall not have been appointed to fill such vacancy within five Business Days of the Board of the applicable Buyer Party having been given the name of such candidate by the C&D Fund, then, as applicable, (i) in the case of a vacancy on the Board of the Company, each of the parties hereto (other than the Company) shall act by written consent, or call a special meeting of stockholders of the Company for the sole purpose of filling such vacancy and at such special meeting vote or cause to be voted the capital stock of the Company held or controlled by such party or any Affiliate of such party, and (ii) in the case of a vacancy on the Board of Newco or the Canadian Buyer, the Company shall (or shall cause each Affiliate of the Company owning outstanding voting securities of Newco or the Canadian Buyer, as the case may be, to) act by written consent, or call a special meeting of stockholders of Newco or the Canadian Buyer, as the case may be, for the sole purpose of filling such vacancy and at such special meeting vote or cause to be voted the capital stock of Newco or the Canadian Buyer, as the case may be, held or controlled by the Company or any Affiliate of the Company, in each case, to elect such nominee to fill such vacancy.

(c) The C&D Fund may elect, at its option, not to have a designated director on any Board.

(d) No party hereto shall, and the Company shall not permit Newco to, vote, or give any consent, in favor of the removal as a director of the Company, Newco or the Canadian Buyer, respectively, of any candidate nominated by the C&D Fund for election as such director in accordance with Section 6(a) without the prior written consent of the C&D Fund.

(e) No party hereto shall give, and the Company shall not permit Newco to give, any proxy with respect to shares of the capital stock of the Company, Newco or the Canadian Buyer, respectively, entitling the holder of such proxy to vote on, or give consents with respect to, the election of directors unless the holder of such proxy shall have agreed to comply with the obligations of such party under this Section 6.

(f) If, in connection with the election of any candidate nominated by the C&D Fund for election as a director of the Company or Newco, any party hereto fails or refuses to vote as required by this Section 6, or votes or gives any consent in contravention of this Section 6, the C&D Fund shall have an irrevocable proxy pursuant to Section 212(e) of the General Corporation Law of the State of Delaware, coupled with an interest, to vote (i) if the defaulting party is any party hereto other than the Company, all the shares of capital stock of the Company held or controlled by such party or (ii) if the defaulting party is the Company, all the shares of capital stock of Newco held or controlled by the Company, in each case, in accordance with this Section 6, and each party hereto hereby grants such proxy.

7. Miscellaneous.

7.1. Rule 144; Legended Securities; etc. If the Company shall have filed a registration statement pursuant

to Section 12 of the Exchange Act or a registration statement pursuant to the Securities Act relating to any class of equity securities (other than a registration statement pursuant to a Special Registration), the Company will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder (or, if the Company is not required to file such reports, it will, upon the request of any holder of Registrable Securities, make publicly available such information as necessary to permit sales pursuant to Rule 144), and will take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell shares of Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

The Company will not issue new certificates for shares of Registrable Securities without a legend restricting further transfer unless such shares have been sold to the public pursuant to an effective registration statement under the Securities Act or Rule 144, or unless otherwise permitted under the Securities Act and the holder of such shares expressly so requests in writing.

7.2. Amendments and Waivers. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the holder or holders of at least a majority of the shares of Registrable Securities and

(a) if Westinghouse is still a holder of the Option or any Registrable Securities, the written consent of Westinghouse or (b) if Westinghouse is no longer the holder of the Option or any Registrable Securities and the C&D Fund and its Affiliates continue to own a percentage of the Registrable Securities that is greater than the percentage of Registrable Securities held in the aggregate by Westinghouse's successors and permitted

assigns, the written consent of Westinghouse's successors or permitted assigns holding a majority in interest of the Registrable Securities held by Westinghouse's successors and permitted assigns, treating, for the purposes of this clause (b), any unexercised portion of the Option as the Registrable Securities issuable upon exercise thereof. Each holder of the Option or any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 7.2, whether or not the Option or such Registrable Securities shall have been marked to indicate such consent. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party or parties granting such waiver in any other respect or at any other time.

7.3. Nominees for Beneficial Owners. In the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election and unless notice is otherwise given to the Company by the record owner, be treated as the holder of such Registrable Securities for purposes of any request or other action by any holder or holders of Registrable Securities pursuant to this Agreement or any determinnation of any number or percentage of shares of Registrable Securities held by any holder or holders of Registrable Securities contemplated by this Agreement. If the beneficial owner of any Registrable Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

7.4. Successors, Assigns and Transferees. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto

other than the Company shall also be for the benefit of and enforceable by any subsequent holder of the Option or any Registrable Securities, subject to the provisions respecting the minimum numbers or percentages of shares of Registrable Securities required in order to be entitled to certain rights, or take certain actions, contained herein, provided that, upon any transfer by Westinghouse of the Option or of any Registrable Securities, the rights granted in Sections 3 and 5 to Westinghouse or its permitted assignee (as opposed to the holders of Registrable Securities generally) shall not be enforceable by any subsequent holder of the Option or such Registrable Securities unless Westinghouse expressly assigns such rights (which may be assigned by Westinghouse in part) and notifies the Company of such assignment, provided further that Westinghouse's rights under Sections 3.4(c) and 5.2(d) are personal to Westinghouse and shall not be assignable or otherwise transferable and any attempt to assign or transfer such rights shall be void and of no effect.

7.5. Notices. All notices and other communications in connection with this Agreement shall be in writing. Any notice or other communication in connection herewith shall be deemed duly given to any party (a) two Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid or (b) one Business Day after it is sent by overnight courier, in each case, to the address of such party set forth beneath its name on the schedules hereto, or to such other address as such party may have designated to the Company in writing, or if to any holder of Registrable Securities not a party hereto on the date hereof, at the address of such holder in the stock record books of the Company, and if to the Company or the C&D Fund to the following addresses:

(i) if to the Company, to:

CDW Holding Corporation
c/o The Clayton & Dubilier Private Equity
Fund IV Limited Partnership
270 Greenwich Avenue
Greenwich, Connecticut 06830
Telecopy: (203) 661-0544
Telephone: (203) 661-3998
Attention: Clayton & Dubilier Associates IV

Limited Partnership
Attention: Joseph L. Rice, III

(ii) if to the C&D Fund, to:

The Clayton & Dubilier Private Equity
Fund IV Limited Partnership
270 Greenwich Avenue
Greenwich, Connecticut 06830
Telecopy: (203) 661-0544
Telephone: (203) 661-3998
Attention: Clayton & Dubilier Associates IV

Limited Partnership
Attention: Joseph L. Rice, III

or at such other address or addresses as the Company or the C&D Fund, as the case may be, may have designated in writing to each holder of Registrable Securities at the time outstanding. Copies of any notice or other communication given under the Agreement shall also be given to:

Clayton, Dubilier & Rice, Inc.
126 East 56th Street
New York, New York 10022
Telecopy: (212) 752-7629
Telephone: (212) 355-0740
Attention: Alberto Cribiore

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Telecopy: (212) 909-6836
Telephone: (212) 909-6000
Attention: Steven Ostner, Esq.

Any party may give any notice or other communication in connection herewith using any other means (including, but not limited to, personal delivery, messenger service, telecopy, telex or ordinary mail), but no such notice or other communication shall be deemed to have been duly given unless and until it is actually received by the individual for whom it is intended.

7.6. No Inconsistent Agreements. The Company will not hereafter
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enter into any agreement with respect to its securities which is inconsistent with the rights granted to the holders of Registrable Securities by this Agreement.

7.7. Remedies; Attorneys' Fees. The holder of the Option and each
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holder of Registrable Securities, in addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any provision of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

7.8. Stock Splits, etc. Each party hereto agrees that it will vote
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to effect a stock split (forward or reverse, as the case may be) with respect to any Registrable Securities in connection with any registration of such Registrable Securities hereunder, or otherwise, if the managing underwriter shall advise the Company in writing (or, in connection with an offering that is not underwritten, if an investment banker shall advise the Company in writing) that in their or its opinion such a stock split would facilitate

or increase the likelihood of success of the offering. Each party hereto agrees that any number of shares of Common Stock referred to in this Agreement shall be equitably adjusted to reflect any stock split, stock dividend, stock combination, recapitalization or similar transaction.

7.9. Term. This Agreement shall be effective as of the date hereof and shall continue in effect thereafter until the earliest of (a) its termination by the consent of the parties hereto or their respective successors in interest, (b) the date on which the Option shall have been exercised in full or shall have terminated and no Registrable Securities remain outstanding and (c) the dissolution, liquidation or winding up of the Company.

7.10. Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

7.11. Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

7.12. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together constitute one and the same instrument.

7.13. Governing Law. This Agreement shall be governed in all respects, including, but not limited to, as to validity, interpretation and effect, by the internal laws of the State of New York, without giving effect to the conflict of law rules thereof.

7.14. No Third Party Beneficiaries. Except as provided in Sections 3.7 and 7.4, nothing in this Agreement shall confer any rights upon any person or entity other than the parties hereto, each such party's respective successors and permitted assigns.

7.15. Consent to Jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby (and agrees not to commence any such suit, action or proceeding except in such courts). Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any such suit, action or proceeding. Each party irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding in (i) the Supreme Court of the State of New York, New York County, and (ii) the United States District Court for the Southern District of New York, that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

7.16. Waiver of Jury Trial. Each party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding arising out of this Agreement or any transaction contemplated hereby. Each party (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties have been induced to enter into the Agreement by, among other things, the mutual waivers and certifications in this Section 7.16.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

CDW HOLDING CORPORATION

By: /s/ Alexander F. Brigham

Name: Alexander F. Brigham
Title: Vice President & Assistant Secretary

THE CLAYTON & DUBILIER PRIVATE EQUITY FUND IV LIMITED PARTNERSHIP

By: Clayton & Dubilier Associates IV Limited Partnership, the General Partner

By: /s/ Alberto Cribiore
---
a general partner

WESTINGHOUSE ELECTRIC CORPORATION

By: /s/ Thomas P. Costello

Name: Thomas P. Costello
Title: Executive Vice President

Address:
Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
11 Stanwix Center
Pittsburgh, PA 15222
Telecopy: (412) 642-5751

Telephone: (412) 244-2000
Attention: Treasurer

ROY W. HALEY

/s/ Roy W. Haley

Address: 592 Shadow Way Court
Houston, Texas 77024

EXHIBIT 10.1

CDW HOLDING CORPORATION STOCK PURCHASE PLAN

Section 1. Purpose

The purpose of this CDW Holding Corporation Stock Purchase Plan is to incentivize eligible employees to foster and promote the long-term financial success of Holding and the Company and to increase materially stockholder value by (a) motivating superior performance by participants in the Plan, (b) providing participants in the Plan with an ownership interest in Holding and (c) enabling the Company to attract and retain the services of an outstanding management team upon whose judgment, interest and special effort the successful conduct of its operations is largely dependent.

Section 2. Definitions

2.1. Definitions. Whenever used herein, the following terms shall have the respective meanings set forth below:

(1) "Active Employment" means active employment with Holding or any direct or indirect subsidiary of Holding.

(2) "Board" means the Board of Directors of Holding.

(3) "C&D Fund" means The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership, and any successor investment vehicle managed by Clayton, Dubilier & Rice, Inc.

(4) "Cause" means (i) the willful failure by the Participant substantially to perform his employment-related duties (other than any such failure due to physical or mental illness) after a demand for substantial

performance is delivered to the Participant by the Board, which notice identifies the manner in which the Board believes that the Participant has not substantially performed his employment-related duties, (ii) the engaging by the Participant in willful and serious misconduct that is injurious to the Company or any of its affiliates, (iii) the conviction of the Participant of, or the entering by the Participant of a plea of nolo contendere to, a crime that constitutes a felony, (iv) the breach by the Participant of any written covenant or agreement with the Company or any of its affiliates not to disclose any information pertaining to the Company or any of its affiliates or not to compete or interfere with the Company or any of its affiliates or (v) the breach by the Participant of his obligations pursuant to the "take-along" provisions of any Subscription Agreement to which he is or becomes a party, as contemplated by Section 9 hereof.

(5) "Common Stock" means the Class A Common Stock, par value $.01 per share, of Holding.

(6) "Company" means WESCO Distribution, Inc., a Delaware corporation, and any successor thereto.

(7) "Effective Date" means June 15, 1994.

(8) "Employee" means any executive or senior officer or other executive or key employee of Holding, the Company or any Subsidiary.

(9) "First Option Period" shall have the meaning set forth in Section 8.1 hereof.

(10) "First Refusal Period" shall have the meaning set forth in Section 7.1 hereof.

(11) "Holding" means CDW Holding Corporation, a Delaware corporation, and any successor thereto.

(12) "Offer Price" shall have the meaning set forth in Section 7.1 hereof.

(13) "Offer Terms" shall have the meaning set forth in Section 7.1 hereof.

(14) "Participant" means any Employee designated by the Board to participate in the Plan.

(15) "Permanent Disability" means a physical or mental disability or infirmity that prevents the performance of a Participant's employment-related duties lasting (or likely to last, based on competent medical evidence presented to the Board) for a continuous period of six months or longer. The Board's reasoned and good faith judgment of Permanent Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by such Participant or by any physician or group of physicians or other competent medical expert employed by the Participant or Holding to advise the Board.

(16) "Plan" means this CDW Holding Corporation Stock Purchase Plan.

(17) "Public Offering" means the first day as of which sales of Common Stock are made to the public in the United States pursuant to an underwritten public offering of the Common Stock led by one or more underwriters at least one of which is an underwriter of nationally recognized standing.

(18) "Refusal Rights" shall have the meaning set forth in Section 7.3 hereof.

(19) "Retirement" means a Participant's retirement at age 65 or later.

(20) "Second Option Period" shall have the meaning set forth in Section 8.2 hereof.

(21) "Second Refusal Period" shall have the meaning set forth in Section 8.2 hereof.

(22) "Shares" means the shares of Common Stock acquired by a Participant pursuant to the Plan.

(23) "Subscription Agreement" means a management stock subscription agreement between Holding and the Participant embodying the terms of any stock purchase made pursuant to the Plan, which agreement shall, unless the Board otherwise determines, be substantially in the form attached hereto as Exhibit A.

(24) "Subsidiary" means any corporation a majority of whose outstanding voting securities is owned, directly or indirectly, by the Company or Holding.

(25) "Unforeseen Personal Hardship" means financial hardship arising from (i) extraordinary medical expenses or other expenses directly related to illness or disability of a Participant, a member of such Participant's immediate family or one of such Participant's parents or (ii) payments necessary or required to prevent the eviction of such Participant from such Participant's principal residence or foreclosure on the mortgage on that residence. The Board's reasoned and good faith determination of Unforeseen Personal Hardship shall be binding on Holding and such Participant.

(26) "Westinghouse" means Westinghouse Electric Corporation, a Pennsylvania corporation.

2.2. Gender and Number. Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

Section 3. Eligibility and Participation

Participants in the Plan shall be those Employees selected by the Board to participate in the Plan by reason of their expected contribution to the growth and success of Holding, the Company and their Subsidiaries. The selection of an Employee as a Participant shall neither entitle such Employee to nor disqualify such Employee from participation in any other award or incentive plan.

Section 4. Powers of the Board

4.1. Power to Grant. The Board shall determine the Participants to whom offers to purchase Common Stock under the Plan shall be made and the terms and conditions of any and all such offers made to Participants. In making such determination, the Board shall give due consideration for such factors as it deems appropriate, including, without limitation, the performance of the Company, any Employee and/or such Employee's business unit.

4.2. Administration. The Board shall be responsible for the administration of the Plan. Any authority exercised by the Board under the Plan shall be exercised by the Board in its sole discretion. Subject to the terms of the Plan, the Board, by majority action thereof, is authorized to prescribe, amend and rescind rules and regulations relating to the administration of the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of Holding and the Company, and to make all other determinations necessary or advisable for the administration and interpretation of the Plan in order to carry out its provisions and purposes. Determinations, interpretations or other actions made or taken by the Board pursuant to the provisions of the Plan shall be final, binding and conclusive for all purposes and upon all persons.

4.3 Delegation by the Board. All of the powers, duties and responsibilities of the Board specified in this

Plan may, to the full extent permitted by applicable law, be exercised and performed by any duly constituted committee thereof to the extent authorized by the Board to exercise and perform such powers, duties and responsibilities.

Section 5. Shares of Common Stock Subject to Plan

5.1. Number. Subject to the provisions of Section 5.2, the maximum number of shares of Common Stock subject to offers made under the Plan may not exceed 35,000. The shares of Common Stock to be delivered upon the purchase of any Common Stock under the Plan may consist, in whole or in part, of treasury Common Stock or authorized but unissued Common Stock, not reserved for any other purpose.

5.2. Adjustment in Capitalization. The number of shares of Common Stock available for issuance under the Plan may be adjusted by the Board, in its sole discretion, if it shall deem such an adjustment to be necessary or appropriate to reflect any Common Stock dividend, stock split or share combination or any recapitalization, merger, consolidation, exchange of shares, liquidation or dissolution of Holding.

Section 6. Terms of Offers to Purchase Common Stock

6.1. Offers to Purchase Common Stock. Offers to purchase Common Stock may be made to Participants at such time or times as shall be determined by the Board. Each purchase of Common Stock by a Participant shall be made pursuant to a Subscription Agreement that shall include customary representations, warranties, covenants and other terms and conditions with respect to securities law matters. Unless otherwise determined by the Board, such Subscription Agreement shall also state that in respect of any Shares purchased by the Participant pursuant to such Subscription Agreement the Participant is entitled to the benefits of and bound by the obligations set forth in the Registration and

Participation Agreement, dated as of February 28, 1994, among Holding, C&D Fund IV, Westinghouse and Roy W. Haley (as the same may be amended, waived, modified or supplemented from time to time) to the extent set forth in such Subscription Agreement.

6.2. Purchase Price. The purchase price per share of Common Stock to be purchased under the Plan shall be determined by the Board.

Section 7. Options of Holding and the CD&R Fund Upon Proposed Disposition

7.1. Holding's Right of First Refusal. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, if a Participant desires to accept an offer (which must be in writing and for cash, be irrevocable by its terms for at least 60 days and be a bona fide offer as determined in good faith by the Board or the Executive Committee thereof) from any prospective purchaser to purchase all or any part of the Shares at any time owned by the Participant, the Participant shall give notice in writing to Holding and the C&D Fund (i) designating the number of such Shares proposed to be sold, (ii) naming the prospective purchaser of such Shares and (iii) specifying the price (the "Offer Price") at and terms (the "Offer Terms") upon which the Participant desires to sell the same. During the 30-day period following receipt of such notice by Holding and the C&D Fund (the "First Refusal Period"), Holding shall have the right to purchase from the Participant the Shares specified in such notice, at the Offer Price and on the Offer Terms.

7.2. C&D Fund's Right of First Refusal. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, if Holding fails to exercise the rights described in Section 7.1 within the First Refusal Period, the C&D Fund shall have the right to purchase the Shares specified in the notice from the Participant, at the

Offer Price and on the Offer Terms, at any time during the period beginning at the earlier of (x) the end of the First Refusal Period and (y) the date of receipt by the C&D Fund of written notice that Holding has elected not to exercise its right and ending 30 days thereafter (the "Second Refusal Period").

7.3. Exercise of Right of Refusal. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, the rights provided under Sections 7.1 and 7.2 hereof (the "Refusal Rights") shall be exercised by written notice to the Participant given at any time during the applicable period.

7.4. Participant's Right to Sell. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, if neither Holding nor the C&D Fund exercise its Refusal Right prior to the expiration of the Second Refusal Period, then at any time during the 60 days following the expiration of the Second Refusal Period, subject to such terms and conditions as shall be set forth in the applicable Subscription Agreement, the Participant may sell such Shares to (but only to) the intended purchaser named in his notice to Holding and the C&D Fund at the Offer Price and on the Offer Terms specified in such notice, free of all restrictions or obligations imposed by, and free of all rights and benefits set forth in, the Plan or the applicable Subscription Agreement, except as provided in such Subscription Agreement.

Section 8. Options Effective on Termination of Employment or Unforeseen Personal Hardship of the Participant

8.1. Rights of Holding Upon Termination of Employment. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, if the Participant's Active Employment is terminated for any reason whatsoever, Holding shall have an option to purchase all

(but not less than all) of the Shares then held by the Participant (or, if his employment was terminated by his death, his estate) and shall have 30 days from the date of the Participant's termination (such 30-day period being hereinafter referred to as the "First Option Period") during which to give notice in writing to the Participant (or his estate) of its election to exercise or not to exercise such option.

8.2. Rights of C&D Fund Upon Termination of Employment. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, if Holding fails to give notice that it intends to exercise the option described in Section 8.1 within the First Option Period, the C&D Fund shall have the right to purchase all (but not less than all) of the Shares then held by the Participant (or his estate) and shall have until the expiration of the earlier of (x) 30 days following the end of the First Option Period, or (y) 30 days from the date of receipt by the C&D Fund of written notice that Holding does not intend to exercise such option (such 30-day period being hereinafter referred to as the "Second Option Period"), to give notice in writing to the Participant (or his estate) of the C&D Fund's exercise of its option.

8.3. Participant's Right to Sell. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, (a) if the options of Holding and the C&D Fund to purchase the Participant's Shares are not exercised as contemplated by this Section 8, then, subject to such terms and conditions as shall be set forth in the applicable Subscription Agreement, the Participant (or his estate) shall be entitled to retain the Shares which could have been acquired on exercise thereof, and (b) if Holding and the C&D Fund have failed to exercise their respective options as contemplated by this Section 8 within the time periods specified herein, and if the Participant's Active Employment with each of Holding and any direct and indirect subsidiaries of Holding that employ the Participant is terminated (A) by such employer or employers without Cause,

(B) by the Participant by Retirement at Normal Retirement Age, or (C) by reason of Permanent Disability or death, then on notice from the Participant (or his estate) in writing and delivered to Holding within 30 days following the end of the Second Option Period, Holding shall purchase all (but not less than all) of the Shares then held by the Participant (or his estate). The foregoing right of a Participant to require Holding to repurchase any Shares shall be subject to Holding having the ability to do so under Delaware law and, unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, under the terms of its financing arrangements.

8.4. Unforeseen Personal Hardship. The Board may provide, in any Subscription Agreement, that in the event that the Participant, while in the employment of Holding or any Subsidiary, experiences Unforeseen Personal Hardship, the Board will carefully consider any request by the Participant that Holding repurchase the Participant's Shares at a price determined in accordance with the applicable Subscrip tion Agreement, but Holding shall have no obligation to repurchase such Shares.

Section 9. Take-Along Rights

9.1. Take-Along Notice. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, so long as the C&D Fund holds a number of shares of Common Stock equal to at least one-third of the Common Stock originally purchased by the C&D Fund at the closing of the acquisition of the Company (exclusive of shares purchased under the Capital Call Agreement, dated as of February 28, 1994, among Holding, the C&D Fund and Barclays Business Credit, Inc.), if the C&D Fund intends to effect a sale of all of its shares of Common Stock to a third party (a "100% Buyer") and elects to exercise its rights under this Section 9, the C&D Fund shall deliver written notice (a "Take-Along Notice") to the Participant, which notice shall (a) state (i) that the C&D Fund wishes to exercise its

rights under this Section 9 with respect to such transfer, (ii) the name and address of the 100% Buyer, (iii) the per share amount and form of consideration the C&D Fund proposes to receive for its shares of Common Stock and (iv) the terms and conditions of payment of such consideration and all other material terms and conditions of such transfer, (b) contain an offer (the "Take-Along Offer") by the 100% Buyer to purchase from the Participant all of its Shares on and subject to the same terms and conditions offered to the C&D Fund and (c) state the anticipated time and place of the closing of the purchase and sale of the shares (a "Section 9 Closing"), which (subject to such terms and conditions) shall occur not fewer than five (5) days nor more than ninety (90) days after the date such Take-Along Notice is delivered, provided that if such Section 9

Closing shall not occur prior to the expiration of such 90-day period, the C&D Fund shall be entitled to deliver another Take-Along Notice with respect to such Take-Along Offer.

9.2. Conditions to Take-Along. Unless otherwise provided in the
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Subscription Agreement or otherwise determined by the Board, upon delivery of a Take-Along Notice, the Participant shall have the obligation to transfer all of its Shares pursuant to the Take-Along Offer, as the same may be modified from time to time, provided that the C&D Fund transfers all of its Shares to the 100% Buyer at the Section 9 Closing.

9.3. Remedies. Unless otherwise provided in the Subscription

Agreement or otherwise determined by the Board, the Participant shall acknowledge that the C&D Fund would be irreparably damaged in the event of a breach or a threatened breach by the Participant of any of its obligations under this Section 9 and the Participant shall agree that, in the event of a breach or a threatened breach by the Participant of any such obligation, the C&D Fund shall, in addition to any other rights and remedies available to it, in respect of such breach, be entitled to an injunction from a court of competent jurisdiction granting it specific performance by the Participant of its obligations under this Section 9.

Section 10. Amendment, Modification, and Termination of the Plan

The Board at any time may terminate or suspend the Plan, and from time to time may amend or modify the Plan. No amendment, modification, termination or suspension of the Plan shall in any manner adversely affect the rights of any Participant with respect to any Shares purchased hereunder by such Participant prior to such action unless such Participant consents. Shareholder approval of any such amendment, modification, termination or suspension shall be obtained to the extent mandated by applicable law, or if otherwise deemed appropriate by the Board.

Section 11. Miscellaneous Provisions

11.1. Public Offering. Unless otherwise provided in the Subscription Agreement or otherwise determined by the Board, (a) in the event that a Public Offering has been consummated, neither Holding nor the C&D Fund shall have any rights or obligations to purchase Shares from the Participant as contemplated by Sections 7 and 8, nor shall any Participant have any obligation to sell his Shares as contemplated by Section 9, and (b) Section 7 shall not apply to a sale of Shares that is part of a Public Offering.

11.2. No Guarantee of Employment or Participation. Nothing in the Plan or in any Subscription Agreement shall interfere with or limit in any way the right of Hold ing, the Company or any Subsidiary to terminate any Participant's employment at any time, or confer upon any Participant any right to continue in the employ of Holding, the Company or any Subsidiary. No Employee shall have a right to be selected as a Participant.

11.3. Indemnification. Each person who is or shall have been a member of the Board or any committee of the Board shall be indemnified and held harmless by the Company and Holding to the fullest extent permitted by law

from and against any and all losses, costs, liabilities and expenses (including any related attorneys' fees and advances thereof) in connection with, based upon or arising or resulting from any claim, action, suit or proceeding to which he may be made a party or in which he may be involved by reason of any action taken or failure to act under the Plan and from and against any and all amounts paid by him in settlement thereof, with Holding's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided that he shall give Holding an opportunity, at its own expense, to defend the same before he undertakes to defend it on his own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under Holding's or the Company's Certificate of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

11.4. No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of Holding, the Company or any Subsidiary to establish other plans or to pay compensation to its employees, in cash or property, in a manner that is not expressly authorized under the Plan.

11.5. Requirements of Law. The offer, sale and issuance of shares of Common Stock pursuant to the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. No such offers or sales shall be made under the Plan, and no shares of Common Stock shall be issued under the Plan, if such offer, sale or issuance would result in a violation of applicable law, including the federal securities laws and any applicable state securities laws.

11.6. Freedom of Action. Subject to Section 10, nothing in the Plan or any Subscription Agreement shall be construed as limiting or preventing Holding, the Company or any Subsidiary from taking any action that it deems appropriate or in its best interest.

11.7. Term of Plan. The Plan shall be effective as of the Effective Date. The Plan shall continue in effect, unless sooner terminated pursuant to Section 10, until the earlier of the fifth anniversary of the Effective Date and the date on which all shares of Common Stock to be offered pursuant to Section 5 of the Plan have been issued.

11.8. No Voting Rights. Except as otherwise required by law, no Participant under the Plan shall have any right to vote on any matter submitted to Holding's stockholders until such time as he has purchased shares of Common Stock under the Plan and become a stockholder of Holding.

11.9. Governing Law. The Plan, and all agreements hereunder, shall be governed by and construed in accordance with the law of the State of New York, regardless of the law that might be applied under principles of conflict of laws, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies.

EXHIBIT 10.2

FORM OF

STOCK SUBSCRIPTION AGREEMENT

STOCK SUBSCRIPTION AGREEMENT, dated as of December 20, 1996, between CDW Holding Corporation, a Delaware corporation (the "Company"), and the Purchaser whose name appears on the signature page hereof (the "Purchaser").

W I T N E S S E T H:

WHEREAS, pursuant to an Asset Acquisition Agreement, dated as of February 15, 1994 (the "Acquisition Agreement"), between the Company and Westinghouse Electric Corporation, a Pennsylvania corporation ("Westinghouse"), the Company agreed to acquire substantially all of the assets and assume certain of the liabilities of the unincorporated division of Westinghouse known as Westinghouse Electric Supply Company or WESCO (the "Business") from Westinghouse (the "Acquisition") and the Acquisition was consummated on February 28, 1994;

WHEREAS, since the Acquisition, the Business has been operated through WESCO Distribution, Inc., a wholly-owned subsidiary of the Company ("WESCO");

WHEREAS, pursuant to the Company's Stock Purchase Plan for officers and key employees of the Company or any subsidiary thereof (the "Plan"), the Board of Directors of the Company (the "Board") has granted to the Purchaser the right to purchase the aggregate number of shares of Class A Common Stock, par value $.01 per share ("Common Stock"), of the Company set forth on the signature page hereof (each a "Share" and, collectively, the "Shares") at a purchase price of $195.40 per Share; and

WHEREAS, the terms of the offering of the Shares and certain other shares of Common Stock being made on the date hereof (the "Offering") are set forth in a Confidential Offering Memorandum, dated December 11, 1996 (the "Offering Memorandum"), a copy of which has been furnished to the Purchaser;

NOW, THEREFORE, to implement the foregoing and in consideration of the mutual agreements contained herein, the parties hereto hereby agree as follows:

1. Purchase and Sale of Common Stock.

(a) Purchase of Common Stock. Subject to all of the terms and conditions of this Agreement and the Plan, the Purchaser hereby subscribes for and shall purchase, and the Company shall sell to the Purchaser, the Shares at a purchase price of $195.40 per Share at the Closing provided for in Section 2(a) hereof. Notwithstanding anything in this Agreement to the contrary, the Company shall have no obligation to sell any Common Stock to (i) any person who will not be an employee of the Company or a direct or indirect subsidiary of the Company immediately following the Closing at which such Common Stock is to be sold or

(ii) any person who is a resident of a jurisdiction in which the sale of Common Stock to him would constitute a violation of the securities, "blue sky" or other laws of such jurisdiction.

(b) Consideration. Subject to all of the terms and conditions of this Agreement and the Plan, the Purchaser shall deliver to the Company at the Closing referred to in Section 2(a) hereof immediately available funds in the amount of the aggregate purchase price set forth on the signature page hereof.

2. Closing.

(a) Time and Place. Except as otherwise mutually agreed by the Company and the Purchaser, the closing (the "Closing") of the transaction contemplated by this Agreement shall be held at the offices of WESCO Distribution, Inc.,

Commerce Court, Suite 700, Four Station Square, Pittsburgh, Pennsylvania at 10:00 a.m. (Pittsburgh time) on December 20, 1996.

(b) Closing. At the Closing, (i) the Company shall deliver to the Purchaser a stock certificate registered in such Purchaser's name and representing the number of Shares set forth on the signature page hereof, which certificate shall bear the legends set forth in Section 3(b), and (ii) the Purchaser shall deliver to the Company immediately available funds in the amount of the aggregate purchase price set forth on the signature page hereof.

3. Purchaser's Representations, Warranties and Covenants.

(a) Investment Intention. The Purchaser represents and warrants that he is acquiring the Shares solely for his own account for investment and not with a view to or for sale in connection with any distribution thereof. The Purchaser agrees that he will not, directly or indirectly, offer, transfer, sell, pledge, hypothecate or otherwise dispose of any of the Shares (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any Shares), except in compliance with the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder, and in compliance with applicable state securities or "blue sky" laws. The Purchaser further understands, acknowledges and agrees that none of the Shares may be transferred, sold, pledged, hypothecated or otherwise disposed of (i) unless the provisions of Sections 4 through 8 hereof, inclusive, shall have been complied with or have expired, (ii) unless (A) such disposition is pursuant to an effective registration statement under the Securities Act, (B) the Purchaser shall have delivered to the Company an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Company, to the effect that such disposition is exempt from the provisions of Section 5 of the Securities Act or (C) a no-action letter from the Commission, reasonably satisfactory to the Company, shall have

been obtained with respect to such disposition and (iii) unless such disposition is pursuant to registration under any applicable state securities laws or an exemption therefrom.

(b) Legends. The Purchaser acknowledges that the certificate or certificates representing the Shares shall bear the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE PROVISIONS OF A MANAGEMENT STOCK SUBSCRIPTION AGREEMENT, DATED AS OF DECEMBER 20, 1996, AND NEITHER THIS CERTIFICATE NOR THE SHARES REPRESENTED BY IT ARE ASSIGNABLE OR OTHERWISE TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH MANAGEMENT STOCK SUBSCRIPTION AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. THE SHARES REPRESENTED BY THIS CERTIFICATE ARE ENTITLED TO THE BENEFITS OF AND ARE BOUND BY THE OBLIGATIONS SET FORTH IN A REGISTRATION AND PARTICIPATION AGREEMENT, DATED AS OF FEBRUARY 28, 1994, AMONG THE COMPANY AND CERTAIN STOCKHOLDERS OF THE COMPANY, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS (i) (A) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) THE HOLDER HEREOF SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF SUCH ACT OR (C) A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION, REASONABLY SATISFACTORY TO COUNSEL FOR THE COMPANY, SHALL HAVE BEEN OBTAINED WITH RESPECT

TO SUCH DISPOSITION AND (ii) SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM."

(c) Securities Law Matters. The Purchaser ac knowledges receipt of advice from the Company that (i) the Shares have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Shares, (iii) the Shares must be held indefinitely and the Purchaser must continue to bear the economic risk of the investment in the Shares unless the Shares are subsequently registered under the Securities Act and such state laws or an exemption from registration is available, (iv) Rule 144 promulgated under the Securities Act ("Rule 144") is not presently available with respect to the sales of any securities of the Company and the Company has made no covenant to make Rule 144 available, (v) when and if the Shares may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule, (vi) the Company does not plan to file reports with the Commission or make public information concerning the Company available unless required to do so by law or by the terms of its Financing Agreements (as hereinafter defined), (vii) if the exemption afforded by Rule 144 is not available, sales of the Shares may be difficult to effect because of the absence of public information concerning the Company, (viii) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Shares and (ix) a notation shall be made in the appropriate records of the Company indicating that the Shares are subject to restrictions on transfer set forth in this Agreement and, if the Company should in the future engage the services of a stock transfer agent, appropriate stop-transfer restrictions will be issued to such transfer agent with respect to the Shares.

(d) Compliance with Rule 144. If any of the Shares are to be disposed of in accordance with Rule 144, the Purchaser shall transmit to the Company an executed copy

of Form 144 (if required by Rule 144) no later than the time such form is required to be transmitted to the Commission for filing and such other documentation as the Company may reasonably require to assure compliance with Rule 144 in connection with such disposition.

(e) Ability to Bear Risk. The Purchaser represents and warrants that (i) the financial situation of the Purchaser is such that he can afford to bear the economic risk of holding the Shares for an indefinite period and (ii) he can afford to suffer the complete loss of his investment in the Shares.

(f) Questionnaire. The Purchaser agrees that he will furnish such documents and comply with such reasonable requests of the Company as may be necessary to substantiate his status as a qualifying investor in connection with the private offering of the Shares to the Purchaser and the other purchasers in the Offering. The Purchaser represents and warrants that all information contained in such documents and any other written materials concerning the status of the Purchaser furnished by the Purchaser to the Company in connection with such requests will be true, correct and complete in all material respects.

(g) Access to Information. The Purchaser represents and warrants that (i) he has carefully reviewed the Offering Memorandum and the other materials furnished to the Purchaser in connection with the transaction contemplated hereby (including but not limited to the Plan), (ii) he has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the terms and conditions of the purchase of the Shares and to obtain any additional information that he deems necessary to verify the accuracy of the information contained in such materials, (iii) his knowledge and experience in financial and business matters is such that he is capable of evaluating the risks of the investment in the Shares, and (iv) he is, and will be at the time of the Closing, an officer or key employee of the Company, WESCO or a subsidiary of either thereof.

(h) Registration; Restrictions on Sale upon Public Offering. The Purchaser shall be entitled to the rights and subject to the obligations created under the Registration and Participation Agreement, dated as of February 28, 1994 (the "Registration Agreement"), among the Company, The Clayton & Dubilier Private Equity Fund IV Limited Partnership (the "C&D Fund"), Westinghouse and Roy W. Haley. The Shares shall be entitled to the benefits of the Registration Agreement applicable to Registrable Securities (as defined therein). The Purchaser agrees that, in the event that the Company files a registration statement under the Securities Act with respect to an underwritten public offering of any shares of its capital stock, the Purchaser will not effect any public sale or distribution of any shares of the Common Stock (other than as part of such underwritten public offering) during the 20 days prior to and the 180 days after the effective date of such registration statement.

(i) Section 83(b) Election. The Purchaser agrees that, within 20 days of the Closing, he shall give notice to the Company as to whether or not he has made an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the Shares purchased at such Closing, and acknowledges that he will be solely responsible for any and all tax liabilities payable by him in connection with his receipt of the Shares or attributable to his making or failing to make such an election.

4. Restrictions on Disposition of Shares. Neither the Purchaser nor any of his heirs or representatives shall sell, assign, transfer, pledge or otherwise directly or indirectly dispose of or encumber any of the Shares to or with any other person, firm, trust, association, corporation or entity (including, without limitation, transfers to any other holder of the Company's capital stock, dispositions by gift, by will, by a corporation as a distribution in liquidation and by operation of law other than a transfer of Shares by operation of law to the estate of the Purchaser upon the death of the Purchaser, provided that such estate shall be bound by all provisions of this Agreement) - except as provided in Sections 5 through 8 hereof, inclusive, or in

Section 4 of the Registration Agreement. The restrictions contained in this Section 4 shall terminate in the event that an underwritten public offering of the Common Stock led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (a "Public Offering") has been consummated and shall not apply to a sale to the underwriters as part of a Public Offering.

5. Options of the Company and the C&D Fund Upon Proposed Disposition.

(a) Rights of First Refusal. If the Purchaser desires to accept an offer (which must be in writing and for cash, be irrevocable by its terms for at least 60 days and be a bona fide offer as determined in good faith by the Board or the Executive Committee thereof) from any prospective purchaser to purchase all or any part of the Shares at any time owned by him, he shall give notice in writing to the Company and the C&D Fund (i) designating the number of Shares proposed to be sold, (ii) naming the prospective purchaser of such Shares and (iii) specifying the price (the "Offer Price") at and terms (the "Offer Terms") upon which he desires to sell the same. During the 30-day period following receipt of such notice by the Company and the C&D Fund (the "First Refusal Period"), the Company shall have the right to purchase from the Purchaser all (but not less than all) of the Shares specified in such notice, at the Offer Price and on the Offer Terms. The Company hereby undertakes to use reasonable efforts to act as promptly as practicable following such notice to determine whether it shall elect to exercise such right. If the Company fails to exercise such rights within the First Refusal Period, the C&D Fund shall have the right to purchase all (but not less than all) of the Shares specified in such notice, at the Offer Price and on the Offer Terms, at any time during the period beginning at the earlier of (x) the end of the First Refusal Period and (y) the date of receipt by the C&D Fund of written notice that the Company has elected not to exercise its rights and ending 30 days thereafter (the "Second Refusal Period"). The rights provided hereunder shall be exercised by written notice to the Purchaser given at any

time during the applicable period. If such right is exercised, the Company or the C&D Fund, as the case may be, shall deliver to the Purchaser a certified or bank check for the Offer Price, payable to the order of the Purchaser, against delivery of certificates or other instruments representing the Shares so purchased, appropriately endorsed by the Purchaser. If such right shall not have been exercised prior to the expiration of the Second Refusal Period, then at any time during the 60 days following the expiration of the Second Refusal Period, the Purchaser may sell such Shares to (but only to) the intended purchaser named in his notice to the Company and the C&D Fund at the Offer Price and on the Offer Terms specified in such notice, free of all restrictions or obligations imposed by, and free of any rights or benefits set forth in, Sections 5 through 8, inclusive, of this Agreement, provided that such intended purchaser shall
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have agreed in writing, pursuant to an instrument of assumption satisfactory in substance and form to the Company, to make and be bound by the representations, warranties and covenants set forth in Section 3 hereof, other than those set forth in Sections 3(g) and 3(i). The right of the Purchaser to sell Shares set forth in this Section 5(a), subject to the rights of first refusal set forth in this Section 5(a), shall be suspended during the Option Periods referred to in Section 6 hereof, but the provisions of Section 6 shall not otherwise restrict the ability of the Purchaser to sell the Shares, whether before or after such Option Periods, pursuant to the terms and subject to the restrictions set forth in this Section 5(a).

(b) Public Offering. In the event that a Public Offering has been
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consummated, neither the Company nor the C&D Fund shall have any rights to purchase the Shares from the Purchaser pursuant to this Section 5. This Section 5 shall not apply to a sale to the underwriters as part of a Public Offering.

6. Options Effective on Termination of Employment or Unforeseen Personal Hardship of the Purchaser.

(a) Termination of Employment. If the Purchaser's Active Employment with the Company and any direct and indirect subsidiaries of the Company that employ the Purchaser is terminated for any reason whatsoever the Company shall have an option to purchase all (but not less than all) of the Shares then held by the Purchaser (or, if his Active Employment was terminated by his death, his estate) and shall have 30 days from the date of the Purchaser's termination (such 30-day period being hereinafter referred to as the "First Option Period") during which to give notice in writing to the Purchaser (or his estate) of its election to exercise or not to exercise such option. The Company hereby undertakes to use reasonable efforts to act as promptly as practicable following such termination to make such election. If the Company fails to give notice that it intends to exercise such option within the First Option Period, the C&D Fund shall have the right to purchase all (but not less than all) of the Shares then held by the Purchaser (or his estate) and shall have until the expiration of the earlier of (x) 30 days following the end of the First Option Period, or (y) 30 days from the date of receipt by the C&D Fund of written notice that the Company does not intend to exercise such option (such 30-day period being hereinafter referred to as the "Second Option Period"), to give notice in writing to the Purchaser (or his estate) of the C&D Fund's exercise of its option. If the options of the Company and the C&D Fund to purchase Shares granted in this subsection are not exercised as provided herein (other than as a result of Section 11 hereof), the Purchaser (or his estate) shall be entitled to retain the Shares which could have been acquired on exercise thereof, subject to all of the provisions of this Agreement (including, without limitation, Section 5(a)). If the Company and the C&D Fund have failed to exercise their respective options pursuant to this Section 6(a) within the time periods specified herein, and if the Purchaser's Active Employment with each of the Company and any direct and indirect subsidiaries of the Company that employ the Purchaser is terminated (A) by such

employer or employers without Cause, (B) by the Purchaser by Retirement at Normal Retirement Age, or (C) by reason of Permanent Disability or death, then on notice from the Purchaser (or his estate) in writing and delivered to the Company within 30 days following the end of the Second Option Period, the Company shall purchase all (but not less than all) of the Shares then held by the Purchaser (or his estate). All purchases pursuant to this Section 6(a) by the Company or the C&D Fund shall be for a purchase price and in the manner prescribed by Section 7 hereof.

(b) Unforeseen Personal Hardship. In the event that the Purchaser, while in the employment of the Company or any direct or indirect subsidiary of the Company, experiences Unforeseen Personal Hardship, the Board will carefully consider any request by the Purchaser that the Company repurchase the Purchaser's Shares at a price determined in accordance with Section 7 hereof, but the Company shall have no obligation to repurchase such Shares. The Board shall consider such request with respect to Unforeseen Personal Hardship as soon as practicable after receipt by the Company of a written request by the Purchaser, such request to include sufficient details of the Purchaser's Unforeseen Personal Hardship to permit the Board to review the request and the circumstances in an informed manner.

(c) Certain Definitions. As used in this Agreement the following terms shall have the following meanings:

(i) "Active Employment" shall mean active employment with the Company or any direct or indirect subsidiary of the Company.

(ii) "Cause" shall mean (A) the willful failure by the Purchaser substantially to perform his employment-related duties (other than any such failure due to physical or mental illness) after a demand for substantial performance is delivered to the Purchaser by the Board, which notice identifies the manner in which the Board believes that the Purchaser has not substantially performed his employment-related duties, (B) the engaging

by the Purchaser in willful and serious misconduct that is injurious to the Company or any of its affiliates, (C) the conviction of the Purchaser of, or the entering by the Purchaser of a plea of nolo contendere to, a crime that constitutes a felony, (D) the material or willful breach (including but not limited to the material or willful failure to cure a breach) by the Purchaser of any written covenant or agreement with the Company or any of its affiliates not to disclose any information pertaining to the Company or any of its affiliates or not to compete or interfere with the Company or any of its affiliates or (E) the material or willful breach (including but not limited to the material or willful failure to cure a breach) by the Purchaser of his obligations pursuant to Section 8 hereof.

(iii) "Retirement at Normal Retirement Age" shall mean retirement at age 65 or later.

(iv) "Permanent Disability" shall mean a physical or mental disability or infirmity that prevents the performance of such Purchaser's employment-related duties lasting (or likely to last, based on competent medical evidence presented to the Board) for a continuous period of six months or longer. The Board's reasoned and good faith judgment of Permanent Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by the Purchaser or by any physician or group of physicians or other competent medical expert employed by the Purchaser or the Company to advise the Board.

(v) "Unforeseen Personal Hardship" shall mean financial hardship arising from (x) extraordinary medical expenses or other expenses directly related to illness or disability of the Purchaser, a member of the Purchaser's immediate family or one of the Purchaser's parents or (y) payments necessary or required to prevent the eviction of Purchaser from Purchaser's principal residence or foreclosure on the mortgage on that

residence. The Board's reasoned and good faith determination of Unforeseen Personal Hardship shall be binding on the Company and the Purchaser.

(d) Notice of Termination. The Company shall give written notice of any termination of the Purchaser's Active Employment with each of the Company and any direct or indirect subsidiaries of the Company that employ the Purchaser to the C&D Fund, except that if such termination (if other than as a result of death) is by the Purchaser, the Purchaser shall give written notice of such termination to the Company and the Company shall give written notice of such termination to the C&D Fund.

(e) Public Offering. In the event that a Public Offering has been consummated, the provisions of this Section 6 shall terminate and cease to have any further effect.

7. Determination of the Purchase Price; Manner of Payment.

(a) Purchase Price. For the purposes of any purchase of the Shares pursuant to Section 6, and subject to Section 11(c), the purchase price per Share to be paid to the Purchaser (or his estate) for each Share (the "Purchase Price") shall be the fair market value (the "Fair Market Value") of such Share as of the effective date of the termination of employment that gives rise to the right or obligation to purchase, provided that if the Purchaser's employment is terminated by the Company or any of its direct or indirect subsidiaries for Cause, the Purchase Price for such Share shall be the lesser of (i) the Fair Market Value of such Share as of the effective date of the termination of employment that gives rise to the right or obligation to repurchase and (ii) the price at which the Purchaser purchased such Share from the Company. Whenever determination of the Fair Market Value of the Shares is required by this Agreement, such Fair Market Value shall be such amount as is determined in good faith by the Board. In making a determination of Fair Market Value, the Board shall give due consideration to such factors as it deems appropriate, including,

without limitation, the earnings and certain other financial and operating information of the Company in recent periods, the potential value of the Company as a whole, the future prospects of the Company and the industries in which it competes, the history and management of the Company, the general condition of the securities markets, the fair market value of securities of companies engaged in businesses similar to those of the Company and a valuation of the Shares, which shall be performed as promptly as practicable following the first business day of the 1996 fiscal year of the Company and each subsequent fiscal year by an independent valuation firm chosen by the Board. The determination of Fair Market Value will not give effect to any restrictions on transfer of the Shares or the fact that such Shares would represent a minority interest in the Company. The Fair Market Value as determined in good faith by the Board and in the absence of fraud shall be binding and conclusive upon all parties hereto and the C&D Fund, and in any event the Purchaser agrees to accept and shall not challenge any determination of Fair Market Value made by the Board prior to the Company's receipt of the valuation of the Shares to be delivered in the 1996 fiscal year, so long as the Fair Market Value thus determined is at least equal to the purchase price paid by the Purchaser for the Shares. If the Company subdivides (by any stock split, stock dividend or otherwise) the Common Stock into a greater number of shares, or combines (by reverse stock split or otherwise) the Common Stock into a smaller number of shares after the Board shall have determined the Purchase Price for the Shares (without taking into consideration such subdivision or combination) and prior to the consummation of the purchase, the Purchase Price (including any minimum or maximum Purchase Price specified herein or in effect as a result of a prior adjustment) shall be appropriately adjusted to reflect such subdivision or combination, and the Board's determination as to any such adjustment in good faith shall be binding and conclusive on all parties hereto and the C&D Fund.

(b) Payment. Subject to Section 11 hereof, the completion of a purchase pursuant to Section 6 or 8(c) hereof shall take place at the principal office of the Company

on the tenth business day following (i) the receipt by the Purchaser of the notice of the C&D Fund or the Company, as the case may be, of its exercise of its option to purchase pursuant to Section 6(a) or 8(c) or (ii) the Company's receipt of notice by the Purchaser of the election to sell Shares pursuant to Section 6(a) or (iii) the Board's determination (which shall be delivered to the Purchaser) that it is willing and able to purchase Shares as a result of Unforeseen Personal Hardship pursuant to Section 6(b). The Purchase Price shall be paid by delivery to the Purchaser of a certified or bank check for the Purchase Price payable to the order of the Purchaser, against delivery of certificates or other instruments representing the Shares so purchased, appropriately endorsed by the Purchaser, free and clear of all security interests, liens, claims, encumbrances, charges, options, restrictions on transfer, proxies and voting and other agreements of whatever nature.

(c) Application of the Purchase Price to Certain Loans. The Purchaser agrees that the Company and the C&D Fund shall be entitled to apply any amounts to be paid by the Company or the C&D Fund, as the case may be, to repurchase Shares pursuant to Section 5, 6 or 8(c) hereof to discharge any indebtedness of the Purchaser to the Company or any of its direct or indirect subsidiaries, or indebtedness that is guaranteed by the Company or any of its direct or indirect subsidiaries, including, without limitation, any indebtedness of the Purchaser incurred to purchase the Shares.

8. Take-Along Rights.

(a) Take-Along Notice. So long as the C&D Fund holds a number of shares of Common Stock equal to at least one-third of the Common Stock originally purchased by the C&D Fund at the Closing of the Acquisition (exclusive of shares purchased under the Capital Call Agreement, dated as of February 28, 1994, among the Company, the C&D Fund and Barclays Business Credit, Inc.) if the C&D Fund intends to effect a sale of all of its shares of Common Stock to a third party (a "100% Buyer") and elects to exercise its

rights under this Section 8, the C&D Fund shall deliver written notice (a "Take-Along Notice") to the Purchaser, which notice shall (a) state (i) that the C&D Fund wishes to exercise its rights under this Section 8 with respect to such transfer, (ii) the name and address of the 100% Buyer, (iii) the per share amount and form of consideration the C&D Fund proposes to receive for its shares of Common Stock and (iv) the terms and conditions of payment of such consideration and all other material terms and conditions of such transfer, (b) contain an offer (the "Take-Along Offer") by the 100% Buyer to purchase from the Purchaser all of its Shares on and subject to the same terms and conditions offered to the C&D Fund and (c) state the anticipated time and place of the closing of the purchase and sale of the shares (a "Section 8 Closing"), which (subject to such terms and conditions) shall occur not fewer than five (5) days nor more than ninety (90) days after the date such Take-Along Notice is delivered, provided that if such Section 8 Closing shall not occur prior to the expiration of such 90-day period, the C&D Fund shall be entitled to deliver another Take-Along Notice with respect to such Take-Along Offer.

(b) Conditions to Take-Along. Upon delivery of a Take-Along Notice, the Purchaser shall have the obligation to transfer all of the Shares pursuant to the Take-Along Offer, as the same may be modified from time to time, provided that the C&D Fund transfers all of its Shares to the 100% Buyer at the Section 8 Closing. Within 10 days of receipt of the Take-Along Notice, the Purchaser shall (i) execute and deliver to the C&D Fund a power of attorney and a letter of transmittal and custody agreement in favor of, and in form and substance satisfactory to, the C&D Fund constituting the C&D Fund, Clayton, Dubilier & Rice, Inc. or one or more of their respective affiliates designated by the C&D Fund (the "Custodian") the true and lawful attorney-in-fact and custodian for the Purchaser, with full power of substitution, and authorizing the Custodian to take such actions as the Custodian may deem necessary or appropriate to effect the sale and transfer of the Shares to the 100% Buyer, upon receipt of the purchase price therefor at the Section 8 Closing, free and clear of all security interests,

liens, claims, encumbrances, charges, options, restrictions on transfer, proxies and voting and other agreements of whatever nature, and to take such other action as may be necessary or appropriate in connection with such sale, in cluding consenting to any amendments, waivers, modifications or supplements to the terms of the sale (provided that the C&D Fund also so consents, and

sells and transfers its Shares on the same terms as so amended, waived, modified or supplemented) and (ii) deliver to the C&D Fund certificates representing the Shares, together with all necessary duly executed stock powers.

(c) Remedies. The Purchaser acknowledges that the C&D Fund would be irreparably damaged in the event of a breach or a threatened breach by the Purchaser of any of its obligations under this Section 8 and the Purchaser agrees that, in the event of a breach or a threatened breach by the Purchaser of any such obligation, the C&D Fund shall, in addition to any other rights and remedies available to it, in respect of such breach, be entitled to an injunction from a court of competent jurisdiction granting it specific performance by the Purchaser of its obligations under this Section 8. In the event that the C&D Fund shall file suit to enforce the covenants contained in this Section 8 (or obtain any other remedy in respect of any breach thereof), the prevailing party in the suit shall be entitled to recover, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, including reasonable attorney's fees and expenses. In the event that, following a breach or a threatened breach by the Purchaser of the provisions of this Section 8, the C&D Fund does not obtain an injunction granting it specific performance of the Purchaser's obligations under this Section 8 in connection with such proposed sale prior to the time the C&D Fund completes the sale of its shares or, in its sole discretion, abandons such sale, then the Company shall have the option to purchase the Shares from the Purchaser at a purchase price per Share equal to the lesser of (i) the Fair Market Value of such Share as of the date of the breach or threatened breach that gives rise to the right to repurchase

and (ii) the price at which the Purchaser purchased such Share from the Company.

(d) Public Offering. In the event that a Public Offering has been consummated, the provisions of this Section 8 shall terminate and cease to have further effect.

9. Representations and Warranties of the Company. The Company represents and warrants to the Purchaser that (a) the Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, (b) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, and (c) the Shares, when issued, delivered and paid for in accordance with the terms hereof, will be duly and validly issued, fully paid and nonassessable, and free and clear of any liens or encumbrances other than those created pursuant to this Agreement, or otherwise in connection with the transactions contemplated hereby.

10. Covenants of the Company.

(a) Rule 144. The Company agrees that at all times after it has filed a registration statement pursuant to the requirements of the Securities Act or Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), relating to any class of equity securities of the Company (other than any Special Registration, as defined in the Registration and Participation Agreement), it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder (or, if the Company is not required to file such reports, it will, upon the request of the Purchaser, make publicly available such information as necessary to permit sales pursuant to Rule 144 under the Securities Act), and will take such further action as the Purchaser may reasonably request, all to the extent required from time to time to enable the Purchaser to sell Shares without registration under the Securities Act within

the limitation of the exemptions provided by (i) Rule 144, as such Rule
may be amended from time to time, or (ii) any successor rule or regulation
hereafter adopted by the Commission.

(b) State Securities Laws. The Company agrees to use its best efforts to comply with all state securities or "blue sky" laws applicable to the sale of the Shares to the Purchaser, provided that the Company shall not be obligated to qualify or register the Shares under any such law or to qualify as a foreign corporation or file any consent to service of process under the laws of any jurisdiction or subject itself to taxation as doing business in any such jurisdiction.

11. Certain Restrictions on Repurchases.

(a) Financing Agreements, etc. Notwithstanding any other provision of this Agreement, the Company shall not be permitted or obligated to repurchase any Shares from the Purchaser if (i) such repurchase would result in a violation of the terms or provisions of, or result in a default or an event of default under, (A) the Credit Facility, dated as of February 24, 1995 as the same may be amended, modified or supplemented from time to time (the "Credit Facility"), among WESCO, the banks named therein, Barclays Bank PLC, as administrative agent and Shawmut Capital Corporation, as collateral agent, (B) any indenture to be entered into with respect to debt securities to be issued by WESCO in connection with or subsequent to the Acquisition as the same may be amended, modified or supplemented from time to time (an "Indenture"), (C) any other financing or security agreement or document entered into in connection with the Acquisition, or the financing of the Acquisition or in connection with the operations of the Company or its subsidiaries from time to time, as each may be amended, modified or supplemented from time to time (the Credit Facility, any Indenture, and such other agreements and documents, are hereinafter referred to as the "Financing Agreements"), or (ii) such repurchase would violate any of the terms or provisions of the Certificate of Incorporation of the Company, or (iii) the

Company has no funds legally available therefor under the General Corporation Law of the State of Delaware.

(b) Delay of Repurchase. In the event that a repurchase by the Company otherwise permitted or required under Section 6(a) or 8(c) is prevented solely by the terms of Section 11(a), (i) such repurchase will be postponed and will take place without the application of further conditions or impediments (other than as set forth in Section 7 hereof or in this Section 11) at the first opportunity thereafter when the Company has funds legally available therefor and when such repurchase will not result in any default, event of default or violation under any of the Financing Agreements or in a violation of any term or provision of the Certificate of Incorporation of the Company and (ii) such repurchase obligation shall rank against other similar repurchase obligations with respect to shares of Common Stock or options in respect thereof according to priority in time of (A) the effective date of the termination of employment in connection with any repurchase obligation arising pursuant to an exercise of the option of the Company under Section 6(a), or (B) as to any repurchase obligation arising pursuant to an exercise of any purchaser's right to require a repurchase under Section 6(a), the date upon which the Company receives written notice of such exercise, provided that any such repurchase obligations as to which a common date determines priority under clause (A) or (B) above shall be of equal priority and shall share pro rata in any repurchase payments made pursuant to clause (i) above and provided, further, that (x) any repurchase commitment arising from Permanent Disability, death or Retirement at Normal Retirement Age or any repurchase commitment made by the Board pursuant to Section 6(b) shall have priority over any other repurchase obligation and (y) all Section references in this clause (ii) shall be deemed to refer to the corresponding Section of this Agreement and to any similar provision of any other Management Stock Subscription Agreement or management stock option agreement to which the Company is or becomes a party.

(c) Purchase Price Adjustment. In the event that a repurchase of Shares from the Purchaser is delayed pursuant to this Section 11, the purchase price per Share when the repurchase of such Shares eventually takes place as contemplated by Section 11(b) shall be the sum of (i) the Purchase Price determined in accordance with Section 7 or 8(c) hereof at the time that the repurchase of such Shares would have occurred but for the operation of this Section 11, plus (ii) an amount equal to interest on such Purchase Price for the period from the date on which the completion of the repurchase would have taken place but for the operation of this Section 10 to the date on which such repurchase actually takes place (the "Delay Period") at a rate equal to the weighted average cost of the Company's bank indebtedness obligations outstanding during the Delay Period.

12. Miscellaneous.

(a) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such mail delivery, to the Company, the C&D Fund or the Purchaser, as the case may be, at the following addresses or to such other address as the Company, the C&D Fund or the Purchaser, as the case may be, shall specify by notice to the others:

(i) if to the Company, to it at:

CDW Holding Corporation
c/o WESCO Distribution, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, Pennsylvania 15219

Attention: Chairman

(ii) if to the Purchaser, to the Purchaser at the address set forth on the signature page hereof.

(iii) if to the C&D Fund, to:

The Clayton & Dubilier Private Equity
Fund IV Limited Partnership
270 Greenwich Avenue
Greenwich, Connecticut 06830
Attention: Clayton & Dubilier Associates

IV Limited Partnership,
Joseph L. Rice, III

All such notices and communications shall be deemed to have been received on the date of delivery or on the third business day after the mailing thereof. Copies of any notice or other communication given under this Agreement shall also be given to:

Clayton, Dubilier & Rice, Inc.
126 East 56th Street
New York, New York 10022
Attention: Alberto Cribiore
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and

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Attention: George E.B. Maguire, Esq.

The C&D Fund also shall be given a copy of any notice or other communication between the Purchaser and the Company under this Agreement at its address as set forth above.

(b) Binding Effect; Benefits. This Agreement shall be binding upon
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the parties to this Agreement and their respective successors and assigns and shall inure to the benefit of the parties to the Agreement, the C&D Fund and their respective successors and assigns. Except as provided in Sections 4 through 8, inclusive, nothing in this

Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement, the C&D Fund or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(c) Waiver; Amendment.

(i) Waiver. Any party hereto or beneficiary hereof may by written notice to the other parties (A) extend the time for the performance of any of the obligations or other actions of the other parties under this Agreement, (B) waive compliance with any of the conditions or covenants of the other parties contained in this Agreement and (C) waive or modify performance of any of the obligations of the other parties under this Agreement, provided that any waiver of the provisions of Sections 4 through 8, inclusive, must be consented to in writing by the C&D Fund. 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 or beneficiary, shall be deemed to constitute a waiver by the party or beneficiary taking such action of compliance with any representations, warranties, covenants or agreements contained herein. The waiver by any party hereto or beneficiary hereof of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by a party or beneficiary to exercise any right or privilege hereunder shall be deemed a waiver of such party's or beneficiary's rights or privileges hereunder or shall be deemed a waiver of such party's or beneficiary's rights to exercise the same at any subsequent time or times hereunder.

(ii) Amendment. This Agreement may not be amended, modified or supplemented orally, but only by a written instrument executed by the Purchaser and the Company, and (in the case of any amendment modification

or supplement to or affecting Section 8 hereof, or that adversely affects the rights of the C&D Fund hereunder) consented to by the C&D Fund in writing.

(d) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Purchaser without the prior written consent of the other parties and the C&D Fund. The C&D Fund may assign from time to time all or any portion of its rights under Sections 4 through 8 hereof to one or more persons or other entities designated by it.

(e) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of New York, regardless of the law that might be applied under principles of conflict of laws, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies.

(f) Section and Other Headings, etc. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(g) 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 constitute one and the same instrument.

(h) Delegation by the Board. All of the powers, duties and responsibilities of the Board specified in this Agreement may, to the full extent permitted by applicable law, be exercised and performed by any duly constituted committee thereof to the extent authorized by the Board to exercise and perform such powers, duties and responsibilities.

IN WITNESS WHEREOF, the Company and the Purchaser have executed this Agreement as of the date first above written.

CDW HOLDING CORPORATION

By:_____
Name:
Title:

THE PURCHASER:

By:_____
Name:
Attorney-in-Fact

Address of the Purchaser:

Total Number of Shares of Common Stock to be Purchased:	860
Total Cash Purchase Price:	$168,044.00

EXHIBIT 10.3

CDW HOLDING CORPORATION STOCK OPTION PLAN

Section 1. Purpose

The purpose of this CDW Holding Corporation Stock Option Plan is to foster and promote the long-term financial success of Holding and the Company and to increase materially stockholder value by (a) motivating superior performance by participants in the Plan, (b) providing participants in the Plan with an ownership interest in Holding and (c) enabling the Company to attract and retain the services of an outstanding management team upon whose judgment, interest and special effort the successful conduct of its operations is largely dependent.

Section 2. Definitions

2.1. Definitions. Whenever used herein, the following terms shall have the respective meanings set forth below:

(a) "Alternative Option" has the meaning given in Section 8.2.

(b) "Board" means the Board of Directors of Holding.

(c) "C&D Fund" means The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership, and any successor investment vehicle managed by Clayton, Dubilier & Rice, Inc.

(d) "Cause" means (i) the willful failure by the Participant to perform substantially his employment-related duties (other than any such failure due to physical or mental illness) after a demand for substantial performance is delivered to the Participant by the Board, which notice identifies the manner in which the

Participant has not substantially performed his employment-related duties, (ii) the Participant's engaging in serious misconduct that is injurious to Holding, the Company or any Subsidiary, (iii) the Participant's having been convicted of, or entered a plea of guilty or nolo contendere to, a crime that constitutes a felony, (iv) the breach by the Participant of any written covenant or agreement with Holding, the Company or any Subsidiary not to disclose any information pertaining to Holding, the Company or any Subsidiary or not to compete or interfere with Holding, the Company or any Subsidiary or (v) the breach by the Participant of his obligation pursuant to Section 8 of his Management Stock Subscription Agreement.

(e) "Change in Control" means the first to occur of the following events after the Effective Date:

(i) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended), other than Holding, the Company, the Subsidiaries, any employee benefit plan of Holding, the Company or the Subsidiaries, or the C&D Fund, of 50% or more of the combined voting power of Holding's or the Company's then outstanding voting securities;

(ii) the merger or consolidation of Holding or the Company, as a result of which persons who were stockholders of Holding or the Company, as the case may be, immediately prior to such merger or consolidation, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(iii) the liquidation or dissolution of Holding or the Company; and

(iv) the sale, transfer or other disposition of all or substantially all of the assets of Holding or the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of Holding or the Company.

(f) "Change in Control Price" means the price per share of Common Stock offered in conjunction with any transaction resulting in a Change in Control (as determined in good faith by the Board if any part of the offered price is payable other than in cash).

(g) "Committee" means the Compensation Committee of the Board (or such other committee of the Board which shall have jurisdiction over the compensation of officers). If at any time no Committee shall be in office, the Board shall perform the functions of the Committee.

(h) "Common Stock" means the Class A Common Stock, par value $.01 per share, of Holding.

(i) "Company" means WESCO Distribution, Inc., a Delaware corporation formerly named CDW Acquisition Corporation, and any successor thereto.

(j) "Effective Date" means February 28, 1994.

(k) "Employee" means any executive or senior officer or other executive or key employee of Holding, the Company or any Subsidiary.

(l) "Fair Market Value" means, as of any date, the fair market value on such date per share of Common Stock as determined in good faith by the Board. In making a determination of Fair Market Value, the Board shall give due consideration for such factors as it deems appropriate, including, without limitation, the earnings and certain other financial and operating

information of the Company in recent periods, the potential value of the Company as a whole, the future prospects of the Company and the industries in which it competes, the history and management of the Company, the general condition of the securities markets, the fair market value of securities of companies engaged in businesses similar to those of the Company and a valuation of the Shares, which shall be performed as promptly as practicable following the first business day of the 1995 fiscal year and each subsequent fiscal year by an independent valuation firm chosen by the Board. The determination of Fair Market Value will not give effect to any restrictions on transfer of the Shares or the fact that such Shares would represent a minority interest in Holding.

(m) "Grant Date" means, with respect to any Option, the date on which such Option is granted pursuant to the Plan.

(n) "Holding" means CDW Holding Corporation, a Delaware corporation, and any successor thereto.

(o) "Involuntary Termination" means a termination by the New Employer for any reason.

(p) "New Employer" means the Participant's employer, or the parent or a subsidiary of such employer, immediately following a Change in Control.

(q) "Option" means the right granted pursuant to the Plan to purchase one share of Common Stock at a price determined in accordance with Section 6.2.

(r) "Option Agreement" means an agreement between Holding and the Participant embodying the terms of any Options granted hereunder, which agreement shall, unless the Committee otherwise determines, be substantially in the form attached hereto as Exhibit A.

(s) "Participant" means any Employee designated by the Committee to participate in the Plan.

(t) "Permanent Disability" means a physical or mental disability or infirmity that prevents the performance of a Participant's employment-related duties lasting (or likely to last, based on competent medical evidence presented to the Board) for a period of six months or longer. The Board's reasoned and good faith judgment of Permanent Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by such Participant or by any physician or group of physicians or other competent medical expert employed by the Participant or the Company to advise the Board.

(u) "Plan" means this CDW Holding Corporation Stock Option Plan.

(v) "Public Offering" means the first day as of which sales of Common Stock are made to the public in the United States pursuant to an underwritten public offering of the Common Stock.

(w) "Retirement" means a Participant's retirement at or after age 65.

(x) "Extraordinary Termination" has the meaning given in Section 7.1.

(y) "Subsidiary" means any corporation a majority of whose outstanding voting securities is owned, directly or indirectly, by the Company or Holding.

2.2. Gender and Number. Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

Section 3. Eligibility and Participation

Participants in the Plan shall be those Employees selected by the Committee to participate in the Plan. The selection of an Employee as a Participant shall neither entitle such Employee to nor disqualify such Employee from participation in any other award or incentive plan.

Section 4. Powers of the Committee

4.1. Power to Grant. The Committee shall determine the Participants to whom Options shall be granted and the terms and conditions of any and all Options granted to Participants, provided that nothing in the Plan shall limit the right of members of the Committee who are Employees to receive awards hereunder.

4.2. Administration. The Committee shall be responsible for the administration of the Plan. Any authority exercised by the Committee under the Plan shall be exercised by the Committee in its sole discretion. Subject to the terms of the Plan, the Committee, by majority action thereof, is authorized to prescribe, amend and rescind rules and regulations relating to the administration of the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of Holding and the Company, and to make all other determinations necessary or advisable for the administration and interpretation of the Plan in order to carry out its provisions and purposes. Determinations, interpretations or other actions made or taken by the Committee pursuant to the provisions of the Plan shall be final, binding and conclusive for all purposes and upon all persons.

Section 5. Options Subject to Plan

5.1. Number. Subject to the provisions of Sections 5.2 and 5.3, the maximum number of Options (and the maximum number of shares of Common Stock subject to Options) granted under the Plan may not exceed 156,000. The shares of Common Stock to be delivered upon the exercise of Options granted under the Plan may consist, in whole or in part, of treasury Common Stock or authorized but unissued Common Stock, not reserved for any other purpose.

5.2. Cancelled, Terminated or Forfeited Options. Any Option which for any reason is cancelled, terminated or otherwise forfeited, in whole or in part, without having been exercised, shall again be available for grant under the Plan.

5.3. Adjustment in Capitalization. The number and class of Options (and the number of shares of Common Stock available for issuance upon exercise of such Options) granted under the Plan, and the number, class and exercise price of any outstanding Options (and the number of shares of Common Stock subject to outstanding Options), may be adjusted by the Board, in its sole discretion, if it shall deem such an adjustment to be necessary or appropriate to reflect any Common Stock dividend, stock split or share combination or any recapitalization, merger, consolidation, exchange of shares, liquidation or dissolution of Holding.

Section 6. Terms of Options

6.1. Grant of Options. Options may be granted to Participants at such time or times as shall be determined by the Committee. Each Option granted to a Participant shall be evidenced by an Option Agreement that shall specify the exercise price at which a share of Common Stock may be purchased pursuant to such Option, the duration of such Option and such other terms consistent with the Plan as the Committee shall determine, including customary representations,

warranties and covenants with respect to securities law matters. Unless otherwise determined by the Committee at the Grant Date, such Option Agreement shall also state that the holder thereof is entitled to the benefits of and bound by the obligations set forth in the Registration and Participation Agreement, dated as of February 28, 1994, among Holding and certain stockholders of Holding, to the extent set forth therein. Such Option Agreement shall, unless the Committee otherwise determines, be substantially in the form attached hereto as Exhibit A.

6.2. Exercise Price. The exercise price per share of Common Stock to be purchased upon exercise of an Option shall be determined by the Committee but shall not be less than the Fair Market Value on the Grant Date.

6.3. Exercise of Options. Unless otherwise determined by the Committee at the Grant Date, 20% of any Options granted to a Participant at any time shall become exercisable on each of the first five anniversaries of the Grant Date of such Options, provided that 100% of such Options shall become exercisable to the extent provided in Section 8.1 and that the Committee may accelerate the exercisability of any Option, all Options or any class of Options, at any time and from time to time. On or before the date upon which any Employee will exercise any Option, Holding and such Employee shall enter into a Management Stock Subscription Agreement substantially in the form attached hereto as Exhibit B. Notwithstanding any other provision of the Plan, each Option shall terminate and shall not be exercisable on or after the tenth anniversary of the Grant Date of such Option.

6.4. Payment. The Committee shall establish procedures governing the exercise of Options, which procedures shall generally require that written notice of the exercise thereof be given and that the exercise price thereof be paid in full in cash or cash equivalents, including by personal check, at the time of exercise. If so determined by the Committee in its sole discretion at or after the

Grant Date, the exercise price of any Options exercised after there has been a Public Offering may be paid in full or in part in the form of shares of Common Stock already owned by the Participant, based on the Fair Market Value of such Common Stock on the date of exercise. As soon as practicable after receipt of a written exercise notice and payment in full of the exercise price of any exercisable Options, Holding shall deliver to the Participant a certificate or certificates representing the shares of Common Stock acquired upon the exercise thereof.

Section 7. Termination of Employment

7.1. Extraordinary Termination. Unless otherwise provided in the Option Agreement or otherwise determined by the Committee at the Grant Date, in the event that a Participant's employment with Holding, the Company and the Subsidiaries terminates by reason of the Participant's death, Permanent Disability or Retirement (each an "Extraordinary Termination") then any Options held by the Participant and then exercisable shall remain exercisable solely until the first to occur of (i) the first anniversary of the Participant's termination of employment or (ii) the expiration of the term of the Option. Any Options held by the Participant that are not exercisable at the date of the Extraordinary Termination shall terminate and be cancelled immediately upon such Extraordinary Termination, and any Options described in the preceding sentence that are not exercised within the period described in such sentence shall terminate and be cancelled upon the expiration of such period.

7.2. Termination for Cause. Unless otherwise provided in the Option Agreement or otherwise determined by the Committee at or after the Grant Date, in the event that a Participant's employment with Holding, the Company and the Subsidiaries is terminated for Cause, any Options held by such Participant (whether or not then exercisable) shall terminate and be cancelled immediately upon such termination of employment.

7.3. Other Termination of Employment. Unless otherwise provided in the Option Agreement or otherwise determined by the Committee at or after the Grant Date, in the event that a Participant's employment with Holding, the Company and the Subsidiaries terminates for any reason other than (i) an Extraordinary Termination or (ii) for Cause, any Options held by such Participant that are exercisable as of the date of such termination shall remain exercisable for a period of 60 days (or, if shorter, during the remaining term of the Options). Any Options held by the Participant that are not exercisable at the date of the Participant's termination of employment shall terminate and be cancelled immediately upon such termination, and any Options described in the preceding sentence that are not exercised within the period described in such sentence shall terminate and be cancelled upon the expiration of such period.

7.4. Certain Rights upon Termination of Employment Prior to Public Offering. Unless otherwise determined by the Committee at the Grant Date, the Committee shall provide in each Option Agreement governing Options granted hereunder that (a) Holding or the Company and the C&D Fund shall have successive rights to purchase any exercisable Options from the Participant upon the termination of his employment prior to a Public Offering and (b) the Participant may require Holding to repurchase his then exercisable Options upon the termination of the Participant's employment (i) due to an Extraordinary Termination prior to a Public Offering or (ii) by Holding, the Company or any Subsidiary other than for Cause prior to a Public Offering, in each case for a purchase price per Option equal to the excess, if any, of (x) the Fair Market Value on the date of termination over (y) the exercise price per share of Common Stock pursuant to such Options, and upon such additional terms and conditions as are set forth in Section 4 of the Option Agreement attached hereto as Exhibit A. The foregoing right of a Participant to require Holding to repurchase any exercisable Options shall be subject to the Company having the ability to do so under the terms of its financing arrangements and under Delaware law.

Section 8. Change in Control

8.1. Accelerated Vesting and Payment. Unless the Committee shall otherwise determine in the manner set forth in Section 8.2, in the event of a Change in Control, each Option shall be cancelled in exchange for a payment in cash of an amount equal to the excess, if any, of the Change in Control Price over the exercise price for such Option.

8.2. Alternative Options. Notwithstanding Section 8.1, no cancellation, acceleration of exercisability, vesting or cash settlement or other payment shall occur with respect to any Option if the Committee reasonably determines in good faith, prior to the occurrence of a Change in Control, that such Option shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Option being hereinafter referred to as an "Alternative Option") by the New Employer, provided that any such Alternative Option must:

(a) provide the Participant that held such Option with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Option, including, but not limited to, an identical or better exercise and vesting schedule, identical or better timing and methods of payment and, if the Alternative Options or the securities underlying them are not publicly traded, identical or better rights to require Holding or the New Employer to repurchase the Alternative Options;

(b) have substantially equivalent economic value to such Option (determined at the time of the Change in Control); and

(c) have terms and conditions which provide that in the event that such Participant suffers an Involuntary Termination within two years following a Change in Control:

(i) any conditions on such Participant's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Option shall be waived or shall lapse, as the case may be; or

(ii) such Participant shall have the right to surrender such Alternative Option within 30 days following such termination in exchange for a payment in cash equal to the excess of the Fair Market Value of the equity security subject to the Alternative Option over the price, if any, that such Participant would be required to pay to exercise such Alternative Option.

Section 9. Amendment, Modification, and Termination of the Plan

The Board at any time may terminate or suspend the Plan, and from time to time may amend or modify the Plan. No amendment, modification, termination or suspension of the Plan shall in any manner adversely affect any Option theretofore granted under the Plan, without the consent of the Participant holding such Option. Shareholder approval of any such amendment, modification, termination or suspension shall be obtained to the extent mandated by applicable law, or if otherwise deemed appropriate by the Committee.

Section 10. Miscellaneous Provisions

10.1. Nontransferability of Awards. No Options granted under the Plan may be sold, transferred, pledged, assigned, encumbered or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution and provided that the deceased Participant's beneficiary or the representative of his estate acknowledges and agrees in writing, in a form reasonably acceptable to Holding, to be bound by the provisions of the Plan (including

the purchase rights described in Section 7.4) and the Option Agreement covering such Options as if such beneficiary or estate were the Participant. All rights with respect to Options granted to a Participant under the Plan shall be exercisable during his life-time by such Participant only. Following a Participant's death, all rights with respect to Options that were exercisable at the time of such Participant's death and have not terminated shall be exercised by his designated beneficiary or by his estate.

10.2. Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries (who may be named contingently or successively) by whom any right under the Plan is to be exercised in case of his death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his lifetime.

10.3. No Guarantee of Employment or Participation. Nothing in the Plan or in any Option Agreement shall interfere with or limit in any way the right of Holding, the Company or any Subsidiary to terminate any Participant's employment at any time, or confer upon any Participant any right to continue in the employ of Holding, the Company or any Subsidiary. No Employee shall have a right to be selected as a Participant or, having been so selected, to receive any Options.

10.4. Tax Withholding. The Company or the Subsidiary employing a Participant shall have the power to withhold, or to require such Participant to remit to the Company or such Subsidiary, subject to such other arrangements as the Committee may set forth in the Option Agreement to which such Participant is a party, an amount sufficient to satisfy all federal, state, local and foreign withholding tax requirements in respect of any Option granted under the Plan.

10.5. Indemnification. Each person who is or shall have been a member of the Committee, the Board or any other committee of the Board shall be indemnified and held harmless by the Company and Holding to the fullest extent permitted by law from and against any and all losses, costs, liabilities and expenses (including any related attorneys' fees and advances thereof) in connection with, based upon or arising or resulting from any claim, action, suit or proceeding to which he may be made a party or in which he may be involved by reason of any action taken or failure to act under or in connection with the Plan and from and against any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided that he shall give the Company an opportunity, at its own expense, to defend the same before he undertakes to defend it on his own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under Holding's or the Company's Certificate of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

10.6. No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of Holding, the Company or any Subsidiary to establish other plans or to pay compensation to its employees, in cash or property, in a manner that is not expressly authorized under the Plan.

10.7. Requirements of Law. The granting of Options and the issuance of shares of Common Stock pursuant to such Options shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. No Options shall be granted under the Plan, and no shares of Common Stock shall be issued upon exercise of any Options granted under the Plan, if such grant or exercise would result in a violation of applicable law, including the federal securities laws and any applicable state securities laws.

10.8. Freedom of Action. Subject to Section 9, nothing in the Plan or any Option Agreement shall be construed as limiting or preventing Holding, the Company or any Subsidiary from taking any action that it deems appropriate or in its best interest.

10.9. Term of Plan. The Plan shall be effective as of the Effective Date. The Plan shall continue in effect, unless sooner terminated pursuant to Section 9, until the tenth anniversary of the Effective Date. The provisions of the Plan, however, shall continue thereafter to govern all outstanding Options theretofore granted.

10.10. No Voting Rights. Except as otherwise required by law, no Participant holding any Options granted under the Plan shall have any right, in respect of such Options, to vote on any matter submitted to Holding's stockholders until such time as the shares of Common Stock issuable upon exercise of such Options have been so issued.

10.11. Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of New York, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies.

EXHIBIT 10.4

FORM OF
STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT, dated as of December 31, 1996, between CDW Holding Corporation, a Delaware corporation (the "Company"), and the Grantee whose name appears on the signature page hereof (the "Grantee").

W I T N E S S E T H :

WHEREAS, the Board of Directors of the Company (the "Board") has designated the Compensation and Benefits Committee of the Board (the "Committee") to administer the Company's Stock Option Plan for Branch Employees (the "Plan"); and

WHEREAS, the Board has determined to grant to the Grantee, under the Plan, a non-qualified stock option to purchase the aggregate number of shares of its Class A Common Stock, par value $.01 per share (the "Common Stock") set forth on the signature page hereof (the "Shares") at an exercise price of $195.40 per Share;

NOW, THEREFORE, to evidence the stock option so granted, and to set forth its terms and conditions under the Plan, the Company and the Grantee hereby agree as follows:

1. Confirmation of Grant; Option Price. The Company hereby grants to the Grantee, effective as of the date hereof, an option (the "Option") to purchase the Shares at an option price of $195.40 per share (the "Option Price"). The Option is not intended to be an incentive stock option under the U.S. Internal Revenue Code of 1986, as amended. This Agreement is subordinate to, and the terms and conditions of the Option granted hereunder are subject to, the terms and conditions of the Plan.

2. Exercisability. Except as otherwise provided in this Agreement, the Option shall become available for exercise, subject to the provisions hereof, in one-third installments on each of the first, third and fifth anniversaries of the date of this Agreement, provided that the Committee may accelerate the exercisability of any Option, all Options or any class of Options, at any time and from time to time. Shares eligible for purchase may thereafter be purchased, subject to the provisions hereof, and pursuant to and subject to the provisions contained in the Management Stock Subscription Agreement (as defined in Section 5) related to such Shares, at any time and from time to time on or after such anniversary until the date one day prior to the date on which the Option terminates.

3. Termination of Option.

(a) Normal Termination Date. Unless an earlier termination date is specified in Section 3(b), the Option shall terminate on the tenth anniversary of the date hereof (the "Normal Termination Date").

(b) Early Termination. If the Grantee's Active Employment (as defined below) is voluntarily or involuntarily termination for any reason whatsoever prior to the Normal Termination Date, any portion of the Option that has not become exercisable on or before the effective date of such termination of employment shall terminate on such effective date. Any portion of the Option that has become exercisable on or before the date of the Grantee's termination of Active Employment shall, subject to the provisions of Section 4(c), remain exercisable for whichever of the following periods is applicable, and if not exercised within such period, shall terminate upon the expiration of such period: (i) if the Grantee's Active Employment is terminated by reason of the Grantee's death, Permanent Disability or Retirement at Normal Retirement Age (each an "Extraordinary Termination"), then any Options held by the Grantee and then exercisable shall remain exercisable solely until the first to occur of (A) the first anniversary of the Grantee's

termination of employment or (B) the expiration of the term of the Option, and (ii) if the Grantee's Active Employment is terminated for any reason other than an Extraordinary Termination or for Cause, then any then exercisable Options held by such Grantee shall remain exercisable for a period of sixty days after the earlier of (x) the expiration of the Second Purchase Period (as defined in Section 4(c)(i)) and (y) receipt by the Grantee of written notice that The Clayton & Dubilier Private Equity Fund IV Limited Partnership (the "C&D Fund") does not intend to exercise its right to purchase pursuant to Section 4(c)(i). Notwithstanding anything else contained in this Agreement, if the Grantee's Active Employment is terminated by the Company for Cause, then all Options (whether or not then exercisable) shall terminate and be canceled immediately upon such termination, regardless of whether then exercisable. Nothing in this Agreement shall be deemed to confer on the Grantee any right to continue in the employ of the Company or any of its direct or indirect subsidiaries, or to interfere with or limit in any way the right of the Company or any of its direct or indirect subsidiaries to terminate such employment at any time.

4. Restrictions on Exercise; Non-Transferability of Option; Repurchase of Option.

(a) Restrictions on Exercise. The Option may be exercised only with respect to full shares of Common Stock. No fractional shares of Common Stock shall be issued. Notwithstanding any other provision of this Agreement, the Option may not be exercised in whole or in part, and no certificates representing Shares shall be delivered, (i) unless all requisite approvals and consents of any governmental authority of any kind having jurisdiction over the exercise of options shall have been secured, (ii) unless the purchase of the Shares upon the exercise of the Option shall be exempt from registration under applicable U.S. federal and state securities laws, and applicable non-U.S. securities laws, or the Shares shall have been registered under such laws, (iii) unless all applicable U.S. federal, state

and local and non-U.S. tax withholding requirements shall have been satisfied and (iv) if such exercise would result in a violation of the terms or provisions of or a default or an event of default under any of the Financing Agreements (as such term is defined in Section 9). The Company shall use commercially reasonable efforts to obtain the consents and approvals referred to in clause (i) of the preceding sentence, to satisfy the withholding requirements referred to in clause (iii) of the preceding sentence and to obtain the consent of the parties to the Financing Agreements referred to in clause (iv) of the preceding sentence so as to permit the Option to be exercised.

(b) Non-Transferability of Option. Except as contemplated by Section 4(c), the Option may be exercised only by the Grantee or by his estate. Except as contemplated by Section 4(c), the Option is not assignable or transferable, in whole or in part, and it may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Grantee upon his death, provided that the deceased Grantee's beneficiary or the representative of his estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Grantee.

(c) Repurchase of Option on Termination of Employment.

(i) Termination of Employment. If the Grantee's Active Employment is terminated for any reason, the Company or WESCO shall have an option to purchase all (but not less than all) of the portion of the Option that is exercisable on the effective date of termination of Active Employment (the "Covered Option"), and shall have 30 days from the date of the

Grantee's termination (the "First Purchase Period") during which to give notice in writing to the Grantee (or if his Active Employment was terminated by his death, his estate) of its election to exercise or not to exercise such right to purchase the Covered Option. The Company and WESCO hereby undertake to use reasonable efforts to act as promptly as practicable following such termination to make such election. If the Company or WESCO fails to give notice that it intends to exercise its right to purchase the Covered Option within the First Purchase Period, the C&D Fund shall have the right to purchase the Covered Option and shall have until the expiration of the earlier of (x) 30 days following the end of the First Purchase Period, or (y) 30 days from the date of receipt by the C&D Fund of written notice that neither the Company nor WESCO does not intend to exercise such right (the "Second Purchase Period"), to give notice in writing to the Grantee (or his estate) of the C&D Fund's exercise of its right to purchase the Covered Option. If the rights to purchase the Covered Option of the Company and the C&D Fund granted in this subsection are not exercised as provided herein, the Grantee (or his estate) shall be entitled to retain the Covered Option, subject to all of the provisions of this Agreement.

(ii) Purchase Price, etc. All purchases pursuant to this Section 4(c) by the Company or the C&D Fund shall be for a purchase price and in the manner prescribed by Sections 4(g), (h) and (i).

(d) Certain Definitions. As used in this Agreement the following terms shall have the following meanings:

(i) "Active Employment" shall mean active employment with the Company or any direct or indirect subsidiary of the Company.

(ii) "Cause" shall mean (A) the willful failure by the Grantee substantially to perform his

employment-related duties (other than any such failure due to physical or mental illness) after a demand for substantial performance is delivered to the Grantee by the Director of Human Resources, which notice identifies the manner in which the Director of Human Resources, believes that the Grantee has not substantially performed his employment-related duties, (B) the engaging by the Grantee in willful and serious misconduct that is injurious to the Company or any of its affiliates, (C) the conviction of the Grantee of, or the entering by the Grantee of a plea of nolo contendere to, a crime that constitutes a felony, or (D) the breach (including but not limited to the material or willful failure to cure a breach) by the Grantee of any written covenant or agreement with the Company or any of its affiliates not to disclose any information pertaining to the Company or any of its affiliates or not to compete or interfere with the Company or any of its affiliates.

(iii) "Retirement at Normal Retirement Age" shall mean retirement at age 65 or later.

(iv) "Permanent Disability" shall mean a physical or mental disability or infirmity that prevents the performance of such Grantee's employment-related duties lasting (or likely to last, based on competent medical evidence presented to the Director of Human Resources) for a continuous period of six months or longer. The Director of Human Resource's reasoned and good faith judgment of Permanent Disability shall be final, binding and conclusive on all parties hereto and shall be based on such competent medical evidence as shall be presented to it by the Grantee or by any physician or group of physicians or other competent medical expert employed by the Grantee or the Company to advise the Director of Human Resources.

(e) Notice of Termination. The Company shall give written notice of any termination of the Grantee's

Active Employment to the C&D Fund, except that if such termination (if other than as a result of death) is by the Grantee, the Grantee shall give written notice of such termination to the Company and the Company shall give written notice of such termination to the C&D Fund.

(f) Public Offering. In the event that an underwritten public offering in the Untied States of the Common Stock led by one or more underwriters at least one of which is an underwriter of nationally recognized standing (a "Public Offering") has been consummated, neither the Company nor the C&D Fund shall have any rights to purchase the Covered Option pursuant to this Section 4.

(g) Purchase Price. Subject to Section 9(c), the purchase price to be paid to the Grantee (or his estate) for the Covered Option (the "Purchase Price") shall be equal to the difference between (A) the fair market value (the "Fair Market Value") of the Shares which may be purchased upon exercise of the Covered Option as of the effective date of the termination of employment that gives rise to the right to repurchase and (B) the aggregate exercise price of the Covered Option. Whenever determination of the Fair Market Value of the Shares is required by this Agreement, such Fair Market Value shall be such amount as is determined in good faith by the Board. In making a determination of Fair Market Value, the Board shall give due consideration to such factors as it deems appropriate, including, without limitation, the earnings and certain other financial and operating information of the Company in recent periods, the potential value of the Company as a whole, the future prospects of the Company and the industries in which it competes, the history and management of the Company, the general condition of the securities markets, the fair market value of securities of companies engaged in businesses similar to those of the Company and a valuation of the Shares. The valuation that is in effect as of December 31, 1996, which was prepared by an independent valuation firm chosen by the Board, shall be used to determine the Purchase Price. The determination of Fair Market Value will not give

effect to any restrictions on transfer of the Shares or the fact that such Shares would represent a minority interest in the Company. The Fair Market Value as determined in good faith by the Board in the absence of fraud shall be binding and conclusive upon all parties hereto and the C&D Fund, and in any event the Grantee agrees to accept and shall not challenge any determination of Fair Market Value made by the Board, so long as the Fair Market Value thus determined is at least equal to $195.40 per share. If the Company subdivides (by any stock split, stock dividend or otherwise) the Common Stock into a greater number of shares, or combines (by reverse stock split or otherwise) the Common Stock into a smaller number of shares after the Board shall have determined the Purchase Price for the Shares (without taking into consideration such subdivision or combination) and prior to the consummation of the purchase, the Purchase Price shall be appropriately adjusted to reflect such subdivision or combination, and the Board's determination as to any such adjustment in good faith shall be binding and conclusive on all parties hereto and the C&D Fund.

(h) Payment. Subject to Section 9, the completion of a purchase pursuant to this Section 4 shall take place at the principal office of the Company on the tenth business day following the receipt by the Grantee of the C&D Fund's or the Company's notice of its exercise of the right to purchase the Covered Option pursuant to Section 4(c). The Purchase Price shall be paid by delivery to the Grantee of a certified or bank check for the Purchase Price payable to the order of the Grantee, against delivery of such instruments as the Company may reasonably request signed by the Grantee, free and clear of all security interests, liens, claims, encumbrances, charges, options, restrictions on transfer, proxies and voting and other agreements of whatever nature.

(i) Application of the Purchase Price to Certain Loans. The Grantee agrees that the Company and the C&D Fund shall be entitled to apply any amounts to be paid by the Company or the C&D Fund, as the case may be, to repurchase

the Covered Option pursuant to this Section 4 to discharge any indebtedness of the Grantee to the Company or any of its direct or indirect subsidiaries, or indebtedness that is guaranteed by the Company or any of its direct or indirect subsidiaries, including, but not limited to, any indebtedness of the Grantee incurred to purchase any shares of Common Stock.

(j) Withholding. Whenever Shares are to be issued pursuant to the Option, the Company may require the recipient of the Shares to remit to the Company an amount sufficient to satisfy any applicable U.S. federal, state and local and non-U.S. tax withholding requirements. In the event any cash is paid to the Grantee pursuant to this Section 4, the Company shall have the right to withhold an amount from such payment sufficient to satisfy any applicable U.S. federal, state and local and non-U.S. tax withholding requirements. If shares of Common Stock are traded on a U.S. national securities exchange or bid and ask prices for shares of Common Stock are quoted on the Nasdaq National Market ("NASDAQ") operated by the National Association of Securities Dealers, Inc., the Company may, if requested by the Grantee, withhold shares to satisfy applicable withholding requirements, subject to the provisions of the Plan and any rules adopted by the Board or the Committee regarding compliance with applicable law, including, but not limited to, Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

5. Manner of Exercise. To the extent that the Option shall have become and remains exercisable as provided in Section 2 and subject to such reasonable administrative regulations as the Board or the Committee may have adopted, the Option may be exercised, in whole or in part, by notice to the Secretary of the Company in writing given 15 business days prior to the date on which the Grantee will so exercise the Option (the "Exercise Date"), specifying the number of Shares with respect to which the Option is being exercised (the "Exercise Shares") and the Exercise Date, provided that if shares of Common Stock are traded on a U.S. national

securities exchange or bid and ask prices for shares of Common Stock are quoted over NASDAQ, notice may be given five business days before the Exercise Date. On or before the Exercise Date, the Company and the Grantee shall enter into a Management Stock Subscription Agreement (the "Management Stock Subscription Agreement") substantially in the form attached hereto as Annex 1, or in such other form as may be agreed upon by the Company and the Grantee, such Management Stock Subscription Agreement to contain (unless a Pubic Offering shall have occurred prior to the Exercise Date) provisions corresponding to Section 4(c) hereof. In accordance with the Management Stock Subscription Agreement, (a) on or before the Exercise Date, the Grantee shall deliver to the Company full payment for the Exercise Shares in United States dollars in cash, or cash equivalent satisfactory to the Company, and in an amount equal to the product of the number of Exercise Shares and $195.40 (the "Exercise Price") and (b) on the Exercise Date, the Company shall deliver to WESCO to hold on behalf of the Grantee a certificate or certificates representing the Exercise Shares, registered in the name of the Grantee. If shares of Common Stock are traded on a U.S. national securities exchange or bid and ask prices for shares of Common Stock are quoted over NASDAQ, the Grantee may, in lieu of cash, tender shares of Common Stock having a market price on the Exercise Date equal to the Exercise Price or may deliver a combination of cash and shares of Common Stock having a market price equal to the difference between the Exercise Price and the amount of such cash as payment of the Exercise Price, subject to such rules and regulations as may be adopted by the Board or the Committee to provide for the compliance of such payment procedure with applicable law, including Section 16(b) of the Exchange Act. The Company may require the Grantee to furnish or execute such other documents as the Company shall reasonably deem necessary (i) to evidence such exercise, (ii) to determine whether registration is then required under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and (iii) to comply with or satisfy the requirements of the Securities Act, applicable state or non-U.S. securities laws or any other law. Prior to a public

offering, Holding shall deliver to WESCO to hold on behalf of the Grantee, a certificate or certificates representing the shares of Common Stock acquired upon the exercise thereof.

6. Grantee's Representations, Warranties and Covenants.

(a) Investment Intention. The Grantee represents and warrants that the Option has been, and any Exercise Shares will be, acquired by him solely for his own account for investment and not with a view to or for sale in connection with any distribution thereof. The Grantee agrees that he will not, directly or indirectly, offer, transfer, sell, pledge, hypothecate or otherwise dispose of all or any portion of the Option or any of the Exercise Shares (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of all or any portion of the Option or any of the Exercise Shares), except in compliance with the Securities Act and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder, and in compliance with applicable state securities or "blue sky" laws. The Grantee further understands, acknowledges and agrees that none of the Shares may be transferred, sold, pledged, hypothecated or otherwise disposed of unless the provisions of the related Management Stock Subscription Agreement shall have been complied with or have expired.

(b) Legend. The Grantee acknowledges that any certificate representing the Exercise Shares shall bear an appropriate legend, which will include, without limitation, the following language:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE PROVISIONS OF A MANAGEMENT STOCK SUBSCRIPTION AGREEMENT, DATED AS OF _____, AND NEITHER THIS CERTIFICATE NOR THE SHARES REPRESENTED BY IT ARE ASSIGNABLE OR OTHERWISE TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH MANAGEMENT STOCK SUBSCRIPTION AGREEMENT, A COPY OF WHICH IS ON

FILE WITH THE SECRETARY OF THE COMPANY. THE SHARES REPRESENTED BY THIS CERTIFICATE ARE ENTITLED TO THE BENEFITS OF AND ARE BOUND BY THE OBLIGATIONS SET FORTH IN A REGISTRATION AND PARTICIPATION AGREEMENT, DATED AS OF FEBRUARY 28, 1994, AMONG THE COMPANY AND CERTAIN STOCKHOLDERS OF THE COMPANY, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS (i)(A) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) THE HOLDER HEREOF SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF SUCH ACT OR (C) A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION, REASONABLY SATISFACTORY TO COUNSEL FOR THE COMPANY, SHALL HAVE BEEN OBTAINED WITH RESPECT TO SUCH DISPOSITION AND (ii) SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM."

(c) Securities Law Matters. The Grantee acknowledges receipt of advice from the Company that (i) the Exercise Shares have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Exercise Shares, (iii) the Exercise Shares must be held indefinitely and the Grantee must continue to bear the economic risk of the investment in the Exercise Shares unless the Exercise Shares are subsequently registered under the Securities Act and such state laws or an exemption from registration is available, (iv) Rule 144 under the Securities Act ("Rule 144") is not presently

available with respect to the sales of any securities of the Company and the Company has made no covenant to make Rule 144 available, (v) when and if the Exercise Shares may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule, (vi) the Company does not plan to file reports with the Commission or make public information concerning the Company available unless required to do so by law or by the terms of its Financing Agreements (as hereinafter defined), (vii) if the exception afforded by Rule 144 is not available, sales of the Exercise Shares may be difficult to effect because of the absence of public information concerning the Company, (viii) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Exercise Shares and (ix) a notation shall be made in the appropriate records of the Company indicating that the Exercise Shares are subject to restrictions on transfer set forth in this Agreement and, if the Company should in the future engage the services of a stock transfer agent, appropriate stop-transfer restrictions will be issued to such transfer agent with respect to the Exercise Shares.

(d) Compliance with Rule 144. If any of the Exercise Shares are to be disposed of in accordance with Rule 144 under the Securities Act, the Grantee shall transmit to the Company an executed copy of Form 144 (if required by Rule 144) no later than the time such form is required to be transmitted to the Commission for filing and such other documentation as the Company may reasonably require to assure compliance with Rule 144 in connection with such disposition.

(e) Ability to Bear Risk. The Grantee covenants that he will not exercise all or any portion of the Option unless (i) the financial situation of the Grantee is such that he can afford to bear the economic risk of holding the Exercise Shares for an indefinite period and (ii) he can afford to suffer the complete loss of his investment in the Exercise Shares.

(f) Registration; Restrictions on Sale upon Public Offering. In respect of any Shares purchased upon exercise of all or any portion of the Option, the Grantee shall be entitled to the rights and subject to the obligations created under the Registration and Participation Agreement, dated as of February 28, 1994 as the same may be amended, modified or supplemented from time to time (the "Registration Agreement"), among the Company and certain stockholders of the Company, to the extent set forth therein. Such Shares shall be entitled to the benefits of the Registration Agreement applicable to Registrable Securities (as defined therein). The Grantee agrees that, in the event that the Company files a registration statement under the Securities Act with respect to an underwritten public offering of any shares of its capital stock, the Grantee will not effect any public sale or distribution of any shares of the Common Stock (other than as part of such underwritten public offering) during the 20 days prior to and the 180 days after the effective date of such registration statement.

(g) Section 83(b) Election. The Grantee agrees that, within 20 days of any Exercise Date, he shall give notice to the Company as to whether or not he has made an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the Exercise Shares purchased on such date, and acknowledges that he will be solely responsible for any and all tax liabilities payable by him in connection with his receipt of the Exercise Shares or attributable to his making or failing to make such an election.

7. Representations and Warranties of the Company. The Company represents and warrants to the Grantee that (a) the Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, (b) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms,

and (c) the Shares, when issued, delivered and paid for, upon exercise of the Option in accordance with the terms hereof and the Management Stock Subscription Agreement, will be duly authorized, validly issued, fully paid and non-assessable, and free and clear of any liens or encumbrances other than those created pursuant to this Agreement, the Management Stock Subscription Agreement or otherwise in connection with the transactions contemplated hereby.

8. Change in Control

(a) Accelerated Vesting and Payment. Unless the Committee shall otherwise determine in the manner set forth in Section 8(b), in the event of a Change in Control, the Option shall be canceled in exchange for a payment in cash of an amount equal to the excess, if any, of the Change in Control Price over the exercise price for the Option.

(b) Alternative Options. Notwithstanding Section 8(a), no cancellation, acceleration of exercisability, vesting or cash settlement or other payment shall occur with respect to the Option if the Committee reasonably determines in good faith, prior to the occurrence of a Change in Control, that the Option shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Option being hereinafter referred to as an "Alternative Option") by the New Employer, provided that any such Alternative Option must:

(i) provide the Grantee with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under the Option, including, but not limited to, an identical or better exercise and vesting schedule, identical or better timing and methods of payment and, if the Alternative Options or the securities underlying them are not publicly traded, identical or better rights to require the Company or the New Employer to repurchase the Alternative Options;

(ii) have substantially equivalent economic value to the Option (determined at the time of the Change in Control); and

(iii) have terms and conditions which provide that in the event that the Grantee suffers an Involuntary Termination within two years following a Change in Control:

(A) - any conditions on the Grantee's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Option shall be waived or shall lapse, as the case may be; or

(B) - the Grantee shall have the right to surrender such Alternative Option within 30 days following such termination in exchange for a payment in cash equal to the excess of the Fair Market Value of the equity security subject to the Alternative Option over the price, if any, that the Grantee would be required to pay to exercise such Alternative Option.

(c) Certain Definitions.

(i) "Change in Control" means the first to occur of the following events after the date hereof:

(A) - the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended), other than the Company, WESCO, the Subsidiaries, any employee benefit plan of the Company, WESCO or the Subsidiaries, or the C&D Fund, of 50% or more of the combined voting power of the Company's or WESCO's then outstanding voting securities;

(B) - the merger or consolidation of the Company or WESCO as a result of which persons who

were stockholders of the Company or WESCO, as the case may be, immediately prior to such merger of consolidation, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(C) the liquidation or dissolution of the Company or WESCO; and

(D) the sale, transfer or other disposition of all or substantially all of the assets of the Company or WESCO to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company or WESCO.

(ii) "Change in Control Price" means the price per share of Common Stock offered in conjunction with any transaction resulting in a Change in Control (as determined in good faith by the Board of Directors if any part of the offered price is payable other than in cash).

(iii) "Involuntary Termination" means a termination by the New Employer for any reason.

(iv) "New Employer" means the Grantee's employer, or the parent or a subsidiary of such employer, immediately following a Change in Control.

(v) "Subsidiary" means any corporation a majority of whose outstanding voting securities is owned, directly or indirectly, by WESCO or the Company.

9. Certain Restrictions on Repurchases.

(a) Financing Agreements, etc. Notwithstanding any other provision of this Agreement, the Company shall not

be permitted to repurchase the Option from the Grantee if (i) such repurchase would result in a violation of the terms or provisions of, or result in a default or an event of default under, (A) the Credit Facility, dated as of February 24, 1995 as the same may be amended, modified or supplemented from time to time (the "Credit Facility"), among WESCO, the lenders party thereto, Barclays Bank PLC, as administrative agent and Shawmut Capital Corporation, as collateral agent and (B) any indenture to be entered into with respect to debt securities to be issued by WESCO in connection with or subsequent to the Acquisition as the same may be amended, modified or supplemented from time to time (an "Indenture") or (C) any other financing or security agreement or document entered into in connection with the Acquisition, or the financing of the Acquisition or in connection with the operations of the Company or its subsidiaries from time to time as each may be amended, modified or supplemented from time to time (the Credit Facility, any Indenture and such other agreements and documents, are hereinafter referred to as the "Financing Agreements"), or (ii) such repurchase would violate any of the terms or provisions of the Certificate of Incorporation of the Company, or (iii) the Company has no funds legally available therefor under the General Corporation Law of the State of Delaware.

(b) Delay of Repurchase. In the event that a repurchase by the Company otherwise permitted under Section 4(c) is prevented solely by the terms of Section 9(a), (i) such repurchase will be postponed and will take place without the application of further conditions or impediments (other than as set forth in Section 4 hereof or in this Section 9) at the first opportunity thereafter when the Company has funds legally available therefor and when such repurchase will not result in any default, event of default or violation under any of the Financing Agreements or in a violation of any term or provision of the Certificate of Incorporation of the Company and (ii) such repurchase commitment shall rank against other similar repurchase commitments with respect to shares of Common Stock or options in

respect thereof according to priority in time of the effective date of the termination of employment in connection with any repurchase pursuant to an exercise of the option of the Company under Section 4(c)(i), the date upon which the Company receives written notice of such exercise, provided that any such repurchases as to which a common date determines priority under this clause (ii) shall be of equal priority and shall share pro rata in any repurchase payments made pursuant to clause (i) above and provided, further, that (x) any repurchase commitment arising from Permanent Disability, death or Retirement at Normal Retirement Age or, in the case of shares of Common Stock, any repurchase commitment made by the Board pursuant to Section 6(b) of the Management Stock Subscription Agreement shall have priority over any other repurchase commitment and (y) all Section references in this clause (ii) shall be deemed to refer to the corresponding Section of this Agreement or the Management Stock Subscription Agreement, as the case may be, and to any similar provision of any other management stock option or stock subscription agreement to which the Company is or becomes a party.

(c) Purchase Price Adjustment. In the event that a repurchase of the Covered Option from the Grantee is delayed pursuant to this Section 9, the purchase price for such option when the repurchase of such option eventually takes place as contemplated by Section 9(b) shall be the sum of (i) the Purchase Price of such Covered Option determined in accordance with Section 4(g) at the time that the repurchase of such Option would have occurred but for the operation of this Section 9, plus (ii) an amount equal to interest on such Purchase Price for the period from the date on which the completion of the repurchase would have taken place but for the operation of this Section 9 to the date on which such repurchase actually takes place (the "Delay Period") at a rate equal to the weighted average cost of the Company's bank indebtedness obligations outstanding during the Delay Period.

10. No Rights as Stockholder. The Grantee shall have no voting or other rights as a stockholder of the Company with respect to any Shares covered by the Option until the exercise of the Option and the issuance of a certificate or certificates to him for such Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates.

11. Capital Adjustments. The number and price of the Shares covered by the Option shall be proportionately adjusted to reflect any stock dividend, stock split or share combination of the Common Stock or any recapitalization of the Company. Subject to any required action by the stock holders of the Company and Section 8 hereof, in any merger, consolidation, reorganization, exchange of shares, liquidation or dissolution, the Option shall pertain to the securities and other property, if any, that a holder of the number of shares of Common Stock covered by the Option would have been entitled to receive in connection with such event.

12. Miscellaneous.

(a) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company, the C&D Fund or the Grantee, as the case may be, at the following addresses or to such other address as the Company, the C&D Fund or the Grantee, as the case may be, shall specify by notice to the others:

(i) if to the Company, to it at:

CDW Holding Corporation
c/o WESCO Distribution, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, Pennsylvania 15219

Attention: Chairman

(ii) if to the Grantee, to the Grantee at the address set forth on the signature page hereof.

(iii) if to the C&D Fund, to:

The Clayton & Dubilier Private Equity
Fund IV Limited Partnership
270 Greenwich Avenue
Greenwich, Connecticut 06830
Attention: Clayton & Dubilier Associates

IV Limited Partnership,
Joseph L. Rice, III

All such notices and communications shall be deemed to have been received on the date of delivery or on the third business day after the mailing thereof. Copies of any notice or other communication given under this Agreement shall also be given to:

Clayton, Dubilier & Rice, Inc.
375 Park Avenue, 18th Floor
New York, New York 10152
Attention: William Barbe

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Attention: George E.B. Maguire, Esq.

The C&D Fund also shall be given a copy of any notice or other communication between the Grantee and the Company under this Agreement at its address as set forth above.

(b) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Except as provided in Section 4, nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(c) Waiver; Amendment.

(i) Waiver. Any party hereto or beneficiary hereof, may, by written notice to the other parties (A) extend the time for the performance of any of the obligations or other actions of the other parties under this Agreement, (B) waive compliance with any of the conditions or covenants of the other parties contained in this Agreement and (C) waive or modify performance of any of the obligations of the other parties under this Agreement, provided that any waiver of the provisions of Section 4 must be consented to in writing by the C&D Fund. 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 or beneficiary, shall be deemed to constitute a waiver by the party or beneficiary taking such action of compliance with any representations, warranties, covenants or agreements contained herein. The waiver by any party hereto or beneficiary hereof of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by a party or beneficiary to exercise any right or privilege hereunder shall be deemed a waiver of such party's or beneficiary's rights or privileges hereunder or shall

be deemed a waiver of such party's or beneficiary's rights to exercise the same at any subsequent time or times hereunder.

(ii) Amendment. This Agreement may not be amended, modified or supplemented orally, but only by a written instrument executed by the Grantee and the Company, and (in the case of any amendment, modification or supplement that adversely affects the rights of the C&D Fund hereunder) must be consented to by the C&D Fund in writing.

(d) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or, by reason hereof shall be assignable by the Company or the Grantee without the prior written consent of the other parties and the C&D Fund. The C&D Fund may assign from time to time all or any portion of its rights under Section 4 to one or more persons or other entities designated by it.

(e) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of New York, regardless of the law that might be applied under principles of conflict of laws, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies.

(f) Section and Other Headings, etc. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. In this Agreement all references to "dollars" or "$" are to United States dollars.

(g) 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 constitute one and the same instrument.

(h) Delegation by the Board. All of the powers, duties and responsibilities of the Board specified in this

Agreement may, to the full extent permitted by applicable law, be exercised and performed by any duly constituted committee thereof to the extent authorized by the Board to exercise and perform such powers, duties and responsibilities.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Agreement as of the date first above written.

CDW HOLDING CORPORATION

By: /s/

Name: Richard J. Marshuetz
Title: Vice President,
Chief Financial &
Administrative Officer

THE GRANTEE:

By: /s/

Name:

Address of the Grantee:

1700 Enfield Street
Fort Collins, CO 80526

Total Number of Shares
of Common Stock for the
Purchase of Which an
Option Has Been Granted: 100

EXHIBIT 10.5

FIRST PERFORMANCE PERIOD
Draft-- April 9, 1997

CDW HOLDING CORPORATION STOCK OPTION PLAN FOR BRANCH EMPLOYEES

Section 1. Purpose

The purpose of this CDW Holding Corporation Stock Option Plan for Branch Employees is to foster and promote the long-term financial success of Holding and the Company and to increase materially stockholder value by (a) motivating superior performance by participants in the Plan, (b) providing participants in the Plan with an ownership interest in Holding and (c) enabling the Company to attract and retain the services of an outstanding branch management team upon whose judgment, interest and special effort the successful conduct of its operations is largely dependent.

Section 2. Definitions

2.1. Definitions. Whenever used herein, the following terms shall have the respective meanings set forth below:

(a) "Alternative Option" has the meaning given in Section 8.2.

(b) "Board" means the Board of Directors of Holding.

(c) "Branch" means (i) an operating unit of the Company identified as a separate branch by the Company or (ii) the branch or division where a Selected Participant performs services.

(d) "Branch Allocation" means, with respect to an Eligible Branch, the number of Options allocated to such Eligible Branch for the Performance Period.

Options shall be allocated to an Eligible Branch, if at all, at the sole discretion of the Committee.

(e) "C&D Fund" means The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership, and any successor investment vehicle managed by Clayton, Dubilier & Rice, Inc.

(f) "Cause" means (i) the willful failure by the Participant to perform substantially his employment-related duties (other than any such failure due to physical or mental illness) after a demand for substantial performance is delivered to the Participant by the Director of Human Resources, which notice identifies the manner in which the Participant has not substantially performed his employment-related duties, (ii) the Participant's engaging in serious misconduct that is injurious to Holding, the Company or any Subsidiary, (iii) the Participant's having been convicted of, or entered a plea of guilty or nolo contendere to, a crime that constitutes a felony or (iv) the breach by the Participant of any written covenant or agreement with Holding, the Company or any Subsidiary not to disclose any information pertaining to Holding, the Company or any Subsidiary or not to compete or interfere with Holding, the Company or any Subsidiary.

(g) "Change in Control" means the first to occur of the following events after the Effective Date:

(i) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended), other than Holding, the Company, the Subsidiaries, any employee benefit plan of Holding, the Company or the Subsidiaries, or the C&D Fund, of 50% or more of the combined voting power of Holding's or the Company's then outstanding voting securities;

(ii) the merger or consolidation of Holding or the Company, as a result of which persons who were stockholders of Holding or the Company, as the case may be, immediately prior to such merger or consolidation, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(iii) the liquidation or dissolution of Holding or the Company; and

(iv) the sale, transfer or other disposition of all or substantially all of the assets of Holding or the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of Holding or the Company.

(h) "Change in Control Price" means the price per share of Common Stock offered in conjunction with any transaction resulting in a Change in Control (as determined in good faith by the Board if any part of the offered price is payable other than in cash).

(i) "Committee" means the Compensation and Benefits Committee of the Board (or such other committee of the Board which shall have jurisdiction over the compensation of officers and other employees). If at any time no Committee shall be in office, the Board shall perform the functions of the Committee.

(j) "Common Stock" means the Class A Common Stock, par value $.01 per share, of Holding.

(k) "Company" means WESCO Distribution, Inc., a Delaware corporation formerly named CDW Acquisition Corporation, and any successor thereto.

(l) "Effective Date" means February 28, 1994.

(m) "Eligible Branch" means, with respect to a Performance Period, a Branch that has, in the sole discretion of the Committee, achieved each of the Performance Objectives during the Performance Period.

(n) "Employee" means (i) the Branch Manager, (ii) the District Administrative Manager, (iii) the Branch Administrative Manager, (iv) the Area Branch Supervisor, (v) the Sales Manager, (vi) any other key employee of each Branch and (vii) any Selected Participant.

(o) "Extraordinary Termination" has the meaning given in Section 7.1.

(p) "Fair Market Value" means, as of any date, the fair market value on such date per share of Common Stock as determined in good faith by the Board. In making a determination of Fair Market Value, the Board shall give due consideration for such factors as it deems appropriate, including, without limitation, the earnings and certain other financial and operating information of the Company in recent periods, the potential value of the Company as a whole, the future prospects of the Company and the industries in which it competes, the history and management of the Company, the general condition of the securities markets, the fair market value of securities of companies engaged in businesses similar to those of the Company and a valuation of the Common Stock, which shall be performed as promptly as practicable following the first business day of the 1997 fiscal year and each subsequent fiscal year by an independent valuation firm chosen by the Board. The determination of Fair Market Value will not give effect to any restrictions on transfer of the shares of Common Stock or the fact that such shares would represent a minority interest in Holding.

(q) "Grant Date" means, with respect to any Option, the date on which an Option is granted hereunder, which shall be as soon as practicable following the last day of the Performance Period.

(r) "Holding" means CDW Holding Corporation, a Delaware corporation, and any successor thereto.

(s) "Involuntary Termination" means a termination by the New Employer for any reason.

(t) "New Employer" means the Participant's employer, or the parent or a subsidiary of such employer, immediately following a Change in Control.

(u) "Option" means the right granted pursuant to the Plan to purchase one share of Common Stock at a price determined in accordance with Section 6.2. All Options granted under the Plan will be non-qualified stock options.

(v) "Option Agreement" means an agreement between Holding and the Participant embodying the terms of any Options granted hereunder, which agreement shall, unless the Committee otherwise determines, be substantially in the form attached hereto as Exhibit A.

(w) "Participant" means any Employee designated by the Committee to participate in the Plan.

(x) "Performance Objectives" means, with respect to a Branch, such objectives as the Committee, in its sole discretion, determines to be a significant improvement in various business criteria, which shall include but not necessarily be limited to significant improvements in income before taxes and billing margins during the Performance Period.

(y) "Performance Period" means the Performance Period commencing on February 28, 1994 and ending on December 31, 1996.

(z) "Permanent Disability" means a physical or mental disability or infirmity that prevents the performance of a Participant's employment-related duties lasting (or likely to last, based on competent medical evidence presented to the Director of Human Resources) for a period of six months or longer. The Director of Human Resources' reasoned and good faith judgment of Permanent Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by such Participant or by any physician or group of physicians or other competent medical expert employed by the Participant or the Company to advise the Director of Human Resources.

(aa) "Plan" means this CDW Holding Corporation Stock Option Plan for Branch Employees.

(bb) "Public Offering" means the first day as of which sales of Common Stock are made to the public in the United States pursuant to an underwritten public offering of the Common Stock led by one or more underwriters at least one of which is of nationally recognized standing.

(cc) "Retirement" means a Participant's retirement at or after age 65.

(dd) "Selected Participant" means (i) a manager in a non-qualifying Branch or (ii) a designated employee outside the branch structure that contributes significantly to the branch and billing margins and growth, both as determined at the sole discretion of the Committee.

(ee) "Subsidiary" means any corporation a majority of whose outstanding voting securities is owned, directly or indirectly, by the Company or Holding.

2.2. Gender and Number. Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

Section 3. Eligibility and Participation

Participants in the Plan shall be those Employees selected by the Committee to participate in the Plan with respect to the Performance Period under the Plan, as specified by the Committee, provided that the aggregate number of Employees selected to receive one or more grants of Options under the Plan shall not exceed 150 unless the Committee determines that Holding may grant Options under the Plan to more than 150 Employees without being subject to any registration requirements under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. The selection of an Employee as a Participant shall neither entitle such Employee to nor disqualify such Employee from participation in any other award or incentive plan.

Section 4. Powers of the Committee

4.1. Power to Grant. The Committee shall determine the Participants to whom Options shall be granted and the terms and conditions of any and all Options granted to Participants, provided that all such determinations of the Committee shall be made in accordance with the terms of the Plan.

4.2. Administration. The Committee shall be responsible for the administration of the Plan. Any authority exercised by the Committee under the Plan shall be exercised by the Committee in its sole discretion. Subject to

the terms of the Plan, the Committee, by majority action thereof, is authorized to prescribe, amend and rescind rules and regulations relating to the administration of the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of Holding and the Company, and to make all other determinations necessary or advisable for the administration and interpretation of the Plan in order to carry out its provisions and purposes. Determinations, interpretations or other actions made or taken by the Committee pursuant to the provisions of the Plan shall be final, binding and conclusive for all purposes and upon all persons.

Section 5. Options Subject to Plan

5.1. Number. Subject to the provisions of Sections 5.2 and 5.3, the maximum number of Options (and the maximum number of shares of Common Stock subject to Options) granted under the Plan may not exceed 25,000. The shares of Common Stock to be delivered upon the exercise of Options granted under the Plan may consist, in whole or in part, of treasury Common Stock or authorized but unissued Common Stock, not reserved for any other purpose.

5.2. Canceled, Terminated or Forfeited Options. Any Option which for any reason is canceled, terminated or otherwise forfeited, in whole or in part, without having been exercised (and any shares of Common Stock then subject to such Option), shall again be available for grant under the Plan on any subsequent Grant Date.

5.3. Adjustment in Capitalization. The number and class of Options (and the number of shares of Common Stock available for issuance upon exercise of such Options) granted under the Plan, and the number, class and exercise price of any outstanding Options (and the number and class of shares of Common Stock subject to outstanding Options), may be adjusted by the Board, in its sole discretion, if it shall deem such an adjustment to be necessary or appropriate to reflect any Common Stock dividend, stock split or share

combination or any recapitalization, merger, consolidation, exchange of shares, liquidation or dissolution of Holding.

Section 6. Terms of Options

6.1. Grant of Options. (a) As soon as practicable following the end of the Performance Period, the Committee shall determine (i) those Branches that have achieved the Performance Objectives and, accordingly, qualify as Eligible Branches for the Performance Period, (ii) the Branch Allocation of each Eligible Branch for the Performance Period, (iii) the Participants to whom Options will be granted, and the number of Options to be granted to each such Participant, with respect to the Performance Period and (iv) the Selected Participants to whom Options will be granted, and the number of Options to be granted to each such Selected Participant, with respect to the Performance Period, provided that (x) Options may be granted only to Participants who, on the last day of the Performance Period, are employed by Holding, the Company or any Subsidiary at an Eligible Branch and (y) the aggregate number of Options granted to Participants employed at any one Eligible Branch shall not exceed such Eligible Branch's Branch Allocation.

(b) Each Option granted to a Participant shall be evidenced by an Option Agreement that shall specify the exercise price at which a share of Common Stock may be purchased pursuant to such Option, the duration of such Option and such other terms consistent with the Plan as the Committee shall determine, including customary representations, warranties and covenants with respect to securities law matters. Such Option Agreement shall, unless the Committee otherwise determines, be substantially in the form attached hereto as Exhibit A.

6.2. Exercise Price. The exercise price per share of Common Stock to be purchased upon exercise of an Option shall be not be less than the greatest of (a) the Fair Market Value as of the last date of the Performance

Period, (b) the Fair Market Value as of the Grant Date or (c) $100.

6.3. Exercise of Options. Unless otherwise determined by the Committee at the Grant Date, one-third of any Options granted to a Participant at any time shall become vested and, subject to Section 10.4, exercisable on each of the first, third and fifth anniversaries of the Grant Date of such Options, provided that 100% of such Options shall become vested to the extent provided in Section 8.1 and, provided further, that the Committee may accelerate the vesting or exercisability of any Option, all Options or any class of Options, at any time and from time to time. On or before the date upon which any Employee will exercise any Option, Holding and such Employee shall enter into a Management Stock Subscription Agreement substantially in the form attached hereto as Exhibit B. Notwithstanding any other provision of the Plan, each Option shall terminate and shall not be exercisable on or after the tenth anniversary of the Grant Date of such Option.

6.4. Payment. The Committee shall establish procedures governing the exercise of Options, which procedures shall generally require that written notice of the exercise thereof be given and that the exercise price thereof be paid in full in cash or cash equivalents, including by personal check, at the time of exercise. If so determined by the Committee in its sole discretion at or after the Grant Date, the exercise price of any Options exercised after there has been a Public Offering may be paid in full or in part in the form of shares of Common Stock already owned by the Participant for at least six months, based on the Fair Market Value of such Common Stock on the date of exercise. As soon as practicable after receipt of a written exercise notice and payment in full of the exercise price of any exercisable Options prior to a Public Offering, subject to Section 10.4, Holding shall deliver to WESCO to hold on behalf of the Participant, a certificate or certificates representing the shares of Common Stock acquired upon the exercise thereof.

Section 7. Termination of Employment

7.1. Extraordinary Termination. Unless otherwise provided in the Option Agreement or otherwise determined by the Committee at or after the Grant Date, in the event that a Participant's employment with Holding, the Company and the Subsidiaries terminates by reason of the Participant's death, Permanent Disability or Retirement (each an "Extraordinary Termination"), then any Options held by the Participant and then vested and exercisable shall remain exercisable (subject to Section 10.4) solely until the first to occur of (i) the first anniversary of the Participant's termination of employment or (ii) the expiration of the term of the Option. Any Options held by the Participant that are not then vested and exercisable at the date of the Extraordinary Termination shall terminate and be canceled immediately upon such Extraordinary Termination, and any Options described in the preceding sentence that are not exercised within the period described in such sentence shall terminate and be canceled upon the expiration of such period.

7.2. Termination for Cause. Unless otherwise provided in the Option Agreement or otherwise determined by the Committee at or after the Grant Date, in the event that a Participant's employment with Holding, the Company and the Subsidiaries is terminated for Cause, any Options held by such Participant (whether or not then vested or exercisable) shall terminate and be canceled immediately upon such termination of employment.

7.3. Other Termination of Employment. Unless otherwise provided in the Option Agreement or otherwise determined by the Committee at or after the Grant Date, in the event that a Participant's employment with Holding, the Company and the Subsidiaries terminates for any reason other than (i) an Extraordinary Termination or (ii) for Cause, any Options held by such Participant that are vested and exercisable as of the date of such termination shall remain exercisable (subject to Section 10.4) for a period of 60

days (or, if shorter, during the remaining term of the Options). Any Options held by the Participant that are not vested and exercisable at the date of the Participant's termination of employment shall terminate and be canceled immediately upon such termination, and any Options described in the preceding sentence that are not exercised within the period described in such sentence shall terminate and be canceled upon the expiration of such period.

7.4. Certain Rights upon Termination of Employment Prior to Public Offering. Unless otherwise determined by the Committee at the Grant Date, the Committee shall provide in each Option Agreement governing Options granted hereunder that Holding or the Company and the C&D Fund shall have successive rights to purchase any exercisable Options from the Participant upon the termination of his employment prior to a Public Offering, for a purchase price per Option equal to the excess, if any, of (x) the Fair Market Value on the date of termination over (y) the exercise price per share of Common Stock pursuant to such Option, and upon such additional terms and conditions as are set forth in Section 4 of the Option Agreement attached hereto as Exhibit A.

Section 8. Change in Control

8.1. Accelerated Vesting and Payment. Unless the Committee shall otherwise determine in the manner set forth in Section 8.2, in the event of a Change in Control, each Option shall be canceled in exchange for a payment in cash of an amount equal to the excess, if any, of the Change in Control Price over the exercise price for such Option.

8.2. Alternative Options. Notwithstanding Section 8.1, no cancellation, acceleration of exercisability, vesting or cash settlement or other payment shall occur with respect to any Option if the Committee reasonably determines in good faith, prior to the occurrence of a Change in Control, that such Option shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Option being hereinafter referred to as an "Alter-

native Option") by the New Employer, provided that any such Alternative Option
must:

(a) provide the Participant that held such Option with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Option, including, but not limited to, an identical or better exercise and vesting schedule, identical or better timing and methods of payment and, if the Alternative Options or the securities underlying them are not publicly traded, identical or better rights to require Holding or the New Employer to repurchase the Alternative Options;

(b) have substantially equivalent economic value to such Option (determined at the time of the Change in Control); and

(c) have terms and conditions which provide that in the event that such Participant suffers an Involuntary Termination within two years following a Change in Control:

(i) any conditions on such Participant's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Option shall be waived or shall lapse, as the case may be; or

(ii) such Participant shall have the right to surrender such Alternative Option within 30 days following such termination in exchange for a payment in cash equal to the excess of the Fair Market Value of the equity security subject to the Alternative Option over the price, if any, that such Participant would be required to pay to exercise such Alternative Option.

Section 9. Amendment, Modification, and Termination of the Plan

The Board at any time may terminate or suspend the Plan, and from time to time may amend or modify the Plan. No amendment, modification, termination or suspension of the Plan shall in any manner adversely affect any Option theretofore granted under the Plan, without the consent of the Participant holding such Option. Shareholder approval of any such amendment, modification, termination or suspension shall be obtained to the extent mandated by applicable law, or if otherwise deemed appropriate by the Committee.

Section 10. Miscellaneous Provisions

10.1. Nontransferability of Awards. Except as contemplated by Section 7.4, no Options granted under the Plan may be sold, transferred, pledged, assigned, encumbered or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution and provided that the deceased Participant's beneficiary or the representative of his estate acknowledges and agrees in writing, in a form reasonably acceptable to Holding, to be bound by the provisions of the Plan (including the purchase rights described in Section 7.4) and the Option Agreement covering such Options as if such beneficiary or estate were the Participant. All rights with respect to Options granted to a Participant under the Plan shall be exercisable during his lifetime by such Participant only. Following a Participant's death, all rights with respect to Options that were exercisable at the time of such Participant's death and have not terminated shall be exercisable by his designated beneficiary or by his estate.

10.2. Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries (who may be named contingently or successively) by whom any right under the Plan is to be exercised in case of his death. Each designation will revoke all prior designations by the same Participant, shall be in a

form reasonably prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his lifetime.

10.3. No Guarantee of Employment or Participation. Nothing in the Plan or in any Option Agreement shall interfere with or limit in any way the right of Holding, the Company or any Subsidiary to terminate any Participant's employment at any time, or confer upon any Participant any right to continue in the employ of Holding, the Company or any Subsidiary. No Employee shall have a right to be selected as a Participant or, having been so selected, to receive any Options.

10.4. Tax Withholding. The Company or the Subsidiary employing a Participant shall have the power to withhold, or to require such Participant to remit to the Company or such Subsidiary, subject to such other arrangements as the Committee may set forth in the Option Agreement to which such Participant is a party, an amount sufficient to satisfy all federal, state, local and foreign withholding tax requirements in respect of any Option granted under the Plan.

10.5. Indemnification. Each person who is or shall have been a member of the Committee, the Board or any other committee of the Board shall be indemnified and held harmless by the Company and Holding to the fullest extent permitted by law from and against any and all losses, costs, liabilities and expenses (including any related attorneys' fees and advances thereof) in connection with, based upon or arising or resulting from any claim, action, suit or proceeding to which he may be made a party or in which he may be involved by reason of any action taken or failure to act under or in connection with the Plan and from and against any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided that he shall give the Company an opportunity, at its own expense, to defend the same before he undertakes

to defend it on his own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under Holding's or the Company's Certificate of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

10.6. No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of Holding, the Company or any Subsidiary to establish other plans or to pay compensation to its employees, in cash or property, in a manner that is not expressly authorized under the Plan.

10.7. Requirements of Law. The granting of Options and the issuance of shares of Common Stock pursuant to such Options shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. No Options shall be granted under the Plan, and no shares of Common Stock shall be issued upon exercise of any Options granted under the Plan, if such grant or exercise would result in a violation of applicable law, including the federal securities laws and any applicable state securities laws.

10.8. Freedom of Action. Subject to Section 9, nothing in the Plan or any Option Agreement shall be construed as limiting or preventing Holding, the Company or any Subsidiary from taking any action that it deems appropriate or in its best interest.

10.9. Term of Plan. The Plan shall be effective as of the Effective Date. The Plan shall continue in effect, unless sooner terminated pursuant to Section 9, until the tenth anniversary of the Effective Date. The provisions of the Plan, however, shall continue thereafter to govern all outstanding Options theretofore granted.

10.10. No Voting Rights. Except as otherwise required by law, no Participant holding any Options granted

under the Plan shall have any right, in respect of such Options, to vote on any matter submitted to Holding's stockholders until such time as the shares of Common Stock issuable upon exercise of such Options have been so issued.

10.11. Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of New York, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies.

EXHIBIT 10.7

INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated as of February 28, 1994 (the "Agreement"), among CDW Holding Corporation, a Delaware corporation ("Holding"), CDW Acquisition Corporation, a Delaware corporation to be renamed WESCO Distribution, Inc. (the "Company"), Clayton, Dubilier & Rice, Inc., a Delaware corporation ("CD&R"), and The Clayton & Dubilier Private Equity Fund IV Limited Partnership, a Connecticut limited partnership (together with any other investment vehicle managed by CD&R, the "C&D Fund").

W I T N E S S E T H:

WHEREAS, the C&D Fund is managed by CD&R, and the general partner of the C&D Fund is Clayton & Dubilier Associates IV Limited Partnership, a Connecticut limited partnership (together with any general partner of any other investment vehicle managed by CD&R, "C&D Associates");

WHEREAS, CD&R has organized Holding, Holding's wholly owned subsidiary the Company, and the Company's wholly owned subsidiary CDW Canada Acquisition Inc., an Ontario corporation ("CDW Canada"), to acquire substantially all of the assets of, and to assume certain of the liabilities of, the Westinghouse Electric Supply Company business of Westinghouse Electric Corporation, a Pennsylvania corporation ("Westinghouse"), and Westinghouse Canada, Inc., a Canadian corporation ("Westinghouse Canada"), pursuant to the Asset Acquisition Agreement, dated as of February 15, 1994, between Holding and Westinghouse (such transactions being hereinafter referred to as the "Acquisition");

WHEREAS, for the purpose of financing the Acquisition, (a) Holding is offering and selling 950,000 shares of its Class A Common Stock, par value $.01 per share (the "Equity Offering"), (b) Holding is offering and issuing and/or selling to Westinghouse a guaranteed first mortgage note due February 28, 2001 in the initial amount of $45 million (the "U.S. Note") and (c) CDW Canada is offering and issuing and/or selling to Westinghouse Canada, Inc., a Canadian corporation ("Westinghouse Canada"), a guaranteed first mortgage note due February 28, 2001 in the original principal amount of C$6,757,250 million (the "Canadian Note", and together with the U.S. Note, the "Notes").

WHEREAS, at the closing of the Acquisition Holding will cause the Company (i) to assume all of Holding's obligations under the U.S. Note and (ii) to cause the Company's wholly owned subsidiary CDW Realco, Inc. ("Realco") (a) to assume all of the Company's obligations under the U.S. Note and (b) upon surrender by Westinghouse of the U.S. Note, execute and deliver to Westinghouse in exchange therefor a guaranteed first mortgage note due February 28, 2001 in the initial amount of $45 million (the "Realco Note");

WHEREAS, (i) the Company will execute and deliver a guarantee of the U.S. Note (the "Buyer Note Guarantee"), (ii) upon the issuance of the Realco Note by Realco, Holding and the Company will execute and deliver a guarantee of the Realco Note (the "Realco Note Guarantee") and (iii) Holding, the Company and Realco will execute and deliver a guarantee of the Canadian Note (the "Canadian Note Guarantee");

WHEREAS, the C&D Fund will purchase capital stock of Holding pursuant to the Equity Offering, becoming the majority stockholder of Holding;

WHEREAS, Holding, the Company or one or more of their respective Subsidiaries (as defined below) from time

to time in the future (a) may offer and sell or cause to be offered and sold equity or debt securities (such offerings and sales, together with the Equity Offering and the offering and the issuance and/or sale of the Notes, the Buyer Note Guarantee, the Realco Note Guarantee and the Canadian Note Guarantee, being hereinafter referred to as the "Securities Offerings"), including without limitation (i) offerings of shares of capital stock of Holding and/or options to purchase such shares to employees, directors, managers and consultants of and to Holding and the Company (a "Management Offering"), and (ii) one or more offerings of debt securities for the purpose of refinancing the Notes or for other corporate purposes, and (b) may repurchase, redeem or otherwise acquire certain securities of Holding, the Company or one or more of their respective Subsidiaries (any such repurchase or redemption being referred to herein as a "Redemption");

WHEREAS, the parties hereto recognize the possibility that claims might be made against and liabilities incurred by CD&R, the C&D Fund, C&D Associates or related persons or affiliates under applicable securities laws or otherwise in connection with the Securities Offerings, or relating to other actions or omissions of or by Holding and the Company, or relating to the provision by CD&R of management consulting, monitoring and financial advisory services to Holding and the Company, and the parties hereto accordingly wish to provide for CD&R, the C&D Fund, C&D Associates and related persons and affiliates to be indemnified in respect of any such claims and liabilities; and

WHEREAS, the parties hereto recognize that claims might be made against and liabilities incurred by directors and officers of Holding and the Company in connection with their acting in such capacity, and accordingly wish to provide for such directors and officers to be indemnified to

the fullest extent permitted by law in respect of any such claims and liabilities;

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

1. Definitions.

(a) "Claim" means, with respect to any Indemnitee, any claim against such Indemnitee involving any Obligation with respect to which such Indemnitee may be entitled to be defended and indemnified by Holding or the Company under this Agreement.

(b) "Consulting Agreement" means the Consulting Agreement, dated as of the date hereof, among Holding, the Company and CD&R, as the same may be amended, waived, modified or supplemented from time to time.

(c) "Indemnitee" means each of CD&R, the C&D Fund, C&D Associates and their respective directors, officers, partners, employees, agents, advisors, representatives and controlling persons (within the meaning of the Securities Act of 1933, as amended (the "Securities Act")) and each other person who is or becomes a director or an officer of Holding or the Company.

(d) "Obligations" means, collectively, any and all claims, obligations, liabilities, causes of actions, actions, suits, proceedings, investigations, judgments, decrees, losses, damages, fees, costs and expenses (including without limitation interest, penalties and fees and disbursements of attorneys, accountants, investment bankers and other professional advisors), in each case whether incurred, arising or existing with respect to third parties or otherwise at any time or from time to time.

(e) "Related Document" means any agreement, certificate, instrument or other document to which Holding or the Company may be a party or by which it or any of its properties or assets may be bound or affected from time to time relating in any way to any Securities Offering or any of the transactions contemplated thereby, including without limitation, in each case as the same may be amended, modified, waived or supplemented from time to time, (A) any registration statement filed by or on behalf of Holding or the Company with the Securities and Exchange Commission (the "Commission") in connection with any Securities Offering, including all exhibits, financial statements and schedules appended thereto, and any submissions to the Commission in connection therewith, (B) any prospectus, preliminary or otherwise, included in such registration statements or otherwise filed by or on behalf of Holding or the Company in connection with any Securities Offering or used to offer or confirm sales of their respective securities in any Securities Offering, (C) any private placement or offering memorandum or circular, or other information or materials distributed by or on behalf of Holding, the Company or any placement agent, initial purchaser or underwriter in connection with any Securities Offering, (D) any federal, state or foreign securities law or other governmental or regulatory filings or applications made in connection with any Securities Offering, the Acquisition or any of the transactions contemplated thereby, (E) any underwriting, subscription, purchase, option or registration rights agreement or plan entered into or adopted by Holding or the Company in connection with any Securities Offering or (F) any purchase, repurchase, redemption or other agreement entered into by Holding or the Company in connection with any Redemption.

(f) "Subsidiary" means each corporation or other person or entity in which Holding or the Company owns or controls, directly or indirectly, capital stock or other

equity interests representing at least 50% of the outstanding voting stock or other equity interests.

2. Indemnification.

(a) Each of Holding and the Company, jointly and severally, agrees to indemnify, defend and hold harmless each Indemnitee:

(i) from and against any and all Obligations in any way resulting from, arising out of or in connection with, based upon or relating to (A) the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any other applicable securities or other laws, in connection with any Securities Offering, any Related Document or any of the transactions contemplated thereby, (B) any other action or failure to act of Holding, the Company, any Subsidiary or any of their predecessors, whether such action or failure has occurred or is yet to occur or (C) except to the extent that any such Obligation is found in a final judgment by a court of competent jurisdiction to have resulted from the gross negligence or intentional misconduct of CD&R, the performance by CD&R of management consulting, monitoring, financial advisory or other services for Holding or the Company (whether pursuant to the Consulting Agreement or otherwise); and

(ii) to the fullest extent permitted by Delaware law, from and against any and all Obligations in any way resulting from, arising out of or in connection with, based upon or relating to (A) the fact that such Indemnitee is or was a director or an officer of Holding or the Company, as the case may be, or is or was serving at the request of such corporation as a director, officer, employee or agent of or advisor or consultant to another corporation, partnership, joint venture, trust or other enterprise or (B) any breach or

alleged breach by such Indemnitee of his or her fiduciary duty as a director or an officer of Holding or the Company, as the case may be;

in each case including but not limited to any and all fees, costs and expenses (including without limitation fees and disbursements of attorneys) incurred by or on behalf of any Indemnitee in asserting, exercising or enforcing any of its rights, powers, privileges or remedies in respect of this Agreement or the Consulting Agreement.

(b) Without in any way limiting the foregoing Section 2(a), each of Holding and the Company agrees, jointly and severally, to indemnify, defend and hold harmless each Indemnitee from and against any and all Obligations resulting from, arising out of or in connection with, based upon or relating to liabilities under the Securities Act, the Exchange Act or any other applicable securities or other laws, rules or regulations in connection with (i) the inaccuracy or breach of or default under any representation, warranty, covenant or agreement in any Related Document, (ii) any untrue statement or alleged untrue statement of a material fact contained in any Related Document or (iii) any omission or alleged omission to state in any Related Document a material fact required to be stated therein or necessary to make the statements therein not misleading. Notwithstanding the foregoing, neither Holding nor the Company shall be obligated to indemnify such Indemnitee from and against any such Obligation to the extent that such Obligation arises out of or is based upon an untrue statement or omission made in such Related Document in reliance upon and in conformity with written information furnished to Holding or the Company, as the case may be, in an instrument duly executed by such Indemnitee and specifically stating that it is for use in the preparation of such Related Document.

3. Contribution.

(a) Except to the extent that Section 3(b) is applicable, if for any reason the indemnity provided for in Section 2(a) is unavailable or is insufficient to hold harmless any Indemnitee from any of the Obligations covered by such indemnity, then Holding and the Company, jointly and severally, shall contribute to the amount paid or payable by such Indemnitee as a result of such Obligation in such proportion as is appropriate to reflect (i) the relative fault of each of Holding, the Company and their Subsidiaries, on the one hand, and such Indemnitee, on the other, in connection with the state of facts giving rise to such Obligation, (ii) if such Obligation results from, arises out of, is based upon or relates to any Securities Offering, the relative benefits received by each of Holding, the Company and their Subsidiaries, on the one hand, and such Indemnitee, on the other, from such Securities Offering and (iii) if required by applicable law, any other relevant equitable considerations.

(b) If for any reason the indemnity specifically provided for in Section 2(b) is unavailable or is insufficient to hold harmless any Indemnitee from any of the Obligations covered by such indemnity, then Holding and the Company,jointly and severally, shall contribute to the amount paid or payable by such Indemnitee as a result of such Obligation in such proportion as is appropriate to reflect (i) the relative fault of each of Holding, the Company and their Subsidiaries, on the one hand, and such Indemnitee, on the other, in connection with the information contained in or omitted from any Related Document, which inclusion or omission resulted in the inaccuracy or breach of or default under any representation, warranty, covenant or agreement therein, or which information is or is alleged to be untrue, required to be stated therein or necessary to make the statements therein not misleading, (ii) the relative benefits received by Holding, the Company and their Subsidiaries, on the one hand, and such Indemnitee, on the other, from such Securities Offering and (iii) if required

by applicable law, any other relevant equitable considerations.

(c) For purposes of Section 3(a), the relative fault of each of Holding, the Company and their Subsidiaries, on the one hand, and of the Indemnitee, on the other, shall be determined by reference to, among other things, their respective relative intent, knowledge, access to information and opportunity to correct the state of facts giving rise to such Obligation. For purposes of Section 3(b), the relative fault of each of Holding, the Company and their Subsidiaries, on the one hand, and of the Indemnitee, on the other, shall be determined by reference to, among other things, (i) whether the included or omitted information relates to information supplied by Holding, the Company or a Subsidiary, on the one hand, or by such Indemnitee, on the other, and (ii) their respective relative intent, knowledge, access to information and opportunity to correct such inaccuracy, breach, default, untrue or alleged untrue statement, or omission or alleged omission. For purposes of Section 3(a) or 3(b), the relative benefits received by each of Holding, the Company and their Subsidiaries, on the one hand, and the Indemnitee, on the other, shall be determined by weighing the direct monetary proceeds to Holding, the Company and their Subsidiaries, on the one hand, and such Indemnitee, on the other, from such Securities Offering.

(d) The parties hereto acknowledge and agree that it would not be just and equitable if contributions pursuant to Section 3(a) or 3(b) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in such respective Section. Holding and the Company shall not be liable under Section 3(a) or 3(b), as applicable, for contribution to the amount paid or payable by any Indemnitee except to the extent and under such circumstances as Holding or the Company would have been

liable to indemnify, defend and hold harmless such Indemnitee under the corresponding Section 2(a) or 2(b), as applicable, if such indemnity were enforceable under applicable law. No Indemnitee shall be entitled to contribution from Holding or the Company with respect to any Obligation covered by the indemnity specifically provided for in Section 2(b) in the event that such Indemnitee is finally determined to be guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such Obligation and Holding and the Company are not guilty of such fraudulent misrepresentation.

4. Indemnification Procedures.

(a) Whenever any Indemnitee shall have actual knowledge of the reasonable likelihood of the assertion of a Claim, CD&R (acting on its own behalf or, if requested by any such Indemnitee other than itself, on behalf of such Indemnitee) or such Indemnitee shall notify Holding or the Company, as the case may be, in writing of the Claim (the "Notice of Claim") with reasonable promptness after such Indemnitee has such knowledge relating to such Claim and has notified CD&R thereof. The Notice of Claim shall specify all material facts known to CD&R (or if given by such Indemnitee, such Indemnitee) that give rise to such Claim and the monetary amount or an estimate of the monetary amount of the Obligation involved if CD&R (or if given by such Indemnitee, such Indemnitee) has knowledge of such amount or a reasonable basis for making such an estimate. The failure to give such Notice of Claim shall not relieve Holding and the Company of their respective indemnification obligations under this Agreement except to the extent that such omission results in a failure of actual notice to them and they are materially injured as a result of the failure to give such Notice of Claim. Holding and the Company shall, at their expense, undertake the defense of such Claim with attorneys of their own choosing satisfactory in all re-

spects to CD&R. CD&R may participate in such defense with counsel of CD&R's choosing at the expense of Holding and the Company. In the event that none of Holding and the Company undertakes the defense of the Claim within a reasonable time after CD&R has given the Notice of Claim, CD&R may, at the expense of Holding and the Company and after giving notice to Holding and the Company of such action, undertake the defense of the Claim and compromise or settle the Claim, all for the account of and at the risk of Holding and the Company. In the defense of any Claim, Holding and the Company shall not, except with the consent of CD&R, consent to entry of any judgment or enter into any settlement that includes any injunctive or other non-monetary relief, or that does not include as an unconditional term thereof the giving by the person or persons asserting such Claim to each Indemnitee of a release from all liability with respect to such Claim. In each case, CD&R and each other Indemnitee seeking indemnification hereunder will cooperate with Holding and the Company, so long as Holding and the Company are conducting the defense of the Claim, in the preparation for and the prosecution of the defense of such Claim, including making available evidence within the control of CD&R or such Indemnitee, as the case may be, and persons needed as witnesses who are employed by CD&R or such Indemnitee, as the case may be, in each case as reasonably needed for such defense and at cost, which cost, to the extent reasonably incurred, shall be paid by Holding and the Company.

(b) Holding and the Company hereby agree to advance costs and expenses, including attorney's fees, incurred by CD&R (acting on its own behalf or, if requested by any such Indemnitee other than itself, on behalf of such Indemnitee) or any Indemnitee in defending any Claim in advance of the final disposition of such Claim upon receipt of an undertaking by or on behalf of CD&R or such Indemnitee to repay amounts so advanced if it shall ultimately be determined that CD&R or such Indemnitee is not entitled to

be indemnified by Holding and the Company as authorized by this Agreement.

(c) CD&R shall notify Holding and the Company in writing of the amount of any Claim actually paid by CD&R (the "Notice of Payment"). The amount of any Claim actually paid by CD&R shall bear simple interest at the rate equal to the prime rate most recently set forth in The Wall Street Journal as of the date of such payment plus 2% per annum, from the date Holding or the Company receives the Notice of Payment to the date on which Holding or the Company shall repay the amount of such Claim plus interest thereon to CD&R.

5. Certain Covenants. Holding agrees to cause the Company to perform its obligations under this Agreement. The rights of each Indemnitee to be indemnified under any other agreement, document, certificate or instrument or applicable law are independent of and in addition to any rights of such Indemnitee to be indemnified under this Agreement. The rights of each Indemnitee and the obligations of Holding and the Company hereunder shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnitee. Each of Holding and the Company shall maintain the State of Delaware as its state of incorporation and shall implement and maintain in full force and effect any and all corporate charter and by-law provisions that may be necessary or appropriate to enable it to carry out its obligations hereunder to the fullest extent permitted by Delaware corporate law, including without limitation a provision of its certificate of incorporation eliminating liability of a director for breach of fiduciary duty to the fullest extent permitted by Section 102(b)(7) (or any successor section thereto) of the General Corporation Law of the State of Delaware, as it may be amended from time to time.

6. Notices. All notices and other communications hereunder shall be in writing and shall be delivered by certified or registered mail (first class postage prepaid and return receipt requested), telecopier, overnight courier or hand delivery, as follows:

(a) if to the Company, to:

WESCO Distribution, Inc.
One Riverfront Center
Pittsburgh, Pennsylvania 15222
Attention: Secretary

Telecopier: (412) 642-3467

(b) if to Holding, to it care of the Company at the address set forth above

(c) if to CD&R, to:

Clayton, Dubilier & Rice, Inc.
126 East 56th Street
New York, New York 10022
Attention: Alberto Cribiore

Telecopier: (212) 752-7629

(d) if to the C&D Fund, to:

The Clayton & Dubilier Private Equity
Fund IV Limited Partnership
270 Greenwich Avenue
Greenwich, Connecticut 06830
Attention: Joseph L. Rice, III

Telecopier: (203) 661-0544

or to such other address or such other person as Holding, the Company, CD&R or the C&D Fund, as the case may be, shall have designated by notice to the other parties hereto. All communications hereunder shall be effective upon receipt by

the party to which they are addressed. A copy of any notice or other communication given under this Agreement shall also be given to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Attention: David Brittenham, Esq.

Telecopier: (212) 909-6836

7. Governing Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the law of the State of New York, regardless of the law that might be applied under principles of conflict of laws, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies, in which case such law shall apply.

8. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

9. Miscellaneous. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and permitted assigns, and each other Indemnitee, but neither this Agreement nor any right, interest or obligation hereunder shall be assigned, whether by operation of law or otherwise, by Holding or the Company without the prior written consent of CD&R and the C&D Fund. This Agreement is not intended to confer any right or remedy hereunder upon any person other than each of the parties hereto and their respective successors and permitted assigns and each other Indemnitee. No amendment, modification, supplement or

discharge of this Agreement, and no waiver hereunder shall be valid and binding unless set forth in writing and duly executed by the party or other Indemnitee against whom enforcement of the amendment, modification, supplement or discharge is sought. Neither the waiver by any of the parties hereto or any other Indemnitee of a breach of or a default under any of the provisions of this Agreement, nor the failure by any party hereto or any other Indemnitee on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right, powers or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any provisions hereof, or any rights, powers or privileges hereunder. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party or other Indemnitee may otherwise have at law or in equity or otherwise. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement by their authorized representatives as of the date first above written.

CDW HOLDING CORPORATION

By: /s/ Alexander F. Brigham

Name: Alexander F. Brigham
Title: Vice President and Assistant Secretary

CDW ACQUISITION CORPORATION
(to be renamed WESCO Distribution, Inc.)

By: /s/ William A. Barbe

Name: William A. Barbe
Title: Vice President and Secretary

CLAYTON, DUBILIER & RICE, INC.

By: /s/ Alberto Cribiore

Name: Alberto Cribiore
Title: Vice President

THE CLAYTON & DUBILIER PRIVATE EQUITY FUND IV LIMITED PARTNERSHIP

By: Clayton & Dubilier

Associates IV Limited
Partnership, the General Partner

By: /s/ Alberto Cribiore
---
a general partner

EXHIBIT 10.8

NON-COMPETITION AGREEMENT

NON-COMPETITION AGREEMENT, dated as of February 28, 1994, between Westinghouse Electric Corporation, a Pennsylvania corporation (the "Seller"), and CDW Holding Corporation, a Delaware corporation (the "Buyer").

W I T N E S S E T H:
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WHEREAS, the Seller and the Buyer have entered into an Asset Acquisition Agreement, dated as of February 15, 1994 (the "Asset Acquisition Agreement", capitalized terms used herein without definition having the respective meanings given in the Asset Acquisition Agreement); and

WHEREAS, the Asset Acquisition Agreement provides that the Seller shall enter into a non-competition agreement with the Buyer;

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

1. Non-Competition. The Seller shall not, and shall not permit any of its Affiliates to, for a period of five years from the date of this Agreement, own and operate a Chain of Branches, provided that nothing herein shall prohibit the Seller or any of its Affiliates from:

(a) maintaining and continuing in accordance with current and past practice the operations of the internal organizations and divisions of the Seller and any of its current Affiliates identified on Schedule A;

(b) continuing to own any shares of capital stock, partnership or other equity interests in any Person owned by the Seller or any of

its Affiliates as of the date of this Agreement;

(c) acquiring shares of capital stock, partnership or other equity interests in any Person that is engaged in the ownership and operation of a Chain of Branches, provided that such interests are minority interests of 5% or less;

(d) acquiring shares of capital stock, partnership or other equity interests in any Person provided that the annual revenues of such Person from the ownership and operation of a Chain of Branches did not exceed 10% of such Person's total revenues on a consolidated basis for the last complete fiscal year prior to the acquisition, provided that if such Person is or becomes an
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Affiliate of the Seller and such annual revenues thereafter exceed 10% of such Person's total revenues, the Seller shall cause such Person to use all commercially reasonably efforts to cease its ownership and operation of such Chain of Branches on commercially reasonably terms as soon as practicable; and

(e) acquiring shares of capital stock, partnership or other equity interests in any Person with annual revenues from the ownership and operation of a Chain of Branches constituting 10% or more of such Person's total revenues on a consolidated basis for the last complete fiscal year prior to the acquisition, provided that such
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Person becomes an Affiliate of the Seller as a result of such acquisition and that the Seller shall cause such Person to use all commercially reasonably efforts to cease its ownership and operation of such Chain of Branches on

commercially reasonable terms as soon as practicable.

For purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" - of a Person, means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person, provided that the term "Affiliate" shall not include any Plan. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Branch" - a whole sale distributor of Electrical Products, other than any wholesale distributor (a) solely of Electrical Products of the type manufactured by the Seller or any of its current Affiliates, (b) whose wholesale distribution of Electrical Products is solely ancillary to the provision of services or (c) whose wholesale distribution of Electrical Products arises solely out of the repair, refurbishment and resale of used electrical products.

"Chain" - a network of 10 or more locations in North America or a network of three or more locations in any standard metropolitan statistical area in North America.

"Electrical Products" - any product (a) of the type typically sold by the Business on or prior to the Closing Date and (b) to the extent not covered under the preceding clause (a), sold under or associated with the Cutler-Hammer trademark and available to the Business under the WESCO Distributor Agreement for sale on or prior to the Closing Date.

2. Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

3. Notices. All notices and other communications made in connection with this Agreement shall be in writing. Any notice or other communication in connection herewith shall be deemed duly given (a) two Business Days after it is sent by express, registered or certified mail, return receipt requested, postage prepaid or (b) one Business Day after it is sent by overnight courier, in every case, addressed as follows:

(i) if to the Company or the C&D Fund:

CDW Holding Corporation
c/o The Clayton & Dubilier Private Equity Fund IV Limited Partnership
270 Greenwich Avenue
Greenwich, CT 06830
Telecopy: (203) 661-0544
Telephone: (203) 661-3998
Attention: Clayton & Dubilier Associates IV Limited Partnership, attention: Joseph L. Rice, III, a general partner

with a copy to:

Clayton, Dubilier & Rice, Inc.
126 East 56th Street
New York, New York 10022
Telecopy: (212) 752-7629
Telephone: (212) 355-0740
Attention: Alberto Cribiore

and to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
Telecopy: (212) 909-6836
Telephone: (212) 909-6000
Attention: Steven Ostner, Esq.

(ii) if to Westinghouse,

Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
11 Stanwix Center
Pittsburgh, PA 15222
Telecopy: (412) 642-3393
Telephone: (412) 244-2000
Attention: Thomas P. Costello,
Group President

with a copy to the attention
of Louis J. Briskman, General Counsel
(telecopy: (412) 642-5671)

or, in each case, at such other address as may be specified in writing to the other parties hereto. Any party may give any notice or other communication in connection herewith using any other means (including, without limitation, personal delivery, messenger service, telecopy, telex or ordinary mail), but no such notice or other communication shall

be deemed to have been duly given unless and until it is actually received by the individual for whom it is intended.

4. Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

5. Entire Agreement. This Agreement, together with the Acquisition Agreements and the Collateral Agreements, constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

7. Governing Law. This Agreement shall be governed in all respects, including, but not limited to, as to validity, interpretation and effect, by the internal laws of the State of New York, without giving effect to the conflict of laws rules thereof.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

9. Assignment. This Agreement shall not be assignable by the Buyer without the prior written consent of the Seller or by the Seller without the prior written consent of the Buyer, provided that the Buyer may assign this Agreement (a) to any other Buyer Party as contemplated by Article II of the Acquisition Agreement, (b) to any lender to the Buyer or any Subsidiary or Affiliate thereof as security for obligations to such lender in respect of the financing arrangements entered into in connection with the transactions contemplated hereby and any refinancings, ex-

tensions, refundings or renewals thereof or (c) subsequent to the Closing, to any transferee of all or substantially all of the assets of the Business that executes a written assumption of the obligations of the Buyer Parties under the Acquisition Agreement, the Canadian Asset Purchase Agreement and the Collateral Agreements (other than the Option Agreement and the Registration and Participation Agreement).

10. No Third Party Beneficiaries. Nothing in this Agreement shall confer any rights upon any person or entity other than the Buyer Parties and their respective heirs, successors and permitted assigns.

11. Amendment; Waivers. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time.

12. Consent to Jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby (and agrees not to commence any such suit, action or proceeding except in such courts). Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any such suit, action or proceeding. Each party irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding in (i) the Supreme Court of the State of New York, New York County, and (ii) the United States District Court for the Southern District of New York, that

any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

13. Waiver of Jury Trial. Each party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding arising out of this Agreement or any transaction contemplated hereby. Each party (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties have been induced to enter into the Agreement by, among other things, the mutual waivers and certifications in this Section 13.

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

CDW HOLDING CORPORATION

By /s/ Alexander F. Brigham

Name: Alexander F. Brigham
Title: Vice President &
Assistant Secretary

WESTINGHOUSE ELECTRIC
CORPORATION

By /s/ Richard T. O'Connor

Name: Richard T. O'Connor
Title: Assistant Treasurer

SCHEDULE A

Energy Systems Business Unit

Power Generation Business Unit

Knoll Group Inc.

EXHIBIT 10.9

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT ("Agreement"), amending and restating that certain Employment Agreement made by and between the parties hereto as of February 15, 1990, is made and entered into as of the 2nd day of April, 1996, by and between EESCO, INC., a Delaware corporation (the "Company"), and STANLEY C. WEISS, an individual resident of Illinois ("Executive").

WITNESSETH:

WHEREAS, Executive presently serves as Chairman and Chief Executive Officer of the Company under the terms and conditions of an Employment Agreement by and between the parties hereto dated as of February 15, 1990 (the "Original Agreement"); and

WHEREAS, it is a condition to the acquisition (the "Stock Purchase"), pursuant to a Stock Purchase Agreement dated as of March 12, 1996, of EESCO EQUITY CORPORATION, an Illinois corporation of which the Company is a subsidiary, that the Original Agreement be amended and restated to reflect Executive's employment by the Company as an Executive Vice President, and Executive desires to continue to serve the Company in that capacity under the terms and conditions hereinafter provided;

NOW, THEREFORE, the Company and the Executive, each intending to be legally bound, hereby mutually covenant and agree that the Original Agreement is hereby amended and restated effective as of the closing of the Stock Purchase as follows:

1. Employment and Term. The Company hereby employs the Executive as Executive Vice President for the term commencing on the date hereof and continuing until December 31, 1998, and the Executive hereby accepts such

employment, subject to earlier termination in accordance with Section 5.

2. Position and Duties. During the period of his employment as provided in Section 1 hereof, the Executive shall serve as an Executive Vice President of the Company reporting to the President and Chief Executive Officer of the Company, and shall have such duties as may be reasonably assigned to him from time to time.

3. Compensation.

(a) For his services performed pursuant to this Agreement, during the period of employment as provided in Section 1 hereof, the Company shall pay the Executive a base salary at the rate of $300,000 per annum ("Base Salary"), payable in accordance with the Company's regular payroll practices.

(b) In addition to the Base Salary to be paid to the Executive pursuant to Section 3(a) and subject to eligibility requirements, during the period of his employment as provided in Section 1 hereof the Executive shall be entitled to participate in all general pension, medical, hospitalization, disability, insurance, travel and automobile expense reimbursement and club membership programs and practices or similar plans and programs maintained by the Company for its salaried employees and shall be afforded such other employee benefits as are from time to time generally afforded salaried employees of the Company. Except as provided in Section 3(c), the Executive's participation in the Company's employee benefit programs and practices shall be on the same basis as the participation of the other salaried employees of the Company and in accordance with the Company's usual policies and practices.

(c) (i) During each fiscal year of the Company during the term of this Agreement, the Executive shall have the opportunity to earn an incentive bonus not to exceed 75% of his Base Salary of $300,000 (the "Incentive Bonus"). Incentive Bonus shall be earned for any fiscal year based on the attainment of annual goals set by the Company for the performance, profitability and business growth of the Company, as defined annually by the Company and with the weight given to each factor determined annually by the Company. Incentive Bonus earned for any fiscal year shall be paid to the Executive within sixty (60) days of the end of such fiscal year.

(ii) Whether or not the Executive continues to be employed hereunder, from the date of this Agreement through December 31, 1998, the Company shall maintain life insurance on Executive's life, the beneficiary of which shall be as designated by Executive from time to time, in an amount equal to $800,000. Whether or not the Executive has continued his employment hereunder, beginning January 1, 1999, the Company shall for a period of ten years provide $1,000,000 of term life insurance coverage to the Executive.

(iii) The Executive shall be permitted to continue to use his current Company-provided automobile until the earlier of the expiration of the term of the lease of said automobile or the expiration of the term of this Agreement, at which time, if the Executive is alive, the Company shall provide the Executive with clear title to such automobile.

(iv) The Executive shall be entitled to four (4) weeks of paid vacation annually.

(v) The Company shall reimburse the Executive annually during the term of this Agreement for documented professional expenses rendered to Executive for accounting, legal and/or financial advice, such amount not to exceed $6,000.

(vi) In the event of employment termination (regardless of reason), the Company shall pay Executive an amount (including a 40% tax gross-up) that may be used at Executive's option to cover continuation of medical benefits through COBRA for the group medical plan in place for the Executive and his spouse at the time of termination. The payment shall be equivalent to the amount required at the premium rate in effect on the termination date for 18 months of COBRA continuation. If the Executive and/or his spouse elects medical coverage under Medicare, COBRA coverage will cease and the Company will have no further obligation to Executive for any further medical coverage for Executive and/or his spouse.

(vii) Any club membership benefit provided by the Company shall include payments for monthly membership dues and business-related expenses, but shall not include payment of any special assessments.

(d) The Company will reimburse Executive for all reasonable and necessary expenses incurred by Executive on behalf of the Company in accordance with the standard policies of the Company.

(e) In the event of a permitted assignment of this Agreement by the Company in accordance with the provisions of Section 8 hereof, this Agreement shall be interpreted so that (i) reference to employee benefit plans, programs
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and arrangements of the Company shall mean such plans, programs and arrangements of such assignee, (ii) the Executive shall be credited, for purposes of any such
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plans, programs or arrangements of such assignee, with years of service equal to the number of whole years he was employed by the Company and (iii) the
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Executive's obligations under Section 4 hereof shall run equally to the Company, if it is still in existence, and such assignee; provided, however, that the
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Executive shall have no obligation under Section 4(c) hereof with respect to any business of which he was not aware during his employment hereunder.

4. Covenants of the Executive. In order to induce the Company to enter into this Agreement, the Executive hereby agrees as follows:

(a) Confidentiality. Except with the consent of or as directed by the Company's management or as may be required by law, the Executive shall keep confidential and shall not divulge to any other person or entity, during the term of employment or thereafter, any private, secret, proprietary or confidential information regarding the Company, its assets, business, customers, plans, processes, costs, prices or finances.

(b) Records. All papers, books, and records of every kind and description relating to the business and affairs of the Company, whether or not prepared by the Executive, and in whatever form they may exist, whether confidential or not, including any and all copies thereof, shall be the sole and exclusive property of the Company, and the Executive shall surrender them to the Company at any time upon request by the Board.

(c) Non-Competition/Non-Solicitation. The Executive shall not, (i) while employed by the Company or (ii) regardless of whether the Executive is so employed, during the period of his employment by the Company hereunder and for five (5) years after the termination or expiration of this Agreement, in the United States of America by himself or in partnership or as an equity owner or in conjunction with, or as an employee, agent, consultant, unpaid adviser, manager or director of any other person, business, firm, corporation or other entity, either directly or indirectly, (A) undertake or carry on or be engaged or have any financial or other interest in, or in any other manner advise or assist any person, firm, corporation or other entity engaged or interested in, any business in which the Company is engaged, or in which the Company is actively planning to engage, to the knowledge of the Executive acquired during the term of his employment, or (B) solicit

or contact any customer, vendor or employee of the Company for any commercial purpose detrimental to the Company.

(d) Assignment of Ownership. The Executive hereby assigns to the Company, its successors and assigns, his entire right, title and interest in and to all ideas, conceptions, discoveries and/or inventions, whether patentable or not, and whether developed by the Executive alone or jointly with others, which are conceived, made, or developed during the course of his employment and relate in any way to the research, product development or business of the Company (collectively, "Ideas"). All Ideas of the Executive made within one (1) year following the date of termination of his employment shall be presumed to have been made as a result of his employment with the Company and are hereby assigned to the Company. The Executive shall execute, from time to time, such supplemental assignments and other documents in favor of the Company for any and all such Ideas.

(e) Enforcement. The Executive agrees and warrants that the covenants contained herein are reasonable, that valid consideration has been received therefor and that the agreements set forth herein are the result of arm's-length negotiations between the parties hereto. The Executive recognizes that the provisions of this Section 4 are vitally important to the continuing welfare of the Company and that any violation of this Section 4 will adversely affect the financial interest of the Company. The Executive accordingly acknowledges that money damages construe an inadequate remedy for any violation of this Section 4. In the event of any such violation by the Executive, the Company, in addition to any other remedies it may have, shall have the right to an injunction to compel specific performance thereof or to restrain any action by the Executive in violation of this Section 4. The Executive further agrees that a judgment for specific performance of this Section 4 may be entered against him, without the necessity of proving actual damages. It is the desire of the parties that the provisions of this Section 4 be

enforced to the fullest extent permissible under the law and public policies in each jurisdiction in which enforcement might be sought. Accordingly, without in any way limiting the general applicability of Section 9, if any particular portion of this Section 4 shall ever be adjudicated as invalid or unenforceable, or if the application thereof to any party or circumstance shall be adjudicated to be prohibited by or invalid under such laws or public policies, such portion of this Section 4 shall be deemed deleted, such deletion to apply only with respect to the operation of this Section 4 in the particular jurisdiction so adjudicating on the parties and under the circumstances as to which so adjudicated and only to the minimum extent so required.

5. Termination. (a) By the Company. This Agreement shall terminate upon the Executive's death or Disability (as hereinafter defined). In addition, the Company may discharge the Executive from his employment with the Company hereunder and cause this Agreement to be terminated at any time for Cause (as hereinafter defined). Any discharge of the Executive for Cause, and the effective date thereof, shall be communicated to the Executive in writing.

(b) By Executive. Executive shall have the right to resign at any time for Good Reason and in that event shall be entitled to payment of his Base Salary for the remainder of the term of this Agreement, and shall be bound by the provision of Section 4(c) solely through December 31, 1998.

(c) Certain Definitions. For purposes of this Agreement:

(i) The term "Cause" shall mean any of the following:

(a) the Executive's commission in the reasonable opinion of the Company, of a criminal, fraudulent or dishonest act with respect to the

Company, the Company's customers, or the Company's vendors; or

(b) the Executive's violation of any policy of the Company known to the Executive, provided that the Company gives the Executive written notice specifying the violation and provides him with twenty (20) days to correct or remedy such violation; or

(c) the Executive's willful misconduct or gross negligence or gross disregard of his duties of performance under this Agreement, provided that the Company gives the Executive written notice specifying the failure and provides him with twenty (20) days to correct such conduct or action (it being understood that failure to meet the financial budget targets set by the Company shall not continue a cause for termination under this clause).

(ii) The term "Disability" shall mean any physical or mental disease or disability which, in the opinion of two licensed physicians, renders the Executive incapable of performing his principal duties required to be performed by him under this Agreement and such disease or disability continues to render him incapable of performing such duties for a continuous period of six months, provided, however, that two periods of disability separated by fewer than thirty (30) days of continuous service shall be deemed to be one continuous period of disability. Of the two licensed physicians, one shall be Executive's personal physician and the other shall be a physician selected by the Company, provided, however, that if such two physicians cannot agree, they shall nominate, by mutual agreement, an additional physician, whose opinion shall be final, to examine Executive.

(iii) The term "Good Reason" shall mean:

(a) Except with his written approval, Executive is removed from the position set forth in Section 1 of this Agreement, his responsibilities are significantly reduced, he is assigned duties inconsistent with such position, or he is assigned to a primary location for fulfilling his obligations outside the Chicago area; or

(b) the Company materially breaches any provision of this Agreement and such breach is not cured within 20 days of the Executive's written notice to the Company identifying the breach; or

(c) without the Executive's written consent, the Company assigns this Agreement in a manner not permitted under Section 8 of this Agreement.

6. Entire Agreement. This Agreement constitutes and expresses the entire agreement of the parties with respect to the subject matter hereof and supersedes and cancels all prior negotiations, discussions, agreements and understandings relating to such subject matter.

7. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first class certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) if to the Company, to:

EESCO, Inc.
3939 South Karlov Avenue
Chicago, IL 60632

(b) to the Executive, to:

Stanley C. Weiss
2924 Washington
Wilmetta, IL 60091

(c) with a copy to:

Neal White, Esquire
McDermott, Will & Emery
227 West Monroe Street
Chicago, IL 60606-5096

Such addresses may be changed by written notice sent to the other party at the last recorded address of that party.

8. Binding Effect and Benefit. This Agreement may not be assigned by either party, whether by operation of law or otherwise, without the prior written consent of the other party, except that any right, title or interest of the Company arising out of this Agreement may be assigned to any corporation controlling, controlled by, or under common control with the Company; provided, however, that no such assignment shall relieve the Company or any permitted assignee of its obligations hereunder without the express written consent of the Executive. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legatees, devisees, personal representatives, successors and assigns.

9. Severability. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such judgement shall not affect, impair or invalidate the remainder of this Agreement.

10. Further Assurances. Each party agrees to cooperate with the other, and to execute and deliver, or cause to be executed and delivered, all such other instruments and documents, and to take all such other

actions as may be reasonably requested of it from time to time, in order to effectuate the provisions and purposes of this Agreement.

11. Amendment. This Agreement can be amended or modified only by a written agreement of the parties hereto.

12. Withholding. The Company shall be entitled to withhold from payments due hereunder any required federal, state or local withholding or other taxes.

13. Counterparts. This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original, but all such counterparts shall constitute one and the same instrument, and all signatures need not appear on any one counterpart.

14. Jurisdiction and Applicable Law. Jurisdiction over disputes with regard to this Agreement shall be exclusively in the courts of the State of Illinois and this Agreement shall be construed and interpreted in accordance with and governed by the laws of the State of Illinois other than the conflict of laws provisions of such laws.

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

EESCO, INC.

By: /s/ S.R.M.

Title: President

EXECUTIVE:

By: /s/ Stanley Weiss

EXHIBIT 10.10

OFFICE LEASE AGREEMENT

BETWEEN

COMMERCE COURT PROPERTY HOLDING TRUST, Landlord

AND

WESCO DISTRIBUTION, INC., Tenant

DATED: May 24, 1995

TABLE OF CONTENTS

SCHEDULE OF LEASE TERMS

1. TENANT: WESCO Distribution, Inc., having an office at One Riverfront Center, Pittsburgh, Pennsylvania 15222.

2. PREMISES: The premises shown on Exhibit A, initialed and attached hereto, being part of the 6th floor and part of the 7th floor of the Building. The square foot area of the Premises will for all purposes be deemed to be 53,504 square feet of rentable area.

3. TERM: September 1, 1995 ("Commencement Date") to August 31, 2002 ("Expiration Date"), together with any extension of renewal thereof.

4. RENT: (a) Total Minimum Rent: $6,741,504 payable in equal monthly installments as follows:

MONTH(S)	MONTHLY INSTALLMENT	COST PER RENTABLE SQUARE FOOT PER ANNUM
September 1, 1995 through August 31, 2002	$ 80,256	$ 18.00

Total Minimum Rent and the monthly installments thereof shall be subject to Paragraph 46 of this Lease.

(b) Additional Rent: as set forth in Lease.

5. SECURITY DEPOSIT: Not applicable.

6. TENANT'S PROPORTIONATE SHARE: 16.21% (53,504 sq.ft./330,109 sq. ft.) (300,109 square feet is the rentable square footage of the office portion of the Building.)

7. BASE YEAR: 1995.

8. USE OF PREMISES: General office use.

9. ADDRESS FOR PAYMENT OF RENT: Commerce Court Property Holding Trust
c/o Management Office
Four Station Square
Pittsburgh, Pennsylvania 15219

10. BROKERS INVOLVED IN LEASE: Grubb & Ellis and Pennsylvania Commercial Real Estate, Inc.

Landlord's initials:

/s/
- ----------

Tenant's initials:

/s/
- ----------

COMMERCE COURT BUILDING

LEASE

PARTIES

1. THIS LEASE is made and entered into this _____ day of May, 1995, by and between COMMERCE COURT PROPERTY HOLDING TRUST, a Pennsylvania business trust, having an office at c/o Management Office, Commerce Court Building, Four Station Square, Suite 760, Pittsburgh, Pennsylvania 15219 ("Landlord"), and the tenant ("Tenant") referred to in Paragraph 1 of the Schedule of Lease Terms which is annexed to the front of this Lease ("Schedule of Lease Terms").

SCHEDULE OF LEASE TERMS

2. Landlord and Tenant agree that the Schedule of Lease Terms (including without limitation all defined terms used therein) is hereby incorporated by reference into this Lease and that the provisions are binding on Landlord and Tenant. In the event of any discrepancy, inconsistency or ambiguity between the Schedule of Lease Terms and any other provision of this Lease, the Schedule of Lease Terms shall govern.

PREMISES

3. Landlord hereby leases to Tenant, and Tenant hereby takes and hires from Landlord the Premises (as defined in the Schedule of Lease Terms) for the Term and upon the conditions and agreements set forth in this Lease, which Premises are located in the Commerce Court Building, Four Station Square, City of Pittsburgh, Allegheny County, Pennsylvania 15219 (said Commerce Court Building, together with all or any portion thereof, being referred to herein as the "Building"). The parties hereby agree that the number of rentable square feet in the Premises is set forth on the Schedule of Lease Terms. The Tenant acknowledges and agrees that (a) the square feet of rentable area in the Premises is greater than the square feet of "usable area" in the Premises, (b) the rent for the Premises has been calculated based upon the square feet of rentable area in the Premises (and not upon the square feet of usable area in the Premises), and (c) the square feet of rentable area in the Premises set forth on the Schedule of Lease

Terms will for all purposes be deemed to be the square feet of rentable area in the Premises.

Tenant shall have the right to use the fire stairs between the 6th and 7th floor portions of the Premises as a communicating stairwell (i.e. Tenant's employees may utilize such stairwell to walk between the floors), provided that as part of the work to be performed by Tenant pursuant to the Work Agreement (as hereinafter defined), Tenant shall install and maintain card readers (or other reasonably acceptable security systems) as a security device on the doors on the 6th and 7th floors of the Building leading to and from the eastern stairwell adjacent to the freight elevators in the Building. Such card readers and Tenant's use of the fire stairwell must be in compliance with all applicable health, fire and safety laws, rules and regulations and Landlord's insurance company requirements.

TERM AND POSSESSION

4. The Term shall commence on the Commencement Date (as defined in the Schedule of Lease Terms) and end at 5:00 o'clock p.m. on the Expiration Date (as defined in the Schedule of Lease Terms), unless sooner terminated or extended as may be hereinafter provided.

If Landlord fails i) to tender possession of the Premises on or before the Commencement Date, or ii) to timely substantially complete the work to be performed by Landlord pursuant to subparagraph (a) of the Work Agreement ("Landlord's Work"), for any reason other than an omission, delay or default caused by Tenant or Tenant's agents, then the Abatement Period (as defined in Paragraph 46 hereof) and the Term shall be extended on a day-by-day basis for each day that Landlord does not so tender possession of the Premises or timely substantially complete Landlord's Work. Tenant hereby accepts such abatement and extension of the Term in full settlement of any and all claims Tenant may have against Landlord arising from Landlord's failure to tender possession on the Commencement Date or to timely substantially complete Landlord's Work. Additionally, such day-for-day extension of the Abatement Period and Term shall apply for each day beyond September 1, 1995, but in no event beyond September 30, 1995, that Tenant has been unable to substantially complete the Tenant Improvements (as defined in the Work Agreement). Notwithstanding the foregoing, in the event that the Landlord fails to tender possession of the Premises to Tenant, with Landlord's Work substantially completed, on or before October 1, 1995, for any reason other than an omission, delay or default caused by i) Tenant or Tenant's agents, or ii) one of the matters described in Paragraph 29 hereof,

Tenant shall have the right, by providing written notice to Landlord after such date but prior to the Premises becoming available for occupancy, to cancel this Lease whereupon this Lease shall become null and void and each party shall be relieved of any further liability to the other. For purposes hereof, the timely substantial completion of Landlord's Work shall be determined in accordance with a schedule to be agreed upon by Landlord and Tenant promptly following execution hereof by both parties.

Tenant, by its taking possession of the Premises for purposes of occupying the same for use as a business office [(but not, for purposes of performing the Tenant Improvements (as defined in the Work Agreement)], thereby acknowledges that it has inspected the Premises and any improvements made pursuant to the Work Agreement described in Paragraph 5 hereof and thereby accepts the Premises and any such improvements in their then present condition and as suited for the use intended by Tenant, subject to the repair by Landlord of any latent defects in Landlord's Work.

COMPLETION OF IMPROVEMENTS

5. Contemporaneously with the execution of this Lease, Landlord and Tenant have entered into an agreement setting forth the improvements to be made to the Premises (the "Work Agreement"), attached hereto as Exhibit B and incorporated by reference herein. Title to the improvements shall vest in the Landlord immediately upon installation on the Premises.

RENT

6. Tenant shall pay to Landlord the Total Minimum Rent (as defined in the Schedule of Lease Terms). The Total Minimum Rent shall be paid in the monthly installments set forth on the Schedule of Lease Terms, each such monthly installment being payable on or before the first business day of each calendar month in advance and without demand, counterclaim (unless Tenant would lose its legal right to bring such counterclaim against Landlord as a result of making such rental payment) or offset, beginning on the Commencement Date and continuing until the Expiration Date. In the event the Commencement Date is a day other than the first business day of a calendar month, Tenant shall pay to Landlord, on or before the Commencement Date, a pro rata portion of the monthly installment of Total Minimum Rent to be based on the number of days remaining in such partial month after the Commencement Date.

Tenant shall also pay to Landlord, in addition to the Total Minimum Rent, in monthly installments, each such monthly installment being payable on or before the first business day of each calendar month, any and all sums of money, charges or other amounts required to be paid by Tenant to Landlord or to another person under this Lease, including, but not limited to, the amounts payable pursuant to Paragraph 8 of this Lease (collectively, "Additional Rent") (the Total Minimum Rent, together with all Additional Rent, being collectively defined as "Rent"). Non-payment of Additional Rent when due shall, at Landlord's option, constitute a default under this Lease to the same extent, and shall entitle the Landlord to the same remedies, as non-payment of Total Minimum Rent.

All payments of Rent shall be mailed to the address set forth in the Schedule of Lease Terms, or to such other address as Landlord from time to time shall designate by written notice to Tenant.

SECURITY DEPOSIT

7. INTENTIONALLY OMITTED.

ADDITIONAL RENT

8. During each calendar year or portion thereof included in the Term, Tenant shall pay to Landlord as Additional Rent Tenant's Proportionate Share of any increase in the following items over (i) the amount paid or accrued by Landlord for such items in the Base Year, plus (ii) for calendar years after 1996, the amount of the 1996 Additional Rent Abatement (as defined in subparagraph 46(b) hereof), if any.

(1) Operating Expenses (as defined in subparagraph (b) hereof); and

(2) Taxes (as defined in subparagraph (c) hereof).

Commencing on January 1, 1996, Landlord and Tenant agree that Tenant shall pay monthly in advance, during the Term on the same day that Rent is paid, an amount equal to one-twelfth of Landlord's estimate of the Operating Expenses and Taxes for such following calendar year. Landlord shall make an estimate of the Operating Expenses and Taxes and notify the Tenant.

On or before May 1, 1997 and thereafter on or before May 1 of each year of the Term, Landlord shall provide Tenant a statement setting forth the actual Operating Expenses and Taxes for the preceding calendar year ("Operating Expense Statement") and a proposed operating budget for such matters for the current calendar year. The Operating Expense Statement shall be certified as true and accurate by Landlord and shall be accompanied by a breakdown of Operating Expenses and Taxes with such supporting detail as shall reasonably be requested in writing by Tenant. Within 30 days after delivery of such statement to Tenant, an adjustment shall thereupon be made between Landlord and Tenant to reflect any difference between Tenant's payment hereunder and the actual Operating Expenses and Taxes for the preceding calendar year and payment shall be made in accordance with the last sentence of this grammatical paragraph. Failure of Landlord to provide such estimates and statements on a timely basis shall not in any way constitute a waiver of Landlord's entitlement to receive such payments, except that Tenant shall not be required to make any payments of Operating Expenses and Taxes requested by Landlord pursuant to a requested adjustment if Landlord has not substantially complied with its obligations pursuant to this grammatical paragraph on or before July 31 of the year in which such adjustment is requested. The foregoing shall not relieve Tenant of its obligation to pay Total Minimum Rent or any portion of Additional Rent, except the portion of Additional Rent that may be requested pursuant to an adjustment request made by Landlord in the year in which Landlord has substantially failed to fulfill its obligations hereunder in accordance with the provisions of this grammatical paragraph. In no event, however, shall the monthly rent paid by Tenant be less than the Rent due pursuant to Paragraph 6 of this Lease and Paragraph 4 of the Schedule of Lease Terms. In the event that the Operating Expense Statement discloses that the Additional Rent paid by Tenant as Tenant's Proportionate Share of Operating Expenses and Taxes is greater or less than the amount actually incurred, the appropriate party shall reimburse the other for such amount within thirty (30) days after the receipt of such statement.

The Operating Expenses and Taxes due under the terms and conditions of this Lease shall be payable by Tenant without any setoff or deduction.

If the Building is less than 95% occupied during 1995 or any calendar year thereafter during the Term, Landlord shall adjust the Operating Expenses (including any management fees) for 1995 or such following calendar year on the basis of a 95% occupancy rate of all rentable area in the Building, for the purposes for which such areas have been constructed, without regard to any

abatements, curtailments or reductions in rent reserved under any lease or any portion of the Building.

For purposes of this Paragraph 8, the following terms shall have the following meanings:

(a) "Base Year" shall mean the year set forth as the Base Year on the Schedule of Lease Terms.

(b) "Operating Expenses" shall mean all expenses, costs and disbursements of every kind and nature which Landlord shall pay or become obligated to pay because of, or in connection with, the management and operation of the Building and the land upon which it is situated (the "Land"), allocable in the reasonable discretion of Landlord to the office premises of the Building, including but not limited to:

(1) Wages and salaries of all employees equal to or below the level of Building Manager engaged in operation and maintenance or security of the Building, including taxes, insurance and benefits related thereto;

(2) All supplies and materials used in the operation and maintenance of the Building;

(3) Cost of all utilities for the Building, including the cost of water and power, heating, lighting, air conditioning and ventilating for the Building, all at Landlord's cost for the same;

(4) Cost of all maintenance and service agreements for the Building and the equipment therein, including alarm service, window cleaning, elevator maintenance and janitorial service;

(5) Cost of all insurance relating to the Building which Landlord is required to maintain hereunder or which Landlord reasonably deems is prudent to maintain;

(6) Cost of repairs and general maintenance (excluding repairs and general maintenance paid by proceeds of insurance or by Tenant or other third parties, and alterations attributable solely to tenants of the Building other than Tenant);

(7) Subject to the items specifically excluded below, the cost of any capital improvements which are intended to reduce Operating Expenses, which cost, together with interest on the unamortized balance at the prime rate of interest as announced from time to time by Mellon Bank, N.A. (the "Prime Rate") or such higher rate as may have been reasonably paid by Landlord on funds borrowed for the purpose of constructing such capital improvements, shall be amortized over the useful life or economic life thereof as shall be determined in accordance with generally accepted accounting standards consistently applied;

(8) Any common area and other costs allocable to the office premises of the Building payable to the Pittsburgh History and Landmarks Foundation (the "Foundation") as provided in the Reciprocal Easement and Operating Agreement in effect between Landlord and the Foundation dated May 19, 1981;

(9) A management fee for the current or any future manager of the Building (the "Manager"), but not in excess of 4% of the annual gross rentals for the Building, excluding leasing or brokerage fees;

(10) Such other costs and expenses as would be construed as operating expenses by a reasonably prudent owner or operator of a first-class building in the City of Pittsburgh.

Anything in this Lease to the contrary notwithstanding, there shall be excluded from Operating Expenses the following items, all determined in accordance with generally accepted accounting principles:

(1) Repairs or other work occasioned by fire, windstorm, other acts of God or other casualty of any insurance nature, or by the exercise of eminent domain;

(2) Marketing costs, leasing commissions, brokerage fees, attorneys' fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with tenants, other occupants, or prospective tenants;

(3) The costs of renovating or otherwise improving or decorating, painting or redecorating space (other than common areas) for

tenants or other occupants, including permit, license and inspection costs for such renovations and improvements;

(4) Landlord's costs for electricity and other services that are sold to tenants and for which Landlord is entitled to a specific reimbursement by tenants as an additional charge;

(5) Costs of a capital nature, including but not limited to capital improvements, capital repairs, capital equipment and capital tools, and alterations which are considered capital improvements and replacements, except depreciation for costs of capital improvements, repairs, equipment, etc. that are made or purchased for the purpose of reducing Operating Expenses or complying with Legal Requirements (as hereinafter defined);

(6) Expenses in connection with services or other benefits of a type provided to another tenant which are not provided to Tenant;

(7) Costs incurred due to violation by Landlord or any other tenant of the terms and conditions of any lease;

(8) Amounts paid to any party, including a division or affiliate of Landlord providing materials, services, labor, or equipment to the extent that such costs exceed the competitive costs of such materials, services, labor or equipment were they provided by an unaffiliated party in any arms-length transaction;

(9) Costs incurred in connection with compliance with handicap, life, fire and safety codes;

(10) Costs incurred in curing a violation of environmental laws regarding the storage, use or disposal or hazardous materials or substances (as defined by applicable laws);

(11) Costs of such nature as to be already included in the management fee paid by Landlord for the Building;

(12) Bad debt loss, rent loss, or reserves for either of them;

(13) Financing costs, including points, commitment fees, broker's fees, legal fees, and mortgage interest and amortization payments;

(14) Costs for sculpture, paintings or other objects of art in excess of amounts typically spent for such items in office buildings of comparable quality in the competitive area of the Building;

(15) Costs, fines or penalties incurred by Landlord due to violations of any Legal Requirements;

(16) Lease payments for rented equipment, the cost of which equipment would constitute a capital expenditure if the equipment were purchased, except equipment leased for the purpose of reducing Operating Expenses or complying with Legal Requirements;

(17) The cost of Building lobby upgrades, upgrades to common areas of the Building, costs of reconstruction of ceilings, costs of sprinklers, HVAC or abatement of hazardous materials or any costs incurred to bring the Building into compliance with the ADA (as hereinafter defined).

Landlord further agrees that since one of the purposes of the Operating Expense provision in this Lease is to allow Landlord to require Tenant to pay for the costs attributable to its Premises, Landlord agrees that (i) Landlord will not collect or be entitled to collect Operating Expenses from all of its tenants in an amount which is in excess of 100 percent of the Operating Expenses actually paid by Landlord in connection with the operation of the Building, and (ii) Landlord shall make no profit from the collection of Operating Expenses from tenants.

Taking into account the different Operating Expenses for the Building tenants, if for any calendar year commencing with 1996, the total increases charged to the Building tenants exceeds 100% of the actual increase in expenses paid by Landlord over the Operating Expenses for the Base Year, then Tenant's Proportionate Share of the amount in excess of 100 percent shall be returned to the Tenant as a credit against monthly Rent paid hereunder.

(c) "Taxes" shall mean all federal, state and local governmental taxes, assessments, and charges (including transit or transit district taxes or assessments) of every kind or nature, whether general, special, ordinary or extraordinary, which Landlord shall pay or become obligated to pay

because of or in connection with the ownership, leasing, management, control, occupancy or operation of the Building or the Land (including without limitation all real estate taxes attributable to the Building and the Land), allocable in the reasonable discretion of Landlord to the office premises of the Building, or any tax against Landlord on rents and/or additional rents from the Building (including without limitation the Pittsburgh Business Privilege Tax) and/or of the personal property, fixtures, machinery, equipment, systems and apparatus located therein or used in connection therewith (including any rental or similar taxes levied in lieu of or in addition to general real and/or personal property taxes) applicable to the Building. For purposes hereof, Taxes for any year shall be Taxes which are due for payment or paid in that year, rather than Taxes which are assessed or become a lien during such year. There shall be included in Taxes for any year the amount of all reasonable fees, costs and expenses (including reasonable attorney's fees) paid by Landlord during such year in seeking or obtaining any refund or reduction of Taxes. The term "real estate taxes" shall mean all taxes and assessments, including special assessments, levied, assessed or imposed at any time by any governmental authority upon or against the Land and the Building, and also any tax or assessment levied, assessed or imposed at any time by any governmental authority in connection with the receipt of income or rents from said Land and Building to the extent that same shall be in lieu of (and/or in lieu of an increase in) all or a portion of any of the aforesaid taxes or assessments upon or against the Land and Building. The term "real estate taxes" shall also include any taxes not presently in effect which may hereafter be assessed and levied by any governmental body or other authority against the Land, Building or Premises. If an assessment payable in installments is levied against the Land or Building, Taxes for any year shall include only the installment of such assessment and any interest payable or paid during such year, and the cost of any assessments shall be amortized over the useful life (determined in accordance with generally accepted accounting principals) of the improvement for which such assessment was made. Taxes shall not include any federal, state or local sales, use, franchise, capital stock, inheritance, general income, gift or estate taxes, except that if a change occurs in the method of taxation resulting in whole or in part in the substitution of any such taxes, or any other assessment, for any Taxes as above defined, such substitution taxes or assessments shall be included in Taxes. Any refund paid to Landlord with respect to Taxes for a particular year within the Term shall be

promptly passed along to Tenant on a pro-rata basis (equal to Tenant's Proportionate Share thereof).

(d) "Tenant's Proportionate Share" shall for all purposes be deemed to be the percentage set forth on the Schedule of Lease Terms.

Landlord and Tenant acknowledge that the amount of Additional Rent payable by Tenant in accordance with this Paragraph 8 could decrease from one calendar year during the Term to the next calendar year, but that in no event, however, shall any monthly installment of Rent paid by Tenant during any such year be less than that specified by Paragraph 6 of this Lease and Paragraph 4 of the Schedule of Lease Terms.

Landlord agrees to maintain records of all costs reimbursable by Tenant under the terms of this Lease. All such records shall be maintained in accordance with generally accepted accounting practices and shall be retained for a period of one (1) year following the date on which such costs were charged to Tenant. Tenant shall have the right, through its representatives, to examine, copy and audit such records at all reasonable times. Each Operating Expense Statement shall be conclusive and binding upon Tenant unless, within one (1) year after the date of such Operating Expense Statement, Tenant shall notify Landlord that it disputes the correctness of Operating Expense Statement, specifying the respects in which the Operating Expense Statement is claimed to be incorrect. Pending the determination of such dispute by agreement or otherwise, Tenant shall pay Additional Rent in accordance with the applicable Operating Expense Statement, and such payment shall be without prejudice to the position of Tenant. If the dispute shall be determined in favor of Tenant, Landlord shall forthwith pay to Tenant the amount of the overpayment by Tenant of Additional Rent resulting from compliance with Landlord's Operating Expense Statement, and, if the amount of overpayment is in excess of 5% of the total Operating Expenses paid by Tenant for such year, Landlord shall also pay to Tenant interest on the amount of such overpayment from the date of overpayment by Tenant at three percent (3%) above the prevailing prime rate where the Property is located. If there is a dispute as to any Operating Expense Statement, either party may refer the matter in dispute to an independent accounting firm selected by both parties whose decision shall be binding. If the parties cannot agree upon an independent accounting firm within thirty (30) days after request by either party, then either party may seek arbitration in accordance with the rules of the American Arbitration Association. The fees and expenses of the accounting firm or the arbitrators shall be borne by the unsuccessful party.

LATE RENTAL PAYMENTS

9. If Tenant fails to pay the Rent due pursuant to Paragraphs 6 and 8 hereof by the fifth day of any calendar month, or if any other Additional Rent due under and pursuant to this Lease is not paid on or before the due date thereof, then Tenant shall pay in addition to the Rent due a late charge equal to 5% of the Rent then due. Furthermore, if the Rent is not then paid within 25 days of the due date thereof, Tenant shall pay interest at the rate (the "Default Rate") equal to the lesser of the (i) highest rate permitted by law or (ii) 2% per annum above the Prime Rate expressed in terms of an annual percentage on any Rent which is not paid when due, said interest to run from the 15th day following the due date thereof until such Rent is paid.

USE OF PREMISES - RULES & REGULATIONS

10. Tenant shall use and occupy the Premises solely for the purpose(s) set forth on the Schedule of Lease Terms. Tenant shall not use or occupy the Premises for any other purpose or business without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Tenant shall observe and comply with the Rules and Regulations, initialed and attached hereto as Exhibit C and made a part hereof. All such Rules and Regulations shall apply to Tenant and its employees, agents, licensees, invitees, sub-tenants and contractors. Any material breach of the Rules and Regulations hereunder shall, at Landlord's option, constitute a default under this Lease to the same extent, and shall entitle the Landlord to the same remedies, as any other default hereunder. Without limitation of any of the other Rules and Regulations, Tenant agrees that it shall not exceed the floor load limit of the Building of 150 pounds per square foot.

Landlord agrees that it shall use diligent efforts to enforce the Rules and Regulations uniformly against all tenants in the Building.

ALTERATIONS AND ADDITIONS

11. (a) Tenant may, at its own expense, and without Landlord's prior consent, make such changes, alterations, additions or improvements to the Premises ("Alterations") and install such Tenant Property (as hereinafter defined) in the Premises as will, in the judgment of Tenant, better adapt the same for its purposes, provided that Tenant must obtain Landlord's prior written consent for any structural or mechanical alterations, which consent shall not be unreasonably withheld, delayed or qualified.

(b) All Alterations made by Tenant (other than Tenant's trade fixtures) shall become, upon expiration of this Lease, the property of Landlord and shall remain on the Premises, subject to the provisions of subparagraph 11(e) hereof. Not later than thirty (30) days after the expiration of the Term, Tenant shall remove all Tenant Property and repair any damage to the Premises caused by such removal, except for ordinary wear and tear. For purposes hereof, "Tenant Property" shall mean Tenant's personal property, furniture, furnishings, signs, telecommunication equipment, equipment and trade fixtures.

(c) Tenant shall comply with all applicable laws, ordinances, rules, regulations (including those of Landlord) and codes arising out of Tenant's activities under this Paragraph 11.

(d) Tenant shall defend, indemnify and save Landlord harmless (including reasonable attorneys' fees and other costs of defense) from any and all mechanic's liens placed on the Premises or the Building arising out of Tenant's activities under this Paragraph 11. Without limitation of the foregoing, Tenant shall not permit any mechanics' or materialmen's liens to be filed against the fee of the Premises or against Landlord's interest in the Premises by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises through or under Tenant, whether prior or subsequent to the Commencement Date. If any such mechanics' or materialmen's liens shall at any time be filed against the Premises as a result of any alterations, additions, improvements, repairs or installations performed by or on behalf of Tenant, and Tenant shall fail to remove same (by bonding or otherwise) within 15 days of the date Tenant receives notice of the same, it shall constitute a breach of this Lease.

(e) Anything in this Lease to the contrary notwithstanding, Tenant shall not be required at any time to remove from the Premises, or restore (i) any Alterations made with Landlord's consent unless Landlord at the time it gives such consent expressly requires in writing removal or restoration of such Alterations; (ii) any of the work described on Exhibit B; or (iii) any partitions, provided these are cut off or capped in accordance with applicable codes.

(f) If alterations have been made in corridors, reception rooms or toilets, or additional toilets, stairways or other facilities have been installed, or if

otherwise rentable area has been used for such facilities, the Tenant will, at the expiration or sooner termination of the Term, if required by the Landlord or its agent, pay for restoring the area so altered by Tenant to the form typical in the Building.

(g) Tenant agrees to repair any damage to the Premises caused by, or in connection with, the removal of any articles of personal property, business or trade fixtures, alterations, improvements and installations, including, without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction.

BUILDING SERVICES

12. Landlord shall provide, within its standards on each item, the following services and facilities:

(a) Air conditioning, ventilation and heating through the systems of the Building, Monday through Friday of each week (except legal holidays) from the hours of 7:00 A.M. to 6:00 P.M. and Saturday from 8:00 A.M. to 1:00 P.M. ("Normal Business Hours"). For purposes hereof "legal holidays" mean New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Landlord has the capability of providing HVAC in half-floor increments. Tenant shall give Landlord 4 hours notice in the event Tenant desires HVAC outside Normal Business Hours and Tenant shall pay Landlord its cost for the same at the then current market rate (Landlord and Tenant acknowledge and agree that said market rate on the date of execution of this Lease is $50.00 per hour per floor. In determining such market rate in the future, Landlord shall use a basis substantially identical to that used to determine the market rate on the date of execution hereof).

(b) Electric current for Building standard level of illumination using standard lighting fixtures of Landlord's choice and for ordinary small business equipment and fixtures, such as, but not limited to, typewriters, pencil sharpeners, copiers, desk calculators and other standard personal and office computers connected to the Building's standard duplex electrical receptacles; and Landlord shall replace light globes and/or fluorescent tubes in the standard lighting fixtures initially installed in the Premises by Landlord. The standard consumption of electricity used in the Premises

shall be a total connected load (lighting and power) of 4.0 watts per square foot of any given space or room. If Tenant desires to install any electrical equipment in addition to the aforesaid or an amount of equipment which is more than an ordinary executive office amount of such equipment or if Tenant uses more than the aforesaid standard consumption of electricity, then the monthly payments of Additional Rent shall be appropriately increased to reflect the additional electric consumption caused thereby based upon an electrical survey procured by Landlord, at the expense of Tenant, provided, however, that nothing herein shall be construed to require Landlord to furnish such additional electric current. Tenant acknowledges and agrees that its computer room shall be separately metered, which shall be done at Tenant's cost and expense. Upon receiving prior written approval from Landlord, which shall not be unreasonably withheld or delayed, Tenant may install, at Tenant's cost, supplemental HVAC systems for the Premises. Tenant shall pay the actual cost for i) electrical usage for separately metered supplemental HVAC, and ii) the commercially reasonable and typical maintenance cost of such supplemental HVAC. Landlord shall be responsible for contracting for the maintenance of such HVAC system.

(c) Continuous elevator service during regular business days and normal business hours, and subject to call at all other times.

(d) Cleaning service as set forth on Exhibit D attached hereto and made a part hereof.

(e) Security procedures and systems consistent with other first-class office buildings in the City of Pittsburgh.

(f) Tenant shall be allowed, subject to the reasonable approval of Landlord, to use Tenant's standard graphics, at Tenant's sole cost and expense, at the entrance to the Premises. Throughout the Term, Tenant shall be provided with 3 lines in the Building's directory in the lobby.

Landlord shall not be liable in damages or otherwise for delay or failure in furnishing any of the foregoing services or facilities, where such delay or failure is excusable pursuant to the provisions of Paragraph 29 hereof. In no event shall such delay or failure, regardless of cause, constitute an eviction of Tenant or termination of this Lease. Tenant shall be permitted to abate its Rent payments to the extent such delay or failure in furnishing the foregoing services is caused by

Landlord's negligence or intentional misconduct and results in a substantial portion of the Premises not being useable for their intended purposes by Tenant for five (5) consecutive days. The Rent shall abate only for the period of time beyond such five (5) day period and for that portion of the Premises that is so rendered unusable by Tenant.

For all utility or other services requested by Tenant, which are not specifically included in this Paragraph 12, Tenant shall pay as Additional Rent to Landlord Landlord's established charges for such services; provided, however, that with respect to air conditioning, ventilation or heating provided to the Tenant, at its request, other than during the hours set forth above, Tenant shall pay as Additional Rent the then current market rate for the same (which shall be limited to Landlord's actual utility cost, depreciation and labor costs associated therewith).

Tenant acknowledges that Landlord shall not provide telephone or telecommunication services to Tenant. Further, Tenant acknowledges that Landlord has made no representations or warranties as to the general fitness of the Building cable, including, but not limited to, telephone wires, telephone lines, telecommunications cable, riser equipment, individual pairs and all associated equipment and facilities (the "Cable"), and Landlord does not and will not warrant the uninterrupted or unimpaired transmission of messages, data or other signals. To the extent not prohibited by law, Tenant agrees that Landlord, Landlord's beneficiaries and their respective partners, affiliates, officers, agents, servants and employees shall not be liable to Tenant or other persons for any and all injury, loss or damage, including, but not limited to, lost profits and economic damages resulting from interruption or failure of the transmission of messages, data or other signals, whether such interruption or failure is due to the happening of any occurrence, event or accident in or about the Building, including the Premises, or due to any act or neglect of any person other than Landlord, including, but not limited to, Tenant or any occupant of the Building. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, alter, modify or in any way change existing telecommunication equipment or facilities, including, but not limited to, any addition to or modification of existing wire closet conditions, or install or cause to be installed any telecommunications equipment which is in addition to that equipment present prior to the Commencement Date. At Landlord's request, Tenant shall furnish to Landlord a detailed description of any additional telecommunications equipment requested to be installed and an assessment of the impact upon the Cable and Premises due to the installation of such

telecommunications equipment and facilities. Tenant further agrees to indemnify Landlord for any and all damage to the Building and Premises caused by such installation of telephone equipment and facilities, and upon request of Landlord, agrees to remove any and all installed equipment and facilities upon termination of the Lease, whether by expiration of the Term or otherwise.

ASSIGNMENT AND SUBLETTING

13. Tenant, for itself, its successors, legal representatives and assigns, expressly covenants that Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage or otherwise encumber this Lease or sublet the Premises or permit any part thereof to be used or occupied by anyone other than Tenant or Tenant's employees, without the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant may, nevertheless, assign this Lease or sublet the Premises at any time to a subsidiary or affiliated company without obtaining Landlord's consent. In the event of any such assignment or sublet to a subsidiary or affiliated company of Tenant the assignee, subtenant or surviving corporation shall be deemed the assignee of all Tenant's rights and obligations under this Lease, provided that Tenant shall promptly notify Landlord of such assignment or sublet, of the name of the new tenant and its address, and shall confirm in such notice, which shall be subscribed by the new tenant, that the new tenant shall have assumed all of Tenant's obligations hereunder and that such assignment or sublet shall not be deemed in any manner whatsoever to relieve Tenant of any of its obligations hereunder. In the event of any assignment or sublease, no such assignment or sublease shall be deemed a waiver of the requirements of Landlord's consent to any subsequent assignment or sublease, and any such consent, if given by Landlord, shall not release Tenant from its obligations under this Lease unless consented to by Landlord.

In the event Tenant should desire to assign this Lease or sublet the Premises or any part hereof except as provided in the preceding paragraph, Tenant shall give Landlord written notice at least 10 business days in advance of the date on which Tenant desires to make such assignment or sublease, which notice shall specify: (a) the name, address and business of the proposed assignee or sublessee, (b) the amount and location of the space in the Premises affected, (c) the proposed effective date and duration of the subletting or assignment, and (d) the proposed rental to be paid to Tenant by such sublessee or assignee. Landlord shall then have a period of 10 days following receipt of such notice within which to notify Tenant in writing that Landlord elects either (i) to terminate this Lease as to the space so affected as of the date so specified by Tenant, in which event Tenant will

on that date be relieved of all future obligations to pay Rent or any other obligations arising under this Lease as to such space; or (ii) to permit Tenant to assign or sublet such space, in which event if the proposed rental rate between Tenant and sublessee is greater than the rental rate of the Lease, then 50% of such excess rental, after deduction of reasonable leasing costs, costs of tenant improvements incurred for the sublessee and commissions actually paid by Tenant in connection with such subletting, shall be deemed Additional Rent owed by Tenant to Landlord under this Lease, and the amount of such excess, including any subsequent increases due to escalation or otherwise, shall be paid by Tenant to Landlord in the same manner that Tenant pays the Rent hereunder and in addition thereto; or (iii) provided that Landlord has a reasonable basis for objecting to the particular subtenant, to withhold consent to Tenant's assignment or subleasing such space and to continue this Lease in full force and effect as to the entire Premises. If Landlord should fail to notify Tenant in writing of such election within said 10 business day period, Landlord shall be deemed to have elected option (ii) above.

In the event that Tenant lets only a portion of the Premises, Tenant shall be responsible for paying all costs and expenses incurred in connection with dividing the Premises into separate suites.

INSPECTION

14. Landlord, its employees, servants and agents shall have the right to enter the Premises at all reasonable times for the purpose of examining or inspecting the Premises to see that Tenant is complying with all of its obligations hereunder, showing the same to prospective purchasers, mortgagees or tenants of the Building (Landlord shall show the Premises to prospective tenants of the Premises only during the 180 day period preceding the expiration of the Term), performing janitorial and cleaning services, and making such alterations, repairs, improvements or additions to the Premises or to the Building as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon the Premises that may be required therefor without the same constituting an eviction of Tenant in whole or in part, and the Rent reserved shall in no way abate while said alterations, repairs, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise, provided that such work is diligently prosecuted to completion by Landlord in a workmanlike fashion. If representatives of Tenant shall not be present to open and permit entry into the Premises at any time when such entry by Landlord is necessary or permitted hereunder, Landlord may enter by means of a master key

(or forcibly in the event of an emergency) without liability to Tenant and without such entry constituting an eviction of Tenant or termination of this Lease. Landlord agrees to use reasonable efforts to notify Tenant in advance of Landlord's intention to enter the Premises in accordance with this Paragraph 14, except in emergency situations. Landlord shall use reasonable efforts to minimize interference with Tenant's business in the exercise of Landlord's rights pursuant to this Paragraph 14, and shall use reasonable efforts to give Tenant prior notice of its intention to enter the Premises in non-emergency situations, and subsequent notice respecting entries of Landlord that occur in Tenant's absence.

REPAIRS

15. During the Term, Landlord shall, at its sole expense, perform with reasonable diligence and promptness and in a good and workmanlike manner all maintenance, repairs and replacements reasonably deemed necessary by Landlord to (i) the structural components of the Building, including the roof, exterior walls, bearing walls, support beams, foundations, columns, exterior doors and windows and lateral support to the Building; (ii) assure watertightness of the Building, including the Premises (including caulking of the flashings) and repairs to the roof, curtain walls, windows, and skylights, if required, to assure watertightness; (iii) the plumbing, fire sprinkler, heating, ventilation and air conditioning systems and electrical lines and equipment associated therewith, including elevators; (iv) the common areas of the Building, including its lighting systems; (v) exterior improvements to the Building, including walkways, shrubbery and landscaping, if any and (vi) glass cleaning and replacements; provided, however, that Landlord shall pursue with reasonable diligence such repairs after Landlord becomes aware, or that Landlord should have become aware through the exercise of reasonable diligence or receipt of written notice from Tenant that such repair is needed. In no event shall Landlord be obligated under this Paragraph to repair any damage caused by any act, omission or negligence of Tenant or its employees, agents, invitees, licensees, subtenants or contractors.

Except as Landlord is obligated for repairs as provided hereinabove, Tenant shall make, at its sole cost and expense, all repairs necessary to maintain the Premises and shall keep the Premises and the fixtures therein neat and in orderly condition. If Tenant refuses or neglects to make such repairs, or fails to diligently prosecute the same to completion, after written notice from Landlord of the need therefor, Landlord may make such repairs at the expense of Tenant and Tenant shall pay as Additional Rent Landlord's cost to make such repair.

Landlord shall not be liable by reason of any injury to, or interference with, Tenant's business arising from the making of any repairs, alterations, additions or improvements in or to the Premises or the Building or to any appurtenances or equipment therein. There shall be no abatement of Rent because of such repairs, alterations, additions or improvements, except as provided in Paragraph 19 hereof and except if such repairs, etc. are necessitated by Landlord's negligence or intentional misconduct and result in a substantial portion of the Premises not being usable for their intended purposes by Tenant for 5 consecutive days. The Rent shall abate only for the period of time beyond such five (5) day period and for that portion of the Premises that is so rendered unusable by Tenant.

Notwithstanding any other provisions herein, Landlord shall not be liable to Tenant for any damage to Tenant's furniture, fixtures or other personalty occasioned by plumbing, electrical, gas, water, steam or other utility pipes, systems or facilities or by the bursting, stopping, leaking or running of any tank, sprinkler, washstand, water closet or pipes in or about the Premises or the Building, or for any damage to the same occasioned by water, snow or ice being upon or coming through or around the roof or any flashing, window, skylight, vent, door, or the like unless directly resulting from Landlord's negligence or intentional misconduct. Landlord shall not be liable to Tenant for any negligent act or omission of Tenant nor shall Landlord be liable to Tenant for any damage arising out of any acts or neglect of other tenants of the Building, occupants of the Building, occupants of adjacent property or the public.

SURRENDER OF PREMISES

16. Tenant shall surrender the Premises to Landlord at the expiration or sooner termination of the Term in the condition specified in Paragraph 11 hereof without notice of any kind, and Tenant waives all right to any such notice as may be in effect in Pennsylvania, including, without limitation, the Landlord and Tenant Act of 1951, as amended. The provisions of this Paragraph shall survive the expiration or sooner termination of this Lease.

INDEMNIFICATION AND LIABILITY

17. Each party shall defend, indemnify and save harmless the other against all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and other costs of defense) because of injury, including death, to any person, or damage or loss of any kind to any property caused by the negligence or

misconduct of such party, its agents, employees or contractors, or by such party's failure to perform its obligations under this Lease.

INSURANCE

18. (a) Landlord shall maintain, at its expense, during the Term, with solvent and responsible companies, fire insurance, with standard "all risk" coverage for the Building. Such coverage shall equal one hundred percent (100%) of the replacement cost of the Building (including, without limitation, improvements made pursuant to the Work Agreement), as determined by Landlord in its sole and absolute discretion exclusive of architectural and engineering fees, excavation, footings and foundations.

(b) Landlord shall maintain, at its expense, during the Term, with solvent and responsible companies, comprehensive general liability insurance covering injuries occurring on the Property, which shall provide for a combined coverage for bodily injury and property damage in an amount not less than Three Million Dollars ($3,000,000).

(c) Tenant shall maintain, at its expense, during the Term, with solvent and responsible companies, comprehensive general liability insurance for the Premises in a combined coverage for bodily injury and property damage in an amount not less than Three Million Dollars ($3,000,000). Tenant shall name Landlord, and any mortgagee of which Landlord has advised Tenant, as additional insureds under such policy.

(d) Tenant shall maintain, at its expense, during the Term, with solvent and responsible companies, all risks insurance including extended coverage endorsement for such additional perils as Landlord shall reasonably require from time to time in respect of Tenant's fixtures, Tenant's furnishings, Tenant's equipment, and such other property of Tenant in the Premises as Landlord may from time to time require. The aforesaid policy or policies shall be written with insurance limits of not less than the full replacement cost thereof, on a stated amount basis, subject only to such deductibles and exclusions as Landlord may approve, which approval shall not be unreasonably withheld.

(e) The policy or policies evidencing such insurance for paragraphs 18(a), (b), (c) and (d) shall provide that they may not be cancelled or amended without fifteen (15) days prior written notice being given to the party for

whose benefit such insurance has been obtained. Prior to the Commencement Date, each party shall submit to the other insurance certificates demonstrating the required policies are in effect.

(f) Tenant shall not keep or use in or upon the Premises any article which may be prohibited by any insurance policy in force from time to time covering the Premises or the Building. If the occupancy of the Premises, the conduct of business in the Premises or any act or omission of Tenant in the Premises, causes or results in any increase in premiums for the insurance carried from time to time by Landlord with respect to the Building, Tenant shall pay to Landlord as Rent forthwith on demand the cost of any increase in premiums.

(g) The parties release each other and their respective authorized representatives from any claims for damage to the Building or the Premises that are caused by or result from risks insured against under any risk or fire insurance policies carried by either of the parties. Each party to the extent possible shall obtain, for each policy of insurance, provisions permitting waiver of any claims against the other party for loss or damage within the scope of the insurance and each party to the extent permitted, for itself and its insurer, waives all such insured claims against the other party. Any liability that either party may have against the other shall be limited to the amount that exceeds the amount of insurance proceeds received by the indemnified party.

DAMAGE AND DESTRUCTION

19. If and whenever both (i) all or 20% or more of the rentable area of the Building, or 20% or more of the rentable area of the Premises shall be damaged or destroyed by any cause or in the reasonable opinion of Landlord the Building is rendered unsafe, whether or not the Premises are affected thereby, and (ii) in Landlord's reasonable opinion the Building or the Premises cannot with the exercise of reasonable diligence be repaired, restored or rebuilt within a period of 180 days after the happening of such damage or destruction, Landlord or Tenant may terminate this Lease upon 60 days' notice given within 30 days after the happening of such damage or destruction and upon the expiration of the 60 day notice period Tenant shall surrender the Premises to Landlord and Rent shall be apportioned to the date of such termination.

If and whenever the Premises are damaged or destroyed by any cause and this Lease shall not have been terminated by Landlord, Landlord shall with all reasonable diligence make the repairs specified in Paragraph 15 hereof and Tenant shall with all reasonable diligence and at its sole expense make all other repairs and do all other items of work which are necessary properly to complete the Premises for use and occupancy by Tenant. All such repairs and work by Tenant shall be carried out in accordance with the requirements of Paragraph 11 hereof.

If, as a result of any damage or destruction to the Premises which Landlord is obligated to repair under the provisions of Paragraph 15 hereof (including the Tenant Improvements to be made pursuant to the Work Agreement) and which is not merely an interruption of or interference with any utility, service or access, the Premises are rendered in whole or in part unfit for use and occupancy by Tenant, then during the period following the occurrence of such damage or destruction and ending upon the earlier of:

(a) the date on which the repairs to the Premises which Landlord is obligated to make as aforesaid are completed sufficiently to enable Tenant to commence the repairs it is obligated to make and Tenant has had a reasonable period of time within which its repairs could have been completed with due diligence; and

(b) the date on which the proceeds of any loss of rental income insurance attributable to any shortfall in Rent from the Premises is no longer paid to Landlord;

Rent shall abate in the same proportion that that part of the rentable area of the Premises which is incapable of use is to the rentable area of the Premises.

CONDEMNATION

20. If the whole of the Premises shall be condemned or taken either permanently or temporarily for any public or quasi-public use or purpose, under any statute or by right of eminent domain, or by private purchase in lieu thereof, then and in that event, the Term shall cease and terminate from the date of possession of the Premises by such condemning authority, and Tenant shall have no claims against Landlord for the value of any unexpired Term, and shall release unto Landlord any such claim it may have against the condemnor, except to the extent set forth in the last sentence of this Paragraph 20. In the event that 20% or more of the

Building or 20% or more of the rentable area of the Premises shall be so taken, Landlord may elect to terminate this Lease from the date of title vesting in such proceeding or purchase, or Landlord may elect to repair and restore, at its own expense, the portion not taken and thereafter the Rent shall be reduced proportionately (i.e. based on the ratio that the square feet of rentable area in the Premises immediately prior to such condemnation bears to the square feet of rentable area in the Premises remaining thereafter). If 20% or more of the Building or 20% or more of the rentable area of the Premises shall be so taken, Tenant may cancel and terminate this Lease effective as of the date possession of such portion condemned shall be taken by such condemning authority, provided that such option to cancel is exercised within 60 days of the receipt of notice by Tenant to the effect that such condemnation exceeds 20% of the Building or 20% of the rentable area of the Premises.

In the event the Premises or any part thereof shall be permanently taken or condemned or transferred by agreement in lieu of condemnation for any public or quasi-public use or purpose by any competent authority, the entire compensation award therefor, both leasehold and reversion, shall belong to Landlord without any deduction therefrom for any present or future estate of Tenant, and Tenant hereby assigns to Landlord all its right, title and interest to any such award. Tenant shall execute all documents required to evidence such result. Tenant shall, however, be entitled to claim, prove and receive in such condemnation proceedings such award as may be allowed for moving expenses, stationery costs, fixtures and other equipment installed by it but only if or to the extent such award shall be in addition to the award for the Land and the Building and other improvements (or portions thereof) forming part of the Premises.

SUBORDINATION AND ATTORNMENT

21. Landlord represents that there currently is no mortgage encumbering the Building. Landlord is hereby vested with full power and authority to subordinate Tenant's interest hereunder to the lien of any mortgage which may hereafter be placed on the Building and to all renewals, modifications, consolidations and replacement of such mortgage. As a condition to the subordination of Tenant's interest hereunder to any future mortgage encumbering the Building, Landlord shall obtain and deliver to Tenant from any future mortgagee a written non-disturbance agreement in recordable form providing that so long as Tenant performs all of the terms, covenants and conditions of this Lease and agrees to attorn to the mortgagee or purchaser at a foreclosure sale, Tenant's rights under this Lease shall not be disturbed and shall remain in full force and effect for the

Term, and Tenant shall not be named or joined by the holder of any mortgage in any action or proceeding to foreclose thereunder.

ESTOPPEL CERTIFICATES

22. Tenant and Landlord shall, at any time and from time to time, within 15 days following receipt of written request from the other, execute, acknowledge and deliver to the other a written statement certifying that this Lease is in full force and effect and unmodified (or, if modified, stating the nature of such modification), certifying the date to which the rent reserved hereunder has been paid, and certifying that there are not, to such party's knowledge, any uncured defaults on the part of the other hereunder, or specifying such defaults if any are claimed. Any such statement given by Tenant may be relied upon by any prospective purchaser or mortgagee of all or any part of the Building or Land. Tenant's failure to deliver such statement within the said 15 day period shall be conclusive upon Tenant that this Lease is in full force and effect and unmodified (or, if modified, stating the nature of such modification), and that there are no uncured defaults in Landlord's performance hereunder.

DEFAULT

23. The occurrence of any of the following shall, at Landlord's option, constitute a material default and breach of this Lease by Tenant:

(a) A failure by Tenant to pay the Rent reserved herein, or to make any other payment required to be made by Tenant hereunder, where such failure continues for 10 days after Landlord provides Tenant with written notice of such failure;

(b) A failure by Tenant to observe and perform any other provisions or covenants of this Lease to be observed or performed by Tenant, where such failure continues for 30 days after receipt of written notice thereof from Landlord to Tenant, provided, however, that if the nature of the default is such that the same cannot reasonably be cured within such 30 day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion;

(c) The making by Tenant of any assignment for the benefit of creditors; the adjudication that Tenant is bankrupt or insolvent; the filing by or against

Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within 60 days after the filing thereof); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located in the Premises or of Tenant's interest in this Lease (unless possession is restored to Tenant within 30 days after such appointment); or the attachment, execution or levy against, or other judicial seizure of, substantially all of Tenant's interest in this Lease (unless the same is discharged within 30 days after issuance thereof).

ACCELERATED RENT

24. In the event of any default or breach of this Lease by Tenant as set forth in Paragraph 23 hereof, the Rent reserved herein for the entire unexpired portion of the Term shall, at Landlord's option, thereupon immediately become due and payable; discounted to the then present value at the discount rate of the Federal Reserve Bank having jurisdiction over Pittsburgh, Pennsylvania in effect at the time of the default. In determining the amount of any future payments due Landlord due to increases in Taxes and Operating Expenses, Landlord may make such determination based upon the amount of Taxes and Operating Expenses paid by Tenant for the calendar year immediately prior to such default. Tenant shall be obligated for such accelerated Rent regardless of which, if any, of the remedies provided in Paragraph 25 hereof or provided by law Landlord elects to pursue.

REMEDIES

25. In the event of any default or breach of this Lease by Tenant as set forth in Paragraph 23 hereof, Landlord, at its option, may terminate this Lease upon and by giving written notice of termination to Tenant, or Landlord, without terminating this Lease, may at any time after such default or breach, without notice or demand additional to that provided in Paragraph 23 hereof, and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such default or breach (other than the aforesaid right of termination) exercise any one or more of the remedies hereinafter provided in this Paragraph or as otherwise provided by law, all of such remedies (whether provided herein or by law) being cumulative and not exclusive:

(a) Landlord may perform for the account of Tenant any defaulted term or covenant on Tenant's part to be observed or performed, and recover as

Rent any expenditures made and the amount of any obligations incurred in connection therewith.

(b) Subject to applicable law, Landlord may enter the Premises (without thereby incurring any liability to Tenant unless Landlord is negligent and without such entry being constituted an eviction of Tenant or termination of this Lease) and take possession of the Premises at any time and from time to time to let the Premises or any part thereof for the account of Tenant, for such terms, upon such conditions and at such rental as Landlord may deem reasonable and proper. In the event of such reletting, (i) Landlord shall receive and collect the rent therefrom and shall first apply such rent against such expenses as Landlord may have incurred in recovering possession of the Premises, placing the same in good order and condition, altering or repairing (in a commercially reasonable manner) the same for reletting, and such other expenses, commissions and charges, including reasonable attorneys' fees and real estate commissions, which Landlord may have paid or incurred in connection with such repossession and reletting, and then shall apply such rent against the accelerated Rent, and (ii) Landlord may execute any lease in connection with such reletting, and the tenant of such reletting shall be under no obligation to see to the application by Landlord of any rent collected by Landlord.

(c) The parties hereto hereby waive their right to require a trial (or determination of fact) by jury in any action or proceeding or counterclaim between the parties in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage.

CONFESSION OF JUDGMENT AND EJECTMENT

26. INTENTIONALLY DELETED

WAIVER

27. The failure or delay on the part of either party to enforce or exercise at any time any of the provisions, rights or remedies in this Lease shall in no way be construed to be a waiver thereof, nor in any way to affect the validity of this Lease or any part hereof, or the right of the party to thereafter enforce each and every such provision, right or remedy. No waiver of any breach of this Lease shall be held to be a waiver of any other or subsequent breach. The receipt by

Landlord of Rent at a time when the Rent is in default under this Lease shall not be construed as a waiver of such default, unless the payment fully remedies the default. The receipt by Landlord of a lesser amount than the Rent due shall not be construed to be other than a payment on account of the Rent then due, nor shall any statement on Tenant's check or any letter accompanying Tenant's check be deemed an accord and satisfaction, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of the Rent due or to pursue any other remedies provided in this Lease. No act or thing done by Landlord or Landlord's agents or employees during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by Landlord.

QUIET ENJOYMENT

28. If and so long as Tenant pays the Rent reserved hereunder and observes and performs all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the entire Term hereof, subject nevertheless to all of the provisions of this Lease including, but not limited to, all mortgages, encumbrances and other matters and things referred to in Paragraph 20 hereof.

UNAVOIDABLE DELAY

29. In the event that either party shall be delayed or hindered in, or prevented from, the performance of any work, service or other act required under this Lease to be performed by the party and such delay or hindrance is due to strikes, lockouts, acts of God, governmental restrictions, enemy act, civil commotion, unavoidable fire or other casualty, or other causes of a like nature beyond the control of the party so delayed or hindered, then performance of such work, service, or other act shall be excused for the reasonable period of such delay and the period for the performance of such work or other act shall be extended for a period equivalent to the period of such delay. In no event shall such delay constitute a termination of this Lease. The provisions of this Paragraph shall not operate to excuse Tenant from the prompt payment of Rent.

SUCCESSORS AND MULTIPLE PARTIES

30. The respective rights and obligations provided in this Lease shall bind and shall inure to the benefit of the parties hereto, their legal representatives, heirs, successors and permitted assigns; provided, however, that no rights shall inure to

the benefit of any successor of Tenant unless Landlord's written consent (which consent shall not be unreasonably withheld or delayed) for the transfer to such successor has first been obtained as provided in Paragraph 13 hereof. If at anytime the Tenant shall include more than one person or entity, the obligations of all such persons or, entities shall be joint and several. In the event that this Lease is executed by any partner on behalf of a partnership, this Lease shall be a binding obligation upon all partners of such partnership.

GOVERNING LAW

31. This Lease shall be construed, governed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the principles of conflicts of laws in effect in the Commonwealth of Pennsylvania. Landlord and Tenant consent to the jurisdiction and venue of the state and if permissible under federal law, federal courts situated in Allegheny County, Pennsylvania.

SEPARABILITY

32. If any provision of this Lease shall be held to be invalid, void or unenforceable, the remaining provisions hereof shall in no way be affected or impaired and such remaining provisions shall remain in full force and effect.

CAPTIONS

33. Marginal captions, titles of exhibits and riders to this Lease, are for convenience and reference only and are in no way to be construed as defining, limiting or modifying the scope or intent of the various provisions of this Lease.

GENDER

34. As used in this Lease, the word "person" shall mean and include, where appropriate, an individual, corporation, partnership or other entity; the plural shall be substituted for the singular, and the singular for the plural, where appropriate; and words of any gender shall mean to include any other gender.

NOTICES

35. Any bill, statement, notice or communication required or permitted hereunder shall be deemed sufficiently given if sent by certified mail, or by hand delivery or

telecopy, with confirmation in writing sent by certified mail, addressed as follows:

To Landlord: Commerce Court Property Holding Trust
c/o Management Office Commerce Court Building
Four Station Square, Suite 760
Pittsburgh, Pennsylvania 15219
Facsimile No. (412) 642-6617

To Tenant: At address set forth in Paragraph 1 of Schedule of Lease Terms or addressed to Tenant at the Premises after the Commencement Date
Facsimile No. (412) 642-5095

Either party may change its address by written notice so given to the other. Notice shall be deemed given when mailed, except that a notice of change of address shall be deemed effective when received.

BROKERS

36. Tenant represents and warrants that in this transaction it has dealt with no real estate broker other than the brokers identified in the Schedule of Lease Terms, and that no one has or will represent it in this transaction other than aforesaid.

LEASE NOT AN OFFER

37. The submission of this Lease to Tenant should not be construed as an offer, nor shall the Tenant have any rights with respect thereto unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

RENT CONTROL

38. INTENTIONALLY DELETED

LANDLORD'S EXCULPATORY

39. Anything contained in the foregoing to the contrary notwithstanding, Tenant agrees that it shall look solely to the estate and property of the Landlord in the Land and Building of which the Premises form a part, for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord, in the event of any default or breach by Landlord with respect to any of

the terms, covenants and conditions of this Lease to be observed and/or performed by Landlord, and no other property or assets of Landlord shall become subject to levy, execution, attachment or other enforcement procedures for the satisfaction of Tenant's remedies. If the Land and Building of which the Premises form a part are transferred or conveyed, Landlord shall be relieved of all covenants and obligations under this Lease thereafter accruing and Tenant shall look to such transferee thereafter.

RELOCATION OF TENANT

40. INTENTIONALLY DELETED

COMPLIANCE WITH LAWS

41. Tenant shall, at its expense, comply with all laws, orders, ordinances, regulations and rules of all governmental authorities having jurisdiction and the Insurance Advisory organization (collectively, "Legal Requirements") with respect to the particular manner in which Tenant shall use or occupy the Premises, as opposed to office use generally. Tenant shall give Landlord prompt notice of any violation or recommendation of change of which it shall have received notice. Tenant shall not do or permit to be done any act or thing which will invalidate or be in conflict with any certificate of occupancy in effect for the Premises.

Landlord certifies to Tenant that to the best of Landlord's knowledge, the public or common areas of the Building comply with the Americans With Disabilities Act of 1990 (the "ADA"). Landlord agrees that it shall be responsible for any portions of the public or common areas of the Building that do not comply with all Legal Requirements (including the ADA). Tenant hereby accepts responsibility for the compliance of the Premises with the ADA from and after the Commencement Date.

EXHIBITS

42. Attached to this Lease and made part hereof, and initialed on behalf of both parties simultaneously with the execution of this Lease are Exhibits A to D, inclusive, and the Schedule of Lease Terms.

MODIFICATIONS

43. This Lease, including the Exhibits and the Schedule of Lease Terms, contains all the agreements, conditions, understandings, representations and warranties made between the parties hereto with respect to the subject matter hereof and may not be modified orally or in any manner other than by an agreement in writing signed by both parties hereto or their respective successors in interest.

HOLDOVER BY TENANT

44. In the event Tenant lawfully remains in possession of the Premises after the expiration of the Term or any renewal thereof, and without the execution of a new lease, Tenant, at the sole option of the Landlord, shall be deemed to be occupying the Premises from month-to-month; provided, however that Tenant shall continue to pay monthly installments of Total Minimum Rent as set forth on the Schedule of Lease Terms and that all the terms and conditions of this Lease shall continue for the period during which such holdover tenancy exists, and Tenant shall comply therewith.

RENEWAL OPTIONS

45. (a) If this Lease shall not have been terminated pursuant to any provisions hereof, and Tenant shall not have defaulted hereunder beyond any applicable cure period, then Tenant may, at Tenant's option, extend the Term for two additional successive terms of five (5) years each (an "Option Term" or the "Option Terms"). Tenant must exercise its options to extend this Lease by giving Landlord written notice thereof (the "Renewal Notice") at least 240 days prior to (a) the Expiration Date (in the case of the exercise of the first Option Term), and (b) the expiration of the first Option Term (in the case of the exercise of the second Option Term). Upon the giving by Tenant to Landlord of the Renewal Notice with respect to a particular Option Term and compliance by Tenant with the provisions of this Paragraph and the failure of Tenant to exercise its rights with respect to a particular Option Term as provided in subparagraph (b) hereof, the Term of this Lease shall be deemed to be automatically extended for such Option Term upon all of the covenants, agreements, terms, provisions, and conditions set forth in this Lease, except that the Total Minimum Rent for the Premises set forth in Paragraph 4 of the Schedule of Lease Terms shall be 95% of the then prevailing rate per annum for comparable space in the Building for

renewals with a five-year term. Landlord agrees to give Tenant written notice (the "Rental Rate Notice") of such prevailing rate per annum (as determined by Landlord in good faith) for a particular Option Term not less than 60 days after Landlord receives the Renewal Notice for such Option Term.

(b) Notwithstanding the provisions of subparagraph (a) hereof, Tenant shall have the right to revoke its exercise of an extension of this Lease for a particular Option Term within thirty (30) days of its receipt of the Rental Rate Notice for such Option Term.

(c) During the Option Terms, Tenant shall continue to pay Additional Rent. The Base Year during the first Option Term shall be the Calendar Year 2002, and during the second Option Term, the Calendar Year 2007.

(d) Tenant may not renew the Lease for the second of the Option Terms unless Tenant has elected to renew the Lease for the first Option Term, and has not exercised its rights pursuant to subparagraph (b) hereof with respect to the first Option Term.

ABATEMENT

46. (a) Notwithstanding anything to the contrary in Paragraph 4 of the Schedule of Lease Terms, monthly installments of Total Minimum Rent shall be abated for the following months only: September through December 1995, plus any period prior to September 1995 that Tenant may occupy the Premises (the "Abatement Period"). The Abatement Period shall be extended day for day for each day that the Premises are not ready for occupancy by Tenant solely by reason of Landlord's failure to perform its obligations under the Work Agreement. If Tenant shall default hereunder and fail to cure said default within any applicable grace period, while the Abatement Period is in effect, the Abatement Period shall thereupon terminate and Tenant shall commence paying monthly installments of Total Minimum Rent hereunder (without limiting Landlord's remedies hereunder, at law, in equity or otherwise). In addition, if Tenant shall default hereunder and fail to cure said default within any applicable grace period, Tenant shall upon demand pay Landlord the amount of Total Minimum Rent theretofore abated, multiplied by a fraction, the numerator of which is the number of months then remaining in the Term at the time of the default and the denominator of which is the total number of months

in the Term (without limiting Landlord's remedies hereunder, at law, in equity or otherwise).

(b) Tenant shall not be responsible for paying for Additional Rent attributable to increases in Operating Expenses and Taxes in the 1996 calendar year over the amount of such items in the Base Year to the extent (but only to the extent) that such increases exceed 5% of the amount of the Operating Expenses and Taxes in the Base Year i.e., if such increases in the 1996 Calendar Year exceed 5% of the Operating Expenses and Taxes in the Base Year, the Tenant shall be responsible for paying such 5% increase for the 1996 Calendar Year, but not in excess of such amount. The foregoing limitation shall apply to the 1996 Calendar Year only. (The dollar amount of Additional Rent for which Tenant is relieved of responsibility for paying in 1996 pursuant to this subparagraph 46(b) is herein referred to as the "1996 Additional Rent Abatement").

MOVE-IN AND MOVING ALLOWANCE

47. When Tenant takes occupancy of the Premises and executes and delivers to Landlord an estoppel certificate in accordance with Paragraph 22 hereof, Landlord, within 30 days of the later to occur of such events, shall provide Tenant with an allowance for the costs and expenses of moving which shall be a sum that is equal to the number of rentable square feet in the Premises multiplied by $2.00 per rentable square foot (i.e. $107,008). Any portion of such $107,008 allowance that is not used by Tenant as a moving allowance may be added to the design allowance to be provided to Tenant in accordance with Paragraph 48 hereof.

DESIGN ALLOWANCE

48. When Tenant executes and delivers the Lease to Landlord and submits written invoices to Landlord and such other backup information as Landlord may reasonably request, Landlord shall provide Tenant with an allowance for the cost and expense of the preparation of Tenant's plans, construction drawings and engineering drawings which shall be a sum that is equal to the number of rentable square feet in the Premises multiplied by $2.25 per rentable square foot (i.e. $120,384). Tenant's architect will be responsible for stamping Tenant's final working drawings and construction documents.

PARKING SPACES

49. Pursuant to that certain Reciprocal Easement and Operating Agreement by and between Pittsburgh History and Landmarks Foundation and Commerce Court Associates dated May 19, 1981, as amended, Landlord has allocated to it a certain number of parking spaces located either in the parking garage or on surface lots related to the Building. Although allocated, these parking spaces must be rented from Pittsburgh History Landmarks Foundation directly by employees of Tenant. The parking spaces are and shall be subject to certain rules and regulations which Pittsburgh History & Landmarks Foundation shall promulgate from time to time.

SATELLITE TERMINAL

50. Tenant shall be permitted to install as its personal property, at its sole cost and expense, a satellite dish, microwave antenna and other related equipment (collectively, the "Terminal") on the roof of the Building for its exclusive use in a location mutually acceptable to Landlord and Tenant, so long as the Terminal complies with any and all applicable laws, rules and regulations, including, without limitation, structural standards and safety requirements of the Building. The method of installation shall be acceptable to Landlord, and Tenant shall be responsible for, and procure at its sole cost and expense, any permits or zoning variances necessary for the installation and operation of said Terminal. Landlord shall cooperate with Tenant, at Tenant's sole cost and expense, in the procurement of necessary permits or zoning variances and shall execute all documents reasonably required to obtain necessary permits or zoning variances. At the end of the Term (as extended or renewed, if applicable) Tenant, if directed to do so by Landlord, shall remove the Terminal and any and all of the necessary wiring and equipment concurrent therewith, and shall restore the portion of the roof which may have been damaged by removal of the Terminal to the condition which existed prior to the installation, normal wear and tear excepted.

In the event Landlord contemplates roof repairs or requires access which requires temporary removal or relocation of the Terminal, or which may result in an interruption in Tenant's telecommunication services, Landlord shall formally notify Tenant at least thirty (30) business days prior to such contemplated work in order to allow Tenant to make other arrangements for such services. The cost of removal and reinstallation of the Terminal shall be borne by Tenant.

Tenant or its agents or representatives shall, at all times during business hours, with advance notice to Landlord and with a building engineer or security guard

providing access, be permitted access to the roof, common equipment rooms, common telephone rooms and condensers for purposes of examination and repair of the Terminal and any wiring or equipment incident thereto. Tenant acknowledges and agrees that Tenant's access to the roof is restricted due to other tenant equipment and services.

Tenant shall not be required to pay rent for roof space for the Terminal, provided, however, Tenant shall pay and be fully responsible for, inter alia, all costs related to any and all utilities used by Tenant in connection with the Terminal, any and all construction costs associated with the Terminal and any necessary insurance which may be required.

Tenant agrees to carry such insurance on the Terminal as shall reasonably be requested by Landlord.

HAZARDOUS MATERIALS

51. (a) Landlord certifies that to the best of its knowledge, there are no hazardous substances located in or on the Premises and that there has been no violation of any law governing hazardous substances with respect to the Premises or the Building. Because of the inability to properly access the soil beneath the Building ("subbasement soils"), Landlord has been unable to conduct proper studies of the presence or absence of hazardous substances in the subbasement soil. Tests of the shallow subbasement soils indicate levels of lead higher than typical background levels, probably as a result of the existence of a railroad line on the site prior to the original construction of the Building (circa 1900). Because of the lack of access to the soils beneath the Building, which are essentially encapsulated (and the fact that the lead levels appear to be consistent with those found on comparable properties constructed on former railroad or industrial sites), Landlord believes that if such substances do exist in the subbasement soils, they present no threat whatsoever to tenants or occupants of the Building or others.

(b) Tenant agrees to comply with all applicable environmental laws, rules and regulations insofar as they pertain solely to the particular manner in which Tenant shall use the Premises.

(c) Tenant shall not generate, store, transport, treat, dispose of or use on the Premises hazardous or toxic substances or wastes as defined under any

applicable federal, state, county, or local law or regulation ("Hazardous Substances"), except that Tenant's use on the Premises of cleaning supplies, copying fluids, other office and maintenance supplies and other substances normally and customarily used by tenants of space similar to the Premises shall not be deemed a violation of this Paragraph 51(c).

(d) Each of Landlord and Tenant agrees to indemnify, defend and save harmless the other from any breach of the indemnifying party's certifications, duties, or obligations under this Paragraph 51.

RIGHT OF FIRST OFFER

52. (a) Subject to the provisions of Subparagraph 52(b) hereof, during the Term, or any extension thereof, Tenant shall have a right of first offer, as herein specified, to lease all space on the seventh (7th) floor of the Building not contained in the Premises as of the date hereof (the "Right of First Refusal Space"). If, during such specified period (and subject to Subparagraph 52(b) hereof) Landlord desires to lease all or any portion of the Right of First Refusal Space, Landlord will provide Tenant with a written notice specifying the date of availability and the market terms for the Right of First Refusal Space. Tenant will respond to Landlord in writing within ten (10) days of the Landlord's notice if it elects to lease the Right of First Refusal Space. The terms and provisions for the Right of First Refusal Space shall be the same as set forth in this Lease except that the Total Minimum Rent for the Right of First Refusal Space shall be equal to the Total Minimum Rent that Tenant is then paying (on a per square foot basis) for the Premises. Landlord shall provide improvements to and improvement allowances for the Right of First Refusal Space consistent with those provided pursuant to the Work Agreement, prorated, however, based on the amount of time that will be remaining in the Term when the Right of First Refusal Space becomes available for occupancy by Tenant as compared to the original length of the Term (i.e. - 84 months). Tenant shall pay Additional Rent for the Right of First Refusal Space on a basis substantially identical to that for which Tenant is responsible for paying for the Premises in accordance with this Lease at such time. If Tenant fails to notify Landlord within such ten (10) day period of Tenant's exercise of its right of first offer, Tenant shall be, deemed to have waived its right of first offer and Landlord shall be free to lease the Right of First Refusal Space to a third party pursuant to the terms and conditions of the offer, or, in the event that a particular third party does not lease the space

in question, to subsequent third parties. The foregoing shall not relieve Landlord from its obligation to offer any of the Right of First Refusal Space to Tenant that previously has not been offered to Tenant.

(b) Landlord's obligations and Tenant's rights pursuant to Subparagraph 52(a) hereof shall be subject to the rights for certain portions of the Right of First Refusal Space currently held by UNUM Life Insurance Company of America ("UNUM"). Without limitation of the foregoing, Landlord shall have no obligation to offer or lease portions of the Right of First Refusal Space to Tenant and Tenant shall have no rights with respect to such portions thereto, if such portions of the Right of First Refusal Space are offered and leased to UNUM pursuant to UNUM's option to renew or option to expand as contained in UNUM's existing lease. Landlord agrees that it shall provide UNUM with no extension or renewal rights beyond those contained in UNUM's existing lease, without first offering the particular space to Tenant in accordance with Subparagraph 52(a) hereof.

OPTION SPACE

53. Tenant shall have the option, as hereinafter provided, to lease 6,865 square feet of space on the 6th floor of the Building as identified on Exhibit "E" attached hereto and made a part hereof (the "Option Space"). Tenant must exercise its rights with respect to the Option Space by providing Landlord written notice thereof within 10 business days of the execution hereof by Tenant. The Option Space shall be leased upon the same terms and conditions as those set forth herein for the Premises, except that the timing for completion of the Landlord's Work in the Option Space shall be as agreed to by Landlord and Tenant following the exercise by Tenant of its rights with respect to the Option Space, and the rentable area of the Premises, the Rent, Tenant's Proportionate Share, and the inducements to Tenant described in Paragraphs 47 and 48 hereof and in the Work Agreement shall be increased accordingly (based on the square footage of the Option Space). If Tenant elects to lease the Option Space as herein provided, Landlord and Tenant shall execute an amendment to this Lease to reflect the addition of the Option Space to the Premises and the appropriate (based on the square footage of the Option Space) increase in the Rent, Tenant's Proportionate Share, and the inducements to Tenant described in Paragraphs 47 and 48 hereof and in the Work Agreement that shall occur as a result thereof. If Tenant does not elect to lease the Option Space within 10 business days of the execution hereof by Tenant, all of Tenant's rights with respect to the Option Space shall expire and Tenant shall have no further rights with respect thereto.

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed and sealed this Lease as of the day and year first above written.

LANDLORD:

ATTEST:

COMMERCE COURT PROPERTY
HOLDING TRUST

By_____

By /s/ Robert E. J.

TENANT:

ATTEST:

WESCO Distribution, Inc.

By /s/ Mark Keough

By /s/ Roy W. Haley

EXHIBIT A

DESCRIPTION OF PREMISES

[7th FLOOR PLAN]

[6th FLOOR PLAN]

EXHIBIT B

COMMERCE COURT PROPERTY HOLDING TRUST

Commerce Court Building
Pittsburgh, Pennsylvania 15219

Date: May __, 1995

WORK AGREEMENT

WESCO Distribution, Inc.
One Riverfront Center
Pittsburgh, PA 15222

Re: 53,504 Rentable Square Feet on the 6th and 7th Floors, Commerce Court Building Lease, dated May __, 1995.

Gentlemen:

You ("Tenant") and we ("Landlord") are executing, simultaneously with this Work Letter Agreement, a written lease (the "Lease") covering the space referred to above (the "Premises").

To induce Tenant to enter into the Lease (which is hereby incorporated by reference to the extent that the provisions of this Work Letter Agreement may apply thereto) and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant mutually agree as follows:

(a) Landlord shall provide at Landlord's cost the above ceiling improvements and modifications (to include grid, tiles, parabolic lighting, sprinkler, and HVAC systems and other improvements) specified as "Landlord's Work" in the Ceiling Specification Schedule and Electrical Requirements attached hereto as Schedule I (the "Above Ceiling Improvements"). In addition to the Above Ceiling Improvements, Landlord shall demolish the improvements in the Premises existing immediately prior to

the date hereof (the "Demolition") at Landlord's expense. Landlord shall deliver the Premises, with the Demolition substantially completed, to Tenant within thirty days of the execution of the Lease by Landlord. Landlord shall begin the Above Ceiling Improvements after substantial completion of the Demolition and shall reasonably cooperate with Tenant's contractor (and Tenant agrees to reasonably cooperate and to require its contractor to reasonably cooperate with Landlord) in order to use all reasonable efforts to assure a timely completion of the Above Ceiling Improvements and the work to be completed by Tenant's contractor pursuant to this Work Letter Agreement by August 25, 1995.

(b) Subject to the limitations hereinafter set forth, Landlord hereby agrees to provide Tenant with an allowance for the cost of constructing the Tenant Improvements (as hereinafter defined) as follows:

(i) Landlord shall pay Tenant in the manner hereinafter set forth an amount equal to, but in no event to exceed, Twenty Dollars ($20.00) for each of the 53,504 rentable square feet comprising the Premises (i.e. ONE MILLION SEVENTY THOUSAND EIGHTY DOLLARS ($1,070,080) in the aggregate) for the cost of the construction of the Tenant Improvements, including all license and permit fees relating thereto (the "Tenant Improvement Allowance"). Landlord makes no representation or warranty as to whether the Tenant Improvement Allowance is sufficient to cover the entire cost of completing the Tenant Improvements. In the event that the cost of completing the Tenant Improvements exceeds the Tenant Improvement Allowance, the amount of such excess cost shall be the sole and exclusive responsibility of Tenant and shall, as an additional obligation of Tenant under this Lease, be paid by Tenant as and when due.

(ii) The Tenant Improvement Allowance shall be paid by Landlord to Tenant in accordance with the procedures for "Progress Payments" set forth in Article 5 of the American Institute of Architects document A101 "Standard Form of Agreement Between Owner and Contractor" as completed by and between Tenant, as owner, and Tenant's Contractors (as hereinafter defined) or pursuant to such other procedure for payment as Landlord and Tenant may from time to time mutually approve in advance.

(c) Tenant shall submit to Landlord for Landlord's review and approval, the following architectural and construction drawings and specifications prepared by Tenant's designated design consultant, the employment of which Landlord

must approve (the "Consultant"), for the construction of Tenant's improvements to the Premises:

(i) one preliminary set of 1/8 inch scale architectural drawings and specifications for Tenant's partition layout, reflected ceiling plan, telephone and electrical outlets and preliminary finish schedule for the work to be done by Landlord or Tenant pursuant to this Work Agreement hereof; and

(ii) One revision of the preliminary set described in (i) above, complete, finished and detailed 1/8 inch scale architectural drawings and specifications for Tenant's partition layout, reflected ceiling plan, telephone and electrical outlets, and including all built-ins.

(iii) Detailed schedule of Tenant finishes specifying paint, wall covering, carpet and base selections; and

(iv) Completion schedule for the work to be done by or on behalf of Tenant in connection with the construction of the Tenant Improvements.

(The plans and drawings listed as items (i) through (iv) of this Paragraph (b) are hereinafter referred to as the "Tenant Improvement Plans" and reference herein to "Tenant Improvements" shall mean all work to be done in the Premises by or on behalf of Tenant pursuant to the Tenant Improvement Plans or otherwise. Landlord hereby approves Tenant's use of Bohlin Cywinski Jackson and RCF Engineering as Consultants for the Tenant Improvements.

(d) The Tenant Improvement Plans and the Tenant Improvements shall be consistent with Landlord's Building Standard Tenant Area Finishes and Materials (hereinafter the "Standards"), a copy of which is attached hereto as Schedule II; provided, however, that Tenant may deviate from the Standards for the Tenant Improvements if (i) the deviations are not of a lesser quality than the Standards; (ii) the deviations conform to and comply with all applicable governmental regulations and all necessary governmental permits and approvals have been secured by Tenant; (iii) the deviations do not require Building service beyond the level normally provided to other tenants in the Building and do not overload the floors or other structural components of the Building; and (iv) Landlord has determined in its sole discretion that the deviations are of a nature and quality consistent with other leased space in the Building. Landlord agrees that no fee will be charged for (i) reviewing the Tenant Improvement Plans; (ii) electricity used by the Tenant during the construction period and (iii) any general conditions, overhead or other fees for construction of the Premises.

(e) Tenant shall have the right to hire the contractors (hereinafter referred to as "Contractors"), subject to Landlord's prior approval. Upon approval by Landlord of Tenant's Improvement Plans and Tenant's Contractors, Tenant shall promptly commence with the construction of the Tenant Improvements and thereafter diligently prosecute the same to completion such that Tenant may occupy the Premises on the Commencement Date hereof. All Tenant Improvements shall be in full compliance with the Americans With Disabilities Act of 1990.

(f) Tenant acknowledges Landlord's need to maintain certain control over the planning, construction and completion of the Tenant Improvements in light of Tenant's use of a third-party Contractor. Accordingly, notwithstanding any other provision of the Lease or this Work Agreement, Landlord and Tenant agree as follows:

(i) All architects, engineers, contractors, plans, specifications, and drawings relating to the Tenant Improvements or to the design or construction thereof shall be subject to the prior review and approval of Landlord.

(ii) Tenant's Contractors must perform in such a manner as to not cause or permit to be caused a material default or breach of any term, condition, rule or regulation of this Lease by Tenant.

(iii) Tenant and Contractors shall maintain at all times during the construction of the Tenant Improvements and for the benefit of Landlord, its officers and employees, such insurance as Landlord may reasonably require including, without limitation, such worker's compensation and other similar insurance as is required under the laws of the Commonwealth of Pennsylvania or any political subdivision thereof.

(iv) Tenant shall deliver or cause to be delivered to Landlord, complete copies of all contracts for the construction of the Tenant Improvements or for any portion thereof, prior to execution thereof by Tenant. Thereafter, but prior to the commencement of such construction, Tenant shall deliver to Landlord copies of executed originals of such construction contracts.

(v) Tenant shall deliver or cause to be delivered to Landlord prior to the commencement of construction of any of the Tenant Improvements, (A) certificates or other evidence reasonably satisfactory to Landlord of such insurance as is required hereunder; (B) evidence that any and all governmental permits and licenses required for the construction of the Tenant Improvements

have been duly secured and remain in full force and effect; and (C) such other similar assurances which Landlord may reasonably require from time to time.

(vi) All construction activities relating to the Tenant Improvements shall be coordinated by and subject to the reasonable overall supervision and oversight of Landlord or its agent.

(vii) To the extent that Tenant pays directly, or causes to be paid, any Contractors, supplier or materialmen, Landlord may from time to time require from Tenant evidence of payment to all such parties during the course of construction of the Tenant Improvements and at the completion thereof.

(viii) Landlord may, at its option, at any time and from time to time, inspect all construction upon the Premises. In the event that any said construction does not comply with the Tenant Improvement Plans, Landlord shall, within twenty four (24) hours of Landlord's inspection, notify Tenant in writing of such non-compliance, including the specifics thereof, whereupon Landlord may require the same to be removed and reconstructed to so comply.

(g) During the construction period and prior to the date upon which Tenant takes possession of the Premises, (i) Landlord shall inspect the Premises and all improvements comprising the Tenant Improvements made to the Premises by Tenant to reasonably determine that they are satisfactory, except Punch List items, except for such latent defects, if any, as would not be discovered by a reasonable, diligently conducted inspection of the Premises ("Latent Defects"); and (ii) Tenant shall execute a certificate as to the confirmation of the Commencement Date and the Expiration Date of the Term. Tenant's failure to deliver the certificate within thirty (30) days after the Commencement Date shall be conclusive upon Tenant that the Commencement Date and Expiration Date shall be those dates set forth in this Lease. Landlord's failure to approve the construction of the Tenant Improvements shall not in and of itself constitute an eviction, in whole or in part, entitle Tenant to any abatement or diminution of Rent, relieve Tenant of any of its obligations under this Lease or impose any liability upon Landlord to Tenant or its agents or contractors by reason thereof.

(h) In order to commence and complete all Tenant Improvements as efficiently and expeditiously as is reasonably possible, Landlord and Tenant agree to cooperate with each other with respect to the scheduling, coordination and performance of their respective work to be performed upon the Premises.

(i) Any portion of the Tenant Improvement Allowance that is not utilized by Tenant in accordance with this Work Agreement, at Tenant's election, may be added to the move-in and moving allowance provided to Tenant pursuant to Paragraph 47 of the Lease, or as a credit against rental obligations arising immediately after Tenant's abatement period expires as specified in Paragraph 46 of the Lease.

(j) Change orders for the Tenant Improvements shall be treated by Landlord and Tenant comparable to other work to be performed by Tenant in accordance herewith.

(k) Neither Landlord nor Tenant shall unreasonably withhold or delay its consent or approval to the extent its consent or approval is required under the terms of this letter.

If the foregoing correctly sets forth our understanding, kindly acknowledge your approval in the space provided below for that purpose.

Yours very truly,

COMMERCE COURT PROPERTY
HOLDING TRUST

By_____

Agreed to and Accepted this day ___
day of May, 1995.

WESCO Distribution, Inc.

By: _____

Title: _____

SCHEDULE I

COMMERCE COURT
HVAC SYSTEMS "FIT-OUT" SCOPE
MAY 17, 1995

DESIGN CRITERIA SPECIFIC TO COMMERCE COURT
- ----------

Improvements indicated on this Schedule I shall be provided by Landlord at Landlord's sole expense except as specifically noted.

OVERVIEW
- --------

The Landlord shall provide a complete heating, ventilating and air conditioning, system "fit-out" for the Tenant. Systems will be designed in strict accordance with applicable codes. The present base building system consists of two dual duct air handlers, located at the opposite corners of each floor and ducted to hot and cold dual duct distribution ductwork serving perimeter zones. Cooling only ductwork is provided to interior zones. Temperature in all zones is modulated by variable volume air boxes. The air handling units are served by a central chilled water and hot water system. The system is designed to provide .83/CFM usable square foot at 50 Degrees F.

The Tenant shall provide performance criteria for air quantities to be provided at all terminal points in the HVAC system, based on Tenant's engineering analysis of proposed occupancy loads. The Tenant shall provide at Tenant's cost final design of the system and Landlord shall provide at Landlord's cost installation and modification of the base building system to comply with these design criteria and the following general specification:

Office Areas
- ------------

HVAC: General office area shall be served by variable air volume terminals
- ----
supply ductwork, and return air via ceiling plenum. The ductwork system will be concealed. Supply air diffusers presently installed shall be utilized along all

exterior walls. Relocation of some existing interior diffusers to perimeter locations will be required.

Perimeter office/zones: (15 foot deep zone from exterior wall) shall utilize dual duct, variable volume boxes for zone control. Supply air shall be distributed via medium pressure hot and cold ductwork to variable air volume boxes and via low pressure ductwork to perimeter linear diffusers.

Interior open office areas: (all areas not included in perimeter office/zones above) shall be served by variable air volume boxes. Supply air shall be ducted via medium pressure ductwork to variable air volume boxes and low pressure ductwork to adjustable face 2 x 2 lay-in diffusers. Return air shall be via light fixtures into the ceiling plenum area.

At Tenant's Expense (The Following Items 1. through 4.):

1. The computer room shall be cooled by a separate air cooled supplemental air conditioning system provided by Tenant.

2. Separate and complete exhaust systems shall be provided to exhaust lunch room and toilet rooms (including janitor's closet).

3. If zone control is required in excess of the number of vav boxes provided in Item I, Page 4 of 7, the Tenant shall be responsible for the cost.

4. Items 1 and 3, from Page 3 of 7, Section G.

Tenant may improve the Premises above and below the ceiling in addition to the Landlord's Work and Tenant's Work identified herein at Tenant's Expense with Landlord's approval which approval shall not be unreasonably withheld, conditioned or delayed.

GENERAL DESIGN CRITERIA FOR ANY LOCATION
- --

1. HVAC

A. Outside Design Conditions

1. Summer: 91 Degrees F DB, 72 Degrees F WB
2. Winter: 0 Degrees F DB

B. Indoor Design Conditions

1. Summer: 75 Degrees F DB
55% relative humidity, Max.
2. Winter: 72 Degrees F

C. Minimum Outside Air Rate: 20 c.f.m. of outside air per person.

D. Lighting Heat Gain per usable square foot

1. Office Area

a.	Private Offices	2 watts/usable square foot
b.	Conference Rooms	2 watts/usable square foot
c.	Toilet Rooms	2 watts/usable square foot
d.	Open Offices	2 watts/usable square foot
e.	Waiting/Recep.	2 watts/usable square foot
f.	Storage Rooms	1 watt/usable square foot
g.	Computer Room	2 watts/usable square foot
h.	Lunch Room	2 watts/usable square foot
i.	Work Rooms	3 watts/usable square foot

E. Miscellaneous Heat Gain

1. Areas

a.	Computer Room	30 watts/usable square foot*
b.	Storage Rooms	1.5 watts/usable square foot
c.	Open Office Areas	2 watts/usable square foot
d.	Private Offices	2 watts/usable square foot

e. Work Rooms 2 watts/usable square foot

*Tenant shall install at Tenant's cost a separate air conditioning system within the computer room. Power to the computer room and computer room HVAC shall be separately metered. The meter shall be provided by Tenant at Tenant's cost.

The HVAC system shall accommodate an average of 4 watts/usable square foot over the entire demised premises.

F. Occupancy

1. Areas

a.	Conference Rooms	1 person/15 square feet
b.	Open Office Areas	1 person/225 square feet
c.	Lobby	6 people
d.	Corridors	I person/400 square feet
e.	Storage	1 person/800 square feet
f	Lunchroom	1 person/25 square feet
g.	Closed Office Area	1 person/100 square feet
h.	Work Rooms	1 person/225 square feet

G. Ventilation and/or Exhaust Air Rate

1. Provide 400 c.f.m. cabinet exhaust fan and duct systems in conference rooms, with adjustable, wall mounted speed control. Duct outlet into return air plenum at Tenant's expense.

2. A minimum of 20 c.f.m. per person outside air.

3. Any smoking area or food preparation area or areas with noxious fumes shall be exhausted directly to the outside, not the return air ifenum, at Tenant's expense.

H. Sound and Vibration Control shall follow ASHRAE Guidelines for Sound and Vibration Control. The resulting noise levels created by the base building mechanical systems shall not exceed the NC Values established below:

1.	Areas	NC
	a. Conference Rooms	30
	b. Private Offices	35
	C. Open Office Areas	40
	d. Halls and Corridors	45
	e. Computer/Proposal	45

Installation of conference rooms or private offices immediately adjacent to the fan/mechanical rooms may not be within the above tolerances.

I. Automatic Temperature Control: The following temperature control zones shall be provided with separate automatic temperature control:

Landlord shall provide 40 vav boxes within the entire demised premises.

J. Air Circulation

1. Open Areas: Air diffusers shall be designed to serve 400 usable square feet per Device.

2. Closed Office Areas: Maximum of 150 usable square feet per presently installed or relocated linear diffusers.

K. Diffusers

Landlord shall provide Tenant, at Landlord's expense, with the following quality and type of diffusers in quantities not to exceed one (1) for every 400 usable square feet of interior area:

1. 2x2 - lay-in diffusers - square louvered face, steel construction with: offwhite enamel finish, volume damper, control grid and lay-in panel-Tuttle & Bailey Inc, type DME.

2. Supply diffusers presently installed within the Premises.

3. Return grille - fixed horizontal steel bars with off-white enamel finish, volume damper - 42 degree deflection blades, overlap margin - Tuttle & Bailey Inc, type T70D at Tenant's expense.

SPRINKLERS
- ----------

Landlord shall sprinkler the premises using concealed heads at Landlord's sole cost and will be installed per application to accommodate Tenant's plan. Tenant must supply plans of their demised premises not later than May 19, 1995. If plans are not received by said date, sprinklers will be installed at a quantity of one (1) head for 196 usable square foot. Any changes thereafter will be at the Tenant's expense. Any pre-action or other fire suppression system required by Tenant will be at Tenant's expense,.

CEILING TILE
- ------------

Ceiling Tile Specification:

Landlord shall provide Tenant with the ceiling tile specified below or an equivalent allowance:

Manufacturer: USG
2 x 4 tiles for use with the existing 15/16" exposed grid

High NRC Millennia for use in open office areas and corridors.
Number: 76201
Edge: SLT - Shadow Line Tapered

Millennia: For all other enclosed spaces
Number: 76705
Edge: SLT - Shadow Line Tapered

PERFORMANCE SPECIFICATION
WESCO OFFICE RELOCATION
COMMERCE COURT, 7TH FLOOR

EXISTING FACILITIES
- ------------------

1. There are two electrical closets on the seventh floor serving from the south east and south west areas of the building. Each closet has a 480/277 volt, 3-phase, 4-wire, 400 ampere power panel and a 208/120 volt, 3-phase, 4-wire, 400 ampere power panel. The feeders serving these panels also serve similar panelboards on the fifth and sixth floor riser.

2. The Commerce Court allowance per tenant area is 4 watts per usable square foot.

3. Included in the e.g. space are two 480 volt feeders serving a 45 KVA and 50 KVA, 480 to 208/120V step down transformer. Both of these feeders are metered separately from the tenant allowance. The 45 KVA = transformer and two 225 ampere, 208/120 volt, 3-phase, 4-wire panelboards are located in the present tele-communication room. The 50 KVA transformer and one 225 ampere, 208/120 volt, 3-phase, 4-wire panelboard are located in the closet in the present lounge area.

4. There is a 600 ampere, 3 pole enclosed circuit breaker and associated 600 ampere, 480/277 volt panelboard in a corridor along the east side of the atrium. There is also a 100 ampere panel next the 600 ampere panel. The 600 ampere panel does not have feeder connected to it. These panels and circuit breaker will be removed by Landlord at Landlord's expense.

5. There is a 600 ampere, 3 pole enclosed circuit break in another corridor along the east side of the atrium. There is a 600 ampere 3-phase, 4-wire panelboard 'TE' that served Liebert units for the past tenant. There is also a 100 ampere, 120/240 volt, single phase. 3 wire panelboard 'TD' next to panel 'TE'. Tenant will reuse this equipment at no cost to Tenant.

6. There are two telephone closets serving the floor at the southeast and at the north west areas of the floor. There is also a telephone riser in the present telecommunications room of the previous tenant. There is a combination of fiber optic and copper wiring in the closets. Tenant shall gain access to telephone lines at the Bell Telephone point of demarcation.

PERFORMANCE SPECIFICATION
WESCO OFFICE RELOCATION
COMMERCE COURT, 7TH FLOOR

WESCO REQUIREMENTS
- ------------------

1. For a typical office with a high concentration of personal computers and video display terminals, the electrical load may be in the range of 1.5 to 2.5 watts per square feet.

2. The illumination of the general office areas shall be approximately 65 foot candles maintained, utilizing 18 cell parabolic three (3) tube light with integral air return. The lighting load should be approximately 1.5 to 2.0 watts per square feet utilizing T8 type lamps and electronic ballasts. Lights shall be disbursed at an average of one per 90 usable square feet at Landlord's cost.

3. Tenant shall furnish and install approximately 1,100 linear feet of cable tray, with Landlord's cooperation while Landlord performs Landlord's ceiling work, above the finished ceiling from the computer room along the outside perimeter office and a run around the center core area. The cable tray shall be heavy duty aluminum, 6-inch inside depth, minimum 18-inches wide. Cable tray to be provided by Tenant.

4. The existing 208/120 volt power panels in the electrical closets shall be modified at Tenant's expense replacing single pole circuit breakers with 225 ampere, 3-pole circuit breakers to service sub-panelboards in the office areas. The sub-panelboards shall have panel level surge protection, provided by Tenant.

5. The computer room shall be supplied through an uninterruptable power supply system fed from the tenant metered feeders at Tenant's expense.

6. The lighting branch circuit wiring shall be supplied from the 480/277 volt building system panelboards.

7. Data/communication wiring shall be plenum type furnished and installed at Tenant's expense.

COMMERCE COURT BUILDING

BUILDING STANDARD TENANT AREA

FINISHES & MATERIALS

PARTITIONS:

Interior partitions shall be ceiling height, 5/8" drywall on 3-5/8" metal studs spaced at 2411 o.c.

Demising partitions, not exceeding 10% of the aggregate allowance, shall be 5/8" drywall type, "XI, drywall on 3-5/8" metal studs placed at 241, o.c. with 1-1/2 sound attenuating batt installation from the floor to the underside of the floor above.

DOOR OPENINGS:

Interior doors shall be 7' 2", solid core wood, prefinished rotary sawn Red Oak, with painted hollow metal frame.

Corridor doors shall be 7' 2", "C" or "B" label wood prefinished, rotary sawn Red Oak with painted hollow metal frame. Fire ratings to be provided as required by applicable code.

DOOR HARDWARE: Each interior door to be provided with one and one-half pair of plain butt hinges 45OTBB with building standard latch set "8U15". Each corridor door to be provided with one and one-half pair of plain butt hinges 45OTBB with building standard cylinder deadbolt lock set and exposed door closer.

CEILINGS: Ceilings to be mechanically suspended 2 x 4, lay-in acoustical tile.

FLOOR: Reinforced concrete slab with 350 psf live load.

FLOOR COVERING: Installed floor covering to be equal to or greater than $11.25 per square yard. Base of 4" rubber at all exterior walls, columns and partitions.

PAINTING: All drywall surfaces shall be painted with two coats paint from building standard color selection. Doors and trim which are not prefinished shall be painted with two coats paint.

WINDOW DRESSING: Thin-lined venetian blinds on all exterior windows.

ELECTRIC SERVICE: The service capacity of electricity at the electric closets shall be 4 watts average per square foot.

LIGHTING: 2" x 4' recessed, full return-air troffer parabolic fixtures provided in the ratio of one fixture per 90 usable square feet of ceiling area.

HVAC: A complete heating, ventilating and air conditioning system utilizing perimeter radiation and interior variable volume air handling and cooling designed to allow for a maximum of 4 watts of electricity (lighting and power) per square foot in any given space or room, an average population density of one person for each 150 usable square feet, and a total connected load for office equipment and appliances not in excess of two volt-amperes per usable square foot. Balancing of such system shall take place within a reasonable time after occupancy and it is understood that installation of the system shall be deemed completed prior to such balancing.

SUBSTITUTIONS: Other approved materials, equipment and fixtures may be substituted by Tenant for those specified as building standard, provided that any extra cost thereof, including overhead and handling fees, shall be payable in full upon billing.

OMISSIONS: With approval, building standard materials, equipment and fixtures may be omitted or otherwise provided as required by Tenant in less than allowed quantities in which event a credit shall be granted for the omitted items or quantities against the cost of approved substitutions or additions. No cash credits shall be given.

Schedule II-2.

EXHIBIT C

RULES AND REGULATIONS

OF THE COMMERCE COURT BUILDING

COMMERCE COURT
RULES AND REGULATIONS

DEFINITIONS: Wherever in these rules and regulations the word "Tenant" is used, it shall be taken to apply to and include Tenant and his agents, employees, invitees, licensees, subtenants and contractors, and is to be deemed of such number and sender as the circumstances require. The word "Premises" is to be taken to include the space covered by this Lease. The word "Landlord" shall be taken to include the employees and agents of Landlord.

CONSTRUCTION: The streets, sidewalks, entrances, halls, passages, elevators, stair ways and other common area provided by Landlord shall not be obstructed by Tenant or Landlord or used by them for any other purpose than for ingress and egress.

WASHROOMS: Toilet rooms, water closets and other water apparatus shall not be used for any purposes other than those for which they were constructed.

INSURANCE REGULATIONS: Tenant shall not do anything in the Premises, or bring or keep anything therein, which will in any way increase or tend to increase the risk of fire or the rate of fire insurance, or which will conflict with the regulations of the fire department or the fire laws, or with any insurance policy on the Building or any part thereof, or with any law, ordinance, rule or regulation affecting the occupancy and use of the rooms, now existing or hereafter enacted or promulgated by any governmental authority or by the National Fire Protection Association and the Insurance Service Office of Pennsylvania or similar organizations.

GENERAL PROHIBITIONS: In order to insure proper use and care of the Premises, Tenant shall not:

(a) Keep animals or birds in the Premises.

(b) Use the Premises as sleeping apartments.

(c) Allow any sign, advertisement or notice to be fixed to the Building, inside or outside, without Landlord's consent.

(d) Make improper noises or disturbances of any kind; play or operate any musical instrument, radio or television without consent of Landlord, or otherwise do anything to disturb other tenants or tend to injure the reputation of the Building.

(e) Mark or defile elevators, water closets, toilet rooms, walls, windows, doors or any other part of the Building.

(f) Place anything on the outside of the Building, including room setbacks, window ledges and other projections; or drop anything from the windows, stairways or parapets; or place trash or other matter in the halls, stairways, elevators or light wells of the Building.

(g) Cover or obstruct any window, skylight, door or transom that admits light.

(h) Fasten any article, drill holes, drive nails or screws into the walls, floors, woodwork or partitions; nor shall the same be painted, papered or otherwise covered or in any way marked or broken without consent of Landlord, except that pictures and other items may be hung on the walls of the Premises consistent with those typically contained in first class office buildings.

(i) Operate any machinery other than small office equipment.

(j) Interfere with the heating or cooling apparatus.

(k) Allow anyone but Landlord's employees to clean rooms.

(1) Leave the Premises without locking doors and extinguishing all lights.

(m) Install any shades, blinds or awnings without consent of Landlord.

(n) Use any electric heating device without permission of Landlord.

(o) Install call boxes or any kind of wire in or on the Building without Landlord's permission and direction.

(p) Manufacture any commodity or prepare or dispense any foods or beverages, tobacco, drugs, flowers or other commodities or articles without the consent of Landlord, other than is typically permitted in other first class office buildings.

(q) Secure duplicate keys for rooms or toilets, except from Landlord.

(r) Give his employees or other persons permission to go upon the roof of the Building without the consent of Landlord.

(s) Place door mats in public corridors without consent of Landlord, which consent shall not be unreasonably withheld or delayed.

PUBLICITY: Tenant shall not use the name of the Building in any way in connection with his business except as the address thereof. Landlord shall also have the right to prohibit any advertising by Tenant which, in its opinion, tends to impair the reputation of the Building or its desirability as a building for offices; and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising. Signs on interior glass doors will be painted only by the person designated by Landlord, the cost of the painting to be paid by Landlord.

RECIPROCAL EASEMENT AGREEMENT: Tenant shall not use the Premises in any way which will be in violation of the Reciprocal Easement and Operating Agreement dated May 19, 1981 between the Pittsburgh History & Landmarks Foundation and Landlord.

MOVING OF EQUIPMENT: Landlord reserves the right to designate the reasonable time when and the method whereby freight, small office equipment, furniture, safes or other like articles may be brought into, moved or removed from the Building or rooms, and to designate the location for temporary disposition of such items. In no event shall any of the foregoing items be taken from the Premises for the purpose of removing same from the Building without the express consent of both Landlord and Tenant. Tenant agrees that it shall not exceed the floor load limit in the Building of 150 pounds per square foot.

PUBLIC ENTRANCE: Landlord reserves the right to exclude the general public from the Building upon such days and at such hours as in Landlord's judgment will be for the best interest of the Building and its tenant. Persons entering the Building after 6:00 PM on business days and at all times on Saturday, Sunday and holidays must sign the register maintained for that purpose.

REGULATION CHANGES: Landlord shall have the right to make such other and further reasonable rules and regulations as in the judgment of Landlord, may from time to time be needful for the safety, appearance, care and cleanliness of the Building and for the preservation of good order therein so long as such rules and regulations do not unreasonably interfere with Tenant's access to and permitted use of the Premises and such rules and regulations, to the extent practicable, apply uniformly to all tenants in the Building. Landlord shall not be responsible to Tenant for any violation of rules and regulations by other tenants.

EXHIBIT D

HOUSEKEEPING SPECIFICATION

COMMERCE COURT

CLEANING OF RETAIL AREA

Night Cleaning of Retail Areas, All Building Entrances, Elevator Lobbies, and All Other Public Areas.

1. Sweep, damp mop and buff pavers nightly. Refinish with a complete strip on an as needed basis dictated by Oxford Development Company, but not less than once per quarter.

2. Wipe down all metal surfaces at entrances, railings, columns, elevator lobbies and elevators nightly with appropriate cleaning products.

3. All wall surfaces excluding high work are to be dusted nightly using approved method to remove fingerprints and smudges.

4. High dust and wash glass elevator exteriors including surrounding partitions weekly.

5. All exterior and interior cigarette urns or trash receptacles are to be cleaned continuously. Clean sand and/or plastic receptacle liners as required. This includes the public telephone area.

6. Rain mats will be appropriately placed when needed and when not in use stored in designated areas. Such mats shall be stored and ready for use in a clean condition.

7. Lobby console and directory shall be cleaned as required daily to maintain a clean appearance.

8. Telephones are to be cleaned and disinfected a minimum of two times per day including weekends.

9. Any debris found in the fountain is to be removed immediately, day and night.

Monthly Retail Cleaning:

1. All high work including dusting, spot cleaning and dusting HVAC diffusers.

GENERAL CLEANING

Nightly Office Cleaning:

1. Sweep or dust mop all hard surface flooring/1/ to insure dust free floors, with special attention to hard to reach areas. Remove all gum and foreign matter on sight.

2. Spot mop hard surface floors for spills, smears and foot tracks.

3. Vacuum all carpeted traffic areas in offices and public corridors.

4. Spot clean carpeting where necessary and possible.

5. Empty and dust all wastebaskets and disposal receptacles, wash ashtrays and install new liners as necessary.

6. Collect and remove recyclable paper, computer paper, cardboard and non-recyclables. All recyclable materials should be placed in the designated holding area.

7. Dust clean all horizontal surfaces such as desks, leather and vinyl chairs, credenzas, files, window sills, chair rails, pictures (within reach) and tables. Contractor's personnel shall not disturb papers on desks, files, tables, or stacked on the floor and shall not dust computer screens or keyboards.

8. All telephones are to be washed and disinfected nightly.

9. Spot clean entrance door glass, walls around light switches, door frames and glass partitions.

10. Wash clean and polish all water fountains.

11. Police and maintain elevator cabs, polish doors and tracks and vacuum or mop floors.

_____

/1/. Hard Surface Flooring - Freight elevator lobbies, vending/lunch areas, computer rooms and mailrooms.

12. When work is completed, lights are to be turned off, all doors found locked are to be re-locked, freight elevator lobby doors and floors secured.

Weekly Office Cleaning:

1. Wash reception area glass to all tenant spaces.

2. Polish all brass at entrance doors and kick plates on bottom of all doors.

3. Vacuum entire carpeted area using a crevasse tool where necessary.

4. Mop clean hard surface floors.

5. Dust elevator jambs and polish tracks, door openings and cabs.

6. Mop clean all computer room floors, changing water solutions frequently. Floors are not to be saturated-water should not penetrate into the air space below.

7. Clean and polish furniture including desks, chairs, credenzas and cabinets. No dusting, polishing, or spraying of cleaning products is to be done on any computer equipment.

Monthly Office Cleaning:

1. Dust all areas not done regularly including, but not limited to, cove base, HVAC diffusers, thermostats and all corners of the office.

   Note: Any special cleaning requests by tenants, such as carpet extraction, bonnet cleaning of carpet, dishwashing, kitchen cleaning, refrigerator cleaning, etc., is to be directed to and coordinated by Oxford Development Company. Contractor shall not schedule directly with or invoice directly to Commerce Court tenants.

RESTROOMS

Nightly Cleaning Service:

1. Sweep, wet mop and disinfect all flooring including base.

2. Wash and disinfect all basins, bowls and urinals.

3. Scrub and wash clean underneath sinks, bowls and urinals.

4. Wash and polish all mirrors, powder shelves and brightwork, including drain pipes under the counter top.

5. Wash and disinfect both sides of all toilet seats.

6. Spot clean walls, partitions and entry doors.

7. Replace roll tissue, hand towels, hand soap, sanitary products and waxed paper bags.

8. Remove all trash and disposed feminine hygiene products.

9. Dust clean tops of all partitions and wall mounted dispensers.

Monthly Cleaning Service:

1. Spray wax and buff floors.

Quarterly Service:

1. Strip and machine scrub flooring, reseal, apply two coats of wax and buff.

2. Thoroughly wash partitions.

3. Wash all ceramic tile walls.

DAY CLEANING DUTIES:

Adequate personnel shall be assigned to perform the following services and any additional duties as directed by the building manager.

Day Porter:

1. Check all public areas constantly, both interior and exterior, picking up all foreign matter on site.

2. All exterior and interior cigarette urns or trash receptacles are to be cleaned continuously. Clean sand and/or plastic receptacle liners as required. This includes the public telephone area.

3. Police floors in men's restrooms; to be checked a minimum of twice daily (morning and afternoon). Spot clean fixtures and under urinals, and re-stock paper products as needed.

4. Police stairways (sweep and damp mop weekly).

5. Rain mats will be appropriately placed when needed and when not in use stored in designated areas. Such mats shall be stored and ready for use in a clean condition.

6. Any debris found in the fountain is to be removed immediately, day and night.

7. Move furniture, make deliveries and attend to other duties as requested by Oxford Development Company.

Day Matron:

1. Police floors in all ladies restrooms; to be checked a minimum of twice daily (morning and afternoon). Spot clean fixtures and re-stock paper products as needed.

2. All wall surfaces are to be spot cleaned removing all fingerprints and smudges. Telephones are to be cleaned and disinfected a minimum of two times per day including weekends.

3. Any debris found in the fountain is to be removed immediately, day and night.

4. Attend to other duties as requested by Oxford Development Company.

5. The day matron will be responsible for the collection of money from and the re-stocking of sanitary napkin machines. All monies are to be returned to Oxford Development Company along with a re-stocking inventory list provided by Oxford Development Company.

Freight Elevator Operator:

1. Operate freight elevator for vendors, tenants, cleaners, engineers, etc.

2. Sign in and out all deliveries including company name, individual name and destination on freight log provided by Oxford Development Company.

3. Maintain freight elevator and elevator lobbies daily sweeping and mopping as needed on all floors.

4. Maintain loading dock area; police all papers, boxes and debris; sweep daily and hose down as needed (but no less than once per week weather permitting). Remove all debris under and around the trash compactor and any dumpsters at the dock.

5. Remove snow and ice from dock area as soon as possible and use snow melting chemicals provided by Oxford Development Company.

The "loading dock" is that area between Bobby Rubino's service entrance and Roy Rogers service entrance from the building out to Carson Street.

Night Cleaning of Building Services Areas:

1. Slop sink rooms, storage rooms, locker rooms, employee toilet rooms, and lunch rooms are to be kept neat, clean and orderly at all times. Walls, lockers, and floors shall be cleaned, washed, and/or waxed as required.

2. Freight elevator areas are to be kept neat, clean, and orderly at all times.

3. Resilient floor surfaces in service corridors are to be washed nightly, buffed weekly, and stripped and refinished bimonthly.

4. All wall surfaces in service corridors are to be dusted weekly. Fingerprints, graffiti, and smudges are to be removed as required.

5. High dust or wash all air conditioning ceiling fixtures once a year.

6. Loading dock and trash room area to be swept daily and floor areas hosed down as required. Wall surfaces are to be cleaned weekly. Overhead equipment dusted yearly.

WINDOW CLEANING:

Exterior windows in the Building shall be cleaned on a basis consistent with other first class office buildings in the Pittsburgh area.

[EXHIBIT "E" 6th FLOOR PLAN]

Exhibit E-1

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "Amendment") is made as of the ___ day of June, 1995 by and between COMMERCE COURT PROPERTY HOLDINGS TRUST, a Pennsylvania business trust (the "Landlord")

A N D

WESCO DISTRIBUTION, INC., a Delaware corporation (the "Tenant").

WHEREAS, Landlord and Tenant are parties to that certain Office Lease Agreement dated May 24, 1995 (the "Lease"), with respect to space in the Commerce Court Building, Four Station Square, City of Pittsburgh, Allegheny County, Pennsylvania (the "Building"); and

WHEREAS, the Lease, in Paragraph 53 thereof, provides Tenant with an option to lease an additional 6,865 square feet of leasable area on the 6th floor of the Building, which space is described on Exhibit "E" to the Lease as "Vacant" (the "Option Space"), with such option being exercisable within ten business days of the execution of the Lease by Tenant; and

WHEREAS, by written notification dated June 2, 1995, Tenant notified Landlord of its intention to exercise its option to lease the additional space; and

WHEREAS, Landlord and Tenant desire to amend the Lease as hereinafter provided, to reflect the additional space to be leased by Tenant.

NOW THEREFORE, in consideration of the mutual covenants and premises contained herein and in the Lease, the parties hereto, intending to be legally bound do hereby covenant and agree as follows:

1. DEFINED TERMS. All terms used herein, and not otherwise defined, have the same meaning ascribed to them in the Lease. Any terms which are used in this Amendment and which are defined in this Amendment shall have the meanings ascribed to them herein.

2. PREMISES. The Option Space shall be added to the Premises, effective October 1, 1995. Notwithstanding anything contained in the Lease (including, without limitation, the Schedule of Lease Terms) to the contrary, effective October 1, 1995, the square foot area of the Premises will for all purposes be deemed to be 60,369 square feet of rentable area. Accordingly, effective October 1, 1995, each reference in

the Lease to "53,504 square feet of rentable area" shall be deleted and "60,369 square of rentable area" shall be substituted in its stead.

3. DELIVERY OF OPTION SPACE. Landlord shall deliver possession of the Option Space to Tenant, with Landlord's Work substantially completed, on or before October 1, 1995. The third sentence of the second grammatical paragraph of Paragraph 4 of the Lease shall not apply with respect to the Option Space.

4. RENT. Paragraph 4 of the Schedule of Lease Terms hereby is deleted in its entirety and the following shall be substituted in its stead:

4. RENT: (a) Total Minimum Rent: $7,596,196.50 payable in equal monthly installments as follows:

MONTH(S)	MONTHLY	COST PER RENTABLE SQUARE FOOT PER ANNUM
September 1995	$80,256	$18.00
October 1, 1995 through August 31, 2002	$90,553.90	$18.00

Total Minimum Rent and the monthly installments thereof shall be subject to Paragraph 46 of this Lease.

(b) Additional Rent: as set forth in Lease.

5. PROPORTIONATE SHARE. Paragraph 6 of the Schedule of Lease Terms hereby is deleted in its entirety and the following shall be substituted in its stead:

6. TENANT'S PROPORTIONATE SHARE: 18.29% (60,369 sq.ft./330,109 sq. ft.) (330,109 square feet is the rentable square footage of the office portion of the Building.)

6. MOVE-IN AND MOVING ALLOWANCE. Notwithstanding anything contained in Paragraph 47 of the Lease to the contrary, Tenant's allowance for the costs and expenses of moving as set forth in Paragraph 47 of the Lease shall be $120,738. Accordingly, each reference in Paragraph 47 of the Lease to Tenant's moving allowance of "$107,008" shall be deleted and "$120,738" shall be substituted in its stead.

7. DESIGN ALLOWANCE. Notwithstanding anything contained in Paragraph 48 of the Lease to the contrary, Tenant's allowance for the cost and expense of the preparation of Tenant's plans, construction drawings and engineering drawings, as set forth in Paragraph 48 of the Lease, shall be $135,830.25. Accordingly, the reference in Paragraph 48 of the Lease to Tenant's design allowance of "$128,384" shall be deleted and "$135,830.25" shall be substituted in its stead.

8. TENANT IMPROVEMENT ALLOWANCE. Notwithstanding anything contained in the Work Agreement to the contrary, the Tenant Improvement Allowance shall be $1,207,380. Accordingly, the reference in Paragraph (b)(i) of the

Work Agreement to the Tenant Improvement Allowance of "ONE MILLION SEVENTY THOUSAND EIGHTY DOLLARS ($1,070,080)" shall be deleted and "ONE MILLION TWO HUNDRED SEVEN THOUSAND THREE HUNDRED AND EIGHTY DOLLARS ($1,207,380)" shall be substituted in its stead.

9. ADDITIONAL RENTAL ABATEMENT. Without limitation of the provisions of Paragraph 46 of the Lease, the Abatement Period shall apply with respect to the Option Space for the months of October, November and December 1995. Additionally, Tenant shall be entitled to a credit of $10,297.50 as an abatement against the Total Minimum Rent due for January 1996 (resulting in a monthly installment of Total Minimum Rent in the amount of $80,256 being due for the month of January 1996). The abatement period for the Option Space (at the rate of $338.55 per day) shall be extended for a day-for-day basis for each day that the Option Space is not ready for occupancy by the Tenant after September 30, 1995 solely by reason of Landlord's failure to (a) have substantially completed the Landlord's Work in the Option Space by October 1, 1995 or, to (b) otherwise deliver the Option Space to Tenant by October 1, 1995.

10. NO FURTHER OBLIGATIONS. Landlord shall have no further obligations with respect to Paragraph 53 of the Lease except as specifically set forth in this First Amendment to Lease and said Paragraph 53 hereby is deleted.

11. WORK AGREEMENT. Schedule I to the Work Letter, Exhibit 8, Paragraph I states that "Landlord shall provide 40 VAV boxes within the entire demised premises" or one box per 1,337.60 square feet of rentable area. As a result of the addition of the Option Space, Landlord shall provide 45 VAV boxes within the entire demised premises.

12. SAVING CLAUSE. Except as specifically provided herein, the Lease, as amended by this First Amendment to Lease, shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have caused this instrument to be executed the day and year first above written.

	LANDLORD:
WITNESS:	COMMERCE COURT PROPERTY HOLDING TRUST
/s/ Judith P. Wisnieusli	By: /s/
- ----------	----------
	TENANT:
WITNESS:	ESCO Distribution, Inc.
/s/ Mark Keough	By: /s/ R. J. Marchuetz
- ----------	----------

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (the "Second Amendment") is made as of the 29th day of December, 1995, by and between COMMERCE COURT PROPERTY HOLDING TRUST, a Pennsylvania business trust (the "Landlord") and WESCO DISTRIBUTION, INC. (the "Tenant").

WHEREAS, Landlord and Tenant are parties to that certain lease agreement dated May 24, 1995, as amended by that certain First Amendment to Lease dated June, 1995 (the Amendment, together with the Lease, shall hereafter be referred to as the "Lease"), with respect to certain premises (the "Premises") in the Commerce Court Building, Four Station Square, Pittsburgh, Pennsylvania (the "Building");

WHEREAS, Landlord and Tenant desire, among other things, to change the date on which Tenant shall commence paying monthly installments of Total Minimum Rent and to extend the Term of the Lease as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants and premises contained herein and in the Lease, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

1. DEFINED TERMS. All terms used herein, and not otherwise defined, have the same meanings ascribed to them in the Lease. Any terms which are used in the Lease or in this Second Amendment, which are defined in this Second Amendment, shall have the meanings ascribed to them herein.

2. TERM. Landlord and Tenant agree that Item #3 on the Schedule of Lease Terms is amended so that the phrase "August 31, 2002" is hereby deleted and the phrase "October 31, 2002" is substituted in lieu thereof.

3. ABATEMENT OF RENT. Landlord and Tenant agree that on page 33, in the fifth line of Paragraph 46(a) of the Lease, the words "December, 1995" are hereby deleted and the words "February, 1996" are substituted in lieu thereof.

4. SAVING CLAUSE. Except as otherwise specifically provided herein, the Lease, as amended, shall remain as heretofore.

IN WITNESS WHEREOF, Landlord and Tenant have caused this instrument to be executed the day and year first above written.

WITNESS:

/s/ Judith P. Wisnieusli

COMMERCE COURT PROPERTY HOLDING TRUST
Landlord

By: /s/
Title: Secretary

WITNESS/ATTEST:

WESCO DISTRIBUTION, INC.
Tenant
By: /s/ R. J. Marchuetz
Title: Vice President, Chief Financial and Administrative Officer

EXHIBIT 10.11

LEASE

1. LEASE. The E.T. Hermann and Jane D. Hermann 1978 Living Trust ("Lessor") leases to Westinghouse Electric Corporation ("Lessee"), and Lessee hires from Lessor, on the terms, covenants and conditions set forth herein, the premises (the "Premises") described in the following Schedule:

LEASE SCHEDULE

1.1. DESCRIPTION OF PREMISES: A 196,800 square foot portion of Building Number 8 (total square feet of the building is 404,280) with a street address of 1161 E. Glendale Ave., Sparks, Nevada as shown on Exhibit A.

1.2. NUMBER OF PARKING SPACES: 40, designated as provided in the site plan delivered to Lessee.

1.3. BASE MONTHLY RENT: $39,360.00.

1.4. PREPAID MONTHLY RENT: $78,720.00, as first and last months' rent hereunder.

1.5. RENT COMMENCEMENT DATE: July 1, 1992, or on the date Lessee's business within the Premises becomes operational, which shall include the date on which Lessee commences to store any of Lessee's product on the Premises, whichever first occurs.

1.6. DATE OF INITIAL CPI ADJUSTMENT: June 31, 1997.

1.7. MONTHS BETWEEN CPI ADJUSTMENTS: 60 months.

1.8. LEASE TERM: 60 months.

Lease Commencement Date: July 1, 1992, or on the date Lessor's business within the Premises becomes operational, whichever first occurs.

Lease Termination Date: June 31, 1997.

1.9. EXTENSION OPTION(S): Total Number of Options: 3

FIRST OPTION: Commencement Date: July 1, 1997.

Termination Date: June 31, 2002.

SECOND OPTION: Commencement Date: July 1, 2002.

Termination Date: June 31, 2007.

THIRD OPTION: Commencement Date: July 1, 2007.

Termination Date: June 31, 2012.

1.10. SECURITY DEPOSIT: None.

1.11. USE OF PREMISES: Warehouse Distribution Center of electrical supplies.

1.12. SERVICES TO BE PROVIDED BY LESSOR: None.

1.13. LEASEHOLD IMPROVEMENTS TO BE PROVIDED BY LESSOR: See Exhibit B.

1.14. TAXES: Percent of building occupied by Lessee: 48.7%

1.15. LESSOR'S BROKER: None

1.16. LESSEE'S BROKER: Trammell Crow Company.

1.17. EXHIBITS: The following named Exhibits are attached hereto and incorporated by this reference: Exhibit A-Leased Premises, Exhibit B-Leasehold Improvements.

2. MONTHLY RENT. Lessee agrees to pay the prepaid monthly rent specified in Section 1.4 upon execution of this Lease and thereafter agrees to pay the monthly rent specified in Section 1.3, subject to any first months' prepaid rent specified in Section 1.4, commencing on the first day of the month following the rent commencement date specified in Section 1.5 and monthly thereafter during the term and the term of any extension options(s) specified in Section 1.9 which are exercised as provided in Section 7. Lessee agrees to pay the monthly rent to Lessor on the rent commencement date and thereafter in advance on the first day of each month in lawful money of the United States of America, without deduction or offset. Rent shall be payable to Lessor at 901 East Glendale Avenue, Sparks, Nevada 89431 or such other place as Lessor may from time to time designate in writing. In the event the rent commencement date is not the first day of a month, or the applicable termination date is not the last day of a mouth, a prorated monthly installment shall be paid for the fractional months during which this Lease commences or terminates, or both.

3. CPI RENT ADJUSTMENT. The base monthly rent specified in Section 1.3 shall be adjusted commencing on the initial CPI adjustment date specified in Section 1.6 and thereafter on the same day as the initial CPI adjustment date which is the number of months specified in Section 1.7 after the previous adjustment date, using the CPI adjustment formula specified in Section 3.1.

3.1. CPI ADJUSTMENT FORMULA. The numerical base for computing the CPI adjustment to the base monthly rent is the Consumer Price Index, San Francisco/Oakland Area-All Urban Consumers, All Items, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is published for the date closest preceding the lease commencement date specified in Section 1.8 ("Beginning Index"). If the Index published for the date closest preceding the date by which written notice of the exercise of an option to extend the term is required pursuant to Section 7 ("Extension Index") has increased over the Beginning Index, the monthly rent for the following period commencing on the commencement date of the extended term until the next commencement date of an extended term shall be established by multiplying the base monthly rent specified in Section 1.3 by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall the adjusted base monthly rent be less than the base monthly rent, as increased pursuant to the application of this Section 3, then in effect nor shall the adjusted base monthly rent exceed the base monthly rent which

would be due and payable based on the assumption that the CPI increased by 4% annually, and was compounded annually (i.e. a total increase of 21.67% for each five (5) year period).

3.2. LATE PUBLICATION OF EXTENSION INDEX. [INTENTIONALLY OMITTED]

3.3. CHANGED OR DISCONTINUED INDEX. If the Index is changed so that the base year differs from that which is published for the date closest preceding the lease commencement date specified in Section 1.8, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other replacement government index or computation reasonably chosen by Lessor shall be used in order to obtain substantially the same result as would have been obtained as if the Index had not been discontinued or revised.

4. SECURITY DEPOSIT. [INTENTIONALLY OMITTED]

5. LATE PAYMENT. Lessee acknowledges that late payment by Lessee to Lessor of rent and other sums due under this Lease will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of rent or other sum due from Lessee shall not be received by Lessor within five (5) days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to five (5%) percent of the overdue amount. The parties hereby agree that a five percent (5%) late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of the late payment by Lessee; provided, however that Lessee shall not be obligated to pay the foregoing late charge unless and until Lessee has failed to pay the rent or the other sums when due to Lessor on five (5) prior occasions and Lessor has given notice to Lessee on five (5) such occasions that the rent or other payments were not received when due. Acceptance of the five percent (5%) late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to any overdue amounts, nor prevent Lessor from exercising any of the other rights and remedies granted to Lessor under this Lease.

Rent, all other sums due under this Lease and advances made by Lessor, not paid by Lessee when due, shall bear interest from time to time at the lower of (a) the Prime Rate in effect from time to time plus five percent (5%) per annum or (b) eighteen percent (18%) per annum from the due date until paid or (c) the highest rate permitted by law. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.

6. LEASE TERM. The Lease Term is specified in Section 1.8, commencing on the lease commencement date specified in Section 1.8 and ending, subject to any extension options granted pursuant to Section 7, on the lease termination date specified in Section 1.8.

7. OPTION(S) TO EXTEND LEASE TERM. The Lessor hereby grants the option to extend the Lease Term upon all the terms, covenants and conditions contained in this Lease for the number of extension period(s) specified in Section 1.9 and for the period for each extension option specified in Section 1.9, in no event to extend beyond the last termination date specified in Section 1.9. The Lessee may exercise each option granted upon written notice delivered to the Lessor six (6) months prior to the applicable termination date of the then current Lease Term, provided that (a) the Lessee shall not be in default of a material obligation under this Lease beyond any applicable cure periods, and (b) the Lessee shall be in possession of the Premises for the use specified in Section 1.11. In the event that the Lessee is in default of any material obligation of the Lessee under this Lease beyond any applicable cure periods on the date the extended Lease Term is to commence, then, at the Lessor's option, the extension shall not commence and this Lease shall thereupon terminate. In the event the extended Lease Term does not commence, (except if the result of a force majeure or the default of the Lessor) whether due to the Lessee's failure to give a timely notice or otherwise, any and all options to extend shall automatically become invalid and of no further force or effect.

8. PARKING. Lessee shall be entitled to use the number of parking spaces specified and designated as provided in Section 1.2. Lessee agrees that vehicles of Lessee or Lessee's employees and invitees shall not park in driveways nor occupy parking spaces or other areas reserved for any use such as visitors, delivery, loading, or other tenants.

9. POSSESSION. If Lessor is unable to deliver possession of the Premises to Lessee on the lease commencement date specified in Section 1.8 for any reason whatsoever, this Lease shall not be void or voidable for a period of sixty (60) days thereafter, nor shall Lessor be liable to Lessee for any loss or damage resulting therefrom, but the rent shall abate until the Lessor delivers possession of the Premises to Lessee. If Lessor is unable to deliver possession of the Premises within sixty (60) days after the lease commencement date specified in Section 1.8, this Lease may be terminated by Lessee by written notice to Lessor at any time thereafter prior to date possession is delivered to Lessee. Lessor agrees that Lessee, upon paying the rent and observing all terms, covenants and conditions of this Lease shall peaceably and quietly have, hold and enjoy the Premises against any adverse claim of Lessor, or any party claiming under Lessor, during the Lease Term. In the event that Lessor permits Lessee to occupy the Premises prior to the lease commencement date specified in Section 1.8, the Lessee's occupancy shall be subject to all terms, covenants and conditions of this Lease. The early occupancy by Lessee, as contemplated by Section 49, shall not advance the lease termination date.

10. USE. Lessee shall use the Premises solely for the purpose specified in Section 1.11, and for no other purpose without the prior written consent of Lessor.

10.1. NUISANCE. Lessee shall not use the Premises or the Common Area, and shall insure that Lessee's employees and visitors do not use the Premises or the Common Area, in any manner which interferes with the peaceful enjoyment of the building of which the Premises are a part or the Common Area by other lessees, their respective employees and invitees. Lessee shall not, and shall not permit, the placing of litter in or about the building of which the Premises are a part or the Common Area (except in dumpsters designated for Lessee's use by Lessor) and shall not permit any animal, motorcycle, or road vehicle to be brought into or kept within the Premises.

10.2. OUTSIDE STORAGE. No materials, supplies, equipment, finished products, or semi-finished products, raw materials, or articles of any nature shall be stored upon or permitted to remain on any portion of the Common Area or of the building of which the Premises are a part, excepting only the Premises or except with the prior written consent of the Lessor.

10.3. HAZARDOUS MATERIALS.

(a) Lessee shall not and Lessee shall not permit any of Lessee's agents, invitees or employees to, release or threaten to release any "oil,""hazardous material", "hazardous wastes" or "hazardous substances" (the "Hazardous Materials") as those terms are defined under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. (S)9601 et seq., as amended, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. (S)6901 et seq., as amended, and regulations adopted thereunder or under any state or local law, rule or regulation regarding Hazardous Materials (the "Hazardous Materials Laws") on or into the Premises, the Common Area or any portion of the real property of which the Premises are a part, including easements appurtenant thereto. Lessee shall not and Lessee shall not permit Lessee's agents and employees to, transport, treat, store or dispose of any Hazardous Materials in such a manner as to violate, or result in potential liabilities under any Hazardous Materials Laws. Lessee shall not, and shall not permit any of Lessee's agents and employees to, transport, treat, store or dispose of any gunpowder, dynamite, gasoline, except as normally stored in vehicles, etc., or other explosive material on or to the Premises, the Common Area or any portion of the real property of which the Premises are a part.

(b) Lessor shall indemnify and hold harmless Lessee from and against any claims, demands, or losses resulting from or arising out of the presence of any Hazardous Material on, in or under the Premises prior to Lessee's occupancy, including but not limited to, soil and/or groundwater contamination.

Lessor shall indemnify and hold Lessee harmless from and against any claims, demands, or losses resulting from or arising out of the presence of any hazardous substances, oil or petroleum product or residue of any other substance or material actionable under federal, state or local law, regulation or ordinance, present on, in or under the Premises prior to Lessee's occupancy, including but not limited to, soil and/or groundwater contamination.

10.4. WATER USE. Waste, excessive use or unusual use of water shall not be allowed.

10.5. WASTE. Lessee agrees that Lessee will not commit or suffer any waste of the Premises.

11. COMMON AREA. The lease of the Premises to the Lessee includes the use in common with others entitled thereto of the Common Area, subject however to the terms, covenants and conditions of this Lease and to reasonable rules and regulations for the use thereof as prescribed pursuant to Section 45.

12. SERVICES. Lessee shall pay for all sewer, water, heat, telephone, electricity, air conditioning, gas, burglar and/or fire alarm, and other utilities supplied to the Premises together with any taxes thereon, other than those services set forth in Section 1.12 as Lessor's responsibility, which responsibility shall exist in Lessor only so long as Lessee is not in default of this Lease. The electricity and gas service to the Premises are separately metered. Lessee shall pay a reasonable proportion based on the square feet leased of all charges jointly metered with other premises. Lessor shall not be liable to Lessee or to any other party for injury to Lessee's business, loss of income therefrom, or any claim, injury, or damage of any kind whatsoever which may arise or accrue in case of the interruption of the supply of water, heat, telephone, electricity, air conditioning, gas, burglar and/or fire alarm, or other utility, caused by accident, failure of power supply, repairs, strikes, fire, flood, act of God, or on account of any defect of the Premises or the building of which the Premises are a part, nor shall any such interruption be grounds for termination of this Lease provided Lessor exercises reasonable diligence to remedy such interruption.

13. CONDITION OF PREMISES. Lessee's taking possession of the Premises and occupying the Premises for thirty (30) days without giving written notice to Lessor within the thirty (30) day period of any defect (excluding only latent or hidden defects which could not be discovered in the exercise of Lessee's reasonable diligence) in the Premises shall be conclusive evidence as against Lessee that the Premises were in good order and satisfactory condition when Lessee took possession of the Premises. No promise to alter, remodel, or improve the Premises or the building of which the Premises are a part and no representation respecting the condition of the Premises or the building of which the Premises are a part, have been made by Lessor to Lessee, unless the promise or representation is set forth in a writing signed by the Lessor. Lessee waives all right to make repairs at the Lessor's expense, or to deduct the cost of repairs from the rent.

Lessee hereby accepts the Premises subject to all applicable zoning, municipal, county and state laws, ordinances governing and regulating the use of the Premises, and accepts this Lease subject thereto and to all matters disclosed thereby. Lessee acknowledges that neither Lessor nor Lessor's agent, if any, has made any representation or warranty as to the suitability of the Premises for the conduct of Lessee's business. Lessor warrants that the Premises are in compliance with all current laws, ordinances, regulations and codes and there is no asbestos on the Premises.

14. ALTERATIONS.

(a) Lessee shall have, upon notice to Lessor but without Lessor's consent, the right to make such alterations, additions, or improvements in or to the Premises as it shall consider necessary or desirable for the conduct of its business, the cost of which in each case does not exceed $5,000.00 (excepting any work requiring roof penetrations regardless of the cost of such work). All other alterations, additions, or improvements (including any work requiring roof penetrations regardless of the cost of such work) shall not be made without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld or delayed.

All such work shall be done in a good and workmanlike manner, and the structural integrity of any building shall be not impaired, and that no liens shall attach to the Premises by reasons thereof. Upon the termination of this Lease, such alterations, additions, or improvements shall, at the option of the Lessor, (1) become the property of Lessor, or (2) be removed by the Lessee provided that any part of the Premises affected by such removal shall be restored to its original condition, reasonable wear and tear excepted.

(b) Lessee shall have the right to install in or place on the Premises such fixtures, machines, tools, or other equipment (including but not limited to trade fixtures, lighting fixtures, water coolers, and air conditioning equipment) as it may choose. Such fixtures, machines, tools, or other equipment shall at all times remain the personal property of Lessee regardless of the manner or degree of attachment thereof to the Premises and may be removed at any time by Lessee whether at the termination of this Lease or otherwise; provided, however, that any part of the Premises affected by such removal shall be restored to its original condition, reasonable wear and tear excepted.

(c) Notwithstanding whether Lessor's consent is required for any alteration, addition, improvement or change to the Premises, Lessee specifically agrees that Lessee will not make any penetration whatsoever into the floor of the building of which the Premises are a part unless and until Lessor shall have specifically agreed to the placement of any such penetration.

15. LESSEE'S REPAIR OBLIGATIONS. Lessee shall, at Lessee's sole expense, keep the Premises in good order, condition, and repair during the Lease Term, including without limitation the replacement of all broken glass with glass of the same size and quality under the supervision and with the approval of Lessor, and the maintenance of all skylights and doors, except for damage caused by any negligent act or omission, or intentional misconduct, of Lessor, Lessor's agents and employees. If Lessee does not make repairs promptly and adequately, Lessor may (upon such continued failure after ten (10) days written notice), but need not, make repairs, and Lessee shall pay promptly the reasonable cost thereof. At any time or times, Lessor, either voluntarily or pursuant to governmental requirement, may, at Lessor's sole expense, make repairs, alterations, or improvements in or to the Premises or the building of which the Premises are a part, and during such operations Lessor may close entrances, doors, corridors, elevators, or other facilities, all without any liability to Lessee by reason of interference, inconvenience, or annoyance; provided that Lessee shall have access to the Premises sufficient for conduct of Lessee's business. In the event Lessee requests that repairs, alterations, decorating, or other work in the Premises be made during periods other than ordinary business hours, Lessee shall pay Lessor for overtime and other additional expenses incurred by Lessor because of such requests. Lessor, or Lessor's agents or representatives, may come into and upon Premises at all reasonable times, or any time in case of emergency, for purposes of examining the Premises.

Lessee shall repair any damage occasioned by the moving of freight, furniture or other objects into, within, or from the building of which the Premises are a part.

16. LESSOR'S REPAIR OBLIGATIONS. Lessor shall, at Lessor's sole expense, keep the foundations, the exterior walls, floors, and the roof, including skylights, of the building of which the Premises are a part, all plumbing, sewer, gas and electrical systems from within the interior walls and floors of the Premises to the utility provider, and all Common Area in good order, condition and repair during the Lease Term and for two years from occupancy Lessors warrants all leasehold improvements, subject to the terms, covenants and conditions Section 42 hereof, and except for damage caused by any negligent act or omission, or intentional misconduct, of Lessee, Lessee's agents, and employees or invitees.

17. LIENS. Lessee agrees to keep the Premises and the property on which the Premises are located free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee, except if performed by Lessor. In the event liens are filed as a result of Lessee's work, then Lessee shall promptly cause the same to be released or satisfied in full within ten (10) days of the date of such filing.

18. INDEMNIFICATION. Lessee waives all claims against Lessor and hereby releases Lessor for damages to property, or to goods, wares and merchandise stored in, upon, or about the Premises, and for injuries to persons in, upon, or about the Premises from any cause arising at any time, unless the damage or injury was caused by the negligent act or omission, or intentional misconduct, of Lessor. Lessee agrees to indemnify and hold Lessor harmless from and on account of any damage or injury to any person or property arising from the use of the Premises by Lessee or from the failure of Lessee to keep the Premises in good condition as provided in Section 15, unless such damage or injury was caused by the negligent act or omission, or intentional misconduct, of Lessor. Lessor shall not be liable to Lessee for any damage because of any negligent act or omission, or intentional misconduct, of any co-tenant or other occupant of the same building of which the Premises are a part, or by any owner or occupant of adjoining or contiguous property, nor for overflow, breakage, or leakage of water, steam, gas, or electricity from pipes, wires, or otherwise. Lessee shall pay for all damage to the building of which the Premises are a part and to the tenants and occupants thereof caused by the misuse or neglect of the Premises by Lessee or Lessee's invitees.

19. INSURANCE REQUIRED OF LESSEE. Lessee, at Lessee's sole expense, shall provide and keep in force during the Lease Term and for the benefit of both Lessor and Lessee general commercial liability insurance policies with a recognized casualty insurance company qualified to do business in Nevada protecting Lessee against any and all liability occasioned by the use, occupancy, disuse or condition of the Premises, improvements thereto, adjoining areas or ways or otherwise, in an initial amount of not less than Two Million Dollars ($2,000,000.00) per occurrence such insurance shall further name Lessor as an additional insured. Lessee agrees to furnish certificates of insurance to Lessor naming Lessor as Additional Insured. A certificate of the policy, together with evidence of payment of premiums, shall be deposited with the Lessor on or prior to the lease commencement date, and on renewal of the policy not less than thirty (30) days before expiration of the policy. All the insurance required under this Section 19 shall (a) be issued as a primary policy; and (b) contain an endorsement requiring thirty (30) days written notice from the insurance company to both parties and Lessor's lender before cancellation or change in the coverage, scope, or amount of any policy. The limits of the insurance shall not limit the liability of the Lessee under this Lease.

Lessee shall not use or keep on the Premises any article which Lessor's insurance carrier terms as hazardous and which tends to increase Lessor's rate of insurance. Lessee agrees that Lessor and Lessor's insurance carrier may make regular or unannounced inspections of the Premises and Lessee agrees to protect the Premises in accordance with the insurance carrier's engineering standards and recommendations.

20. INSURANCE REQUIRED OF LESSOR. Lessor agrees to carry fire and casualty insurance during the Lease Term insuring Lessor's interest in the Premises for the full replacement value thereof. Lessor shall have no obligation to insure against loss or damage to Lessee's leasehold improvements, fixtures, furniture, or other personal property in or about the Premises. Lessee shall have no interest in the proceeds of any insurance insuring Lessor's interest. Lessee shall pay Lessee's pro rata share of the fire and casualty insurance premiums to the Lessor monthly in advance as additional rent commencing on the lease commencement date specified in Section 1.8 and continuing on the first day of each month thereafter for the remainder of this Lease. Lessee's pro rata share of the insurance cost shall be measured by the percentage of the building occupied by Lessee as specified in Section 1.14.

21. SUBROGATION. Lessor and Lessee hereby waive all claims they may have and all rights of subrogation which their respective insurers might have under all policies of insurance now existing or hereafter purchased during the Lease Term by either Lessor or Lessee, respectively, for any damage or loss covered by such policies to the Premises or any portion thereof, or which could be covered by all risk insurance, or Lessee's leasehold improvements, furniture, fixtures, personal property, business, or operations in or about the Premises. Lessee and Lessor shall, upon obtaining the policies of insurance required under this Section 21, give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease. This waiver of subrogation shall be effective as to any insurance policy.

22. PERSONAL PROPERTY TAXES. Lessee shall pay before delinquency all taxes, assessments, license fees and other charges that are levied and assessed against Lessee's personal property installed or located in or on the Premises, and that become payable during the Lease Term. On demand by Lessor, Lessee shall furnish Lessor with satisfactory evidence of these payments.

23. REAL PROPERTY TAXES. Lessee shall pay to Lessor as additional rent Lessee's pro rata share, based upon the percentage of the building occupied by Lessee as set forth in Section 1.14, of all Real Property Taxes, as defined below, levied and assessed against the real property of which the Premises are a part. Since Lessor is required to pay real property taxes in quarterly installments in advance for each annual fiscal tax year, the Lessee's share of the Real Property Taxes shall be payable in quarterly installments in advance, commencing on the lease commencement date, and continuing on the first day of each calendar quarter thereafter for the remainder of this Lease.

The term "Real Property Taxes," as used in this Section 23, means any form of assessment, license fee, rent tax, levy, penalty (other than income, inheritance or estate tax) imposed by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage or improvement district, as against any legal or equitable interest of Lessor in the Premises or in the real property of which the Premises are a part, as against Lessor's right to rent or gross receipts therefrom, or as against Lessor's business of leasing the Premises and Lessee shall pay Lessee's pro rata share of any and all charges which may be imposed by governmental regulations or authorities. Nothing herein to the contrary shall require Lessee to pay any portion of any tax on Lessor's gross income or any franchise tax or any estate gift or inheritance tax.

Any failure to pay the quarterly installments of Real Property Taxes shall be deemed a failure to pay rent and shall constitute a default of this Lease. Lessor and Lessee agree that in collecting Lessee's quarterly installments of Real Property Taxes, Lessor does not act as trustee for Lessee or any other person. Lessor acts only as a creditor of Lessee in collecting the quarterly installments of Real Property Taxes. Lessor may commingle the installments of Real Property Taxes with Lessor's general funds and shall pay no interest on them. Lessee's liability to pay Real Property Taxes shall be prorated on the basis of a 365-day year to account for any fractional portion of a fiscal tax year included in the Lease Term at its commencement and termination. Lessee shall be considered the owner during the Lease Term of any leasehold improvements installed at Lessee's expense, and any such leasehold improvements may be assessed to Lessee for property tax purposes.

24. DESTRUCTION. In the event of a partial destruction of the Premises or the building of which the Premises are a part during the Lease Term from a cause which is insured under Lessor's fire and extended coverage insurance, Lessor shall forthwith repair the same, provided such repairs can reasonably be made within one hundred twenty (120) days under the laws and regulations of the state, county, federal, or municipal authorities, but such partial destruction shall not annul or void this Lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs interferes with the business carried on by Lessee on the Premises.

If such repairs cannot be made within one hundred twenty (120) days, or if the Premises are destroyed to the extent of more than 33-1/3 % of the then current replacement cost thereof, either Lessor or Lessee may terminate this Lease by giving written notice to the other party within thirty (30) days after the damage occurs. If this Lease is not terminated, Lessor shall make such repairs within a reasonable time with this Lease continuing in full force and effect and the rent proportionately reduced while the repairs are being made.

If the Premises or the building of which the Premises are a part are partially destroyed or damaged during the last three (3) months of the Lease Term, or any renewal thereof, Lessor may elect to terminate this Lease as of the date of occurrence of such damage by giving written notice of termination to Lessee within thirty (30) days after the damage occurs.

In the event the building of which the Premises are a part is destroyed to the extent of more than 33-1/3% of the then current replacement cost thereof, Lessor may elect to terminate this Lease by giving written notice of termination to Lessee within thirty (30) days after damage occurs, regardless of whether the Premises are damaged or whether the repairs can reasonably be made within one hundred twenty (120) days. A total destruction of the Premises or the building of which the Premises are a part shall terminate this Lease.

In the event of termination of this Lease pursuant to any of the terms, covenants and conditions of this Section 24, rent and Lessee's portion of any property taxes and insurance costs shall be apportioned on a per diem basis and shall be paid to the date of the casualty. In no event shall Lessor be liable to Lessee for any damages resulting to Lessee from the happening of such casualty or from the repairing or reconstruction of the Premises or of the building, or from the termination of this Lease as herein provided, nor shall Lessee be relieved thereby or in any such event from Lessee's obligations under this Lease except to the extent and upon the conditions expressly stated in this Section 24.

25. EMINENT DOMAIN. If the whole or any substantial part of the Premises or the building of which the Premises are a part shall be taken or condemned by any competent authority for any public use or purpose, the Lease Term shall end upon, and not before, the date when the possession of the part so taken shall be required for such use or purpose. Rent shall be apportioned as of the date of such termination. Lessee shall be entitled to receive any damages awarded by the court for leasehold improvements installed at Lessee's expense and the expenses of Lessee's relocation or business interruption if so awarded and designated by the court. The entire balance of the award shall be the property of Lessor.

26. ASSIGNMENT AND SUBLETTING. Lessee shall not directly or indirectly assign, hypothecate or encumber this Lease, or any interest herein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (excepting only Lessee's agents and employees) to occupy or use the Premises, or any portion thereof, without the prior written consent of Lessor, and a consent to one assignment, hypothecation, encumbrance, subletting, occupation, or use by any other person shall not be deemed to be a consent to any subsequent assignment, hypothecation, encumbrance, subletting, occupation, or use by any other person. Any such assignment, hypothecation, encumbrance, subletting, occupation or use without such consent shall be void, and shall, at the option of Lessor, terminate this Lease. Any transfer or assignment of this Lease by operation of law without the written consent of Lessor shall make this Lease voidable at the option of Lessor.

Lessor will not unreasonably withhold or delay Lessor's consent to an assignment or subletting by Lessee, provided that (a) the assignee or sublessee proposes to use the Premises for the same use as is set forth in Section 1.11; (b) the proposed use is not injurious to the Premises and will not disturb other tenants of Lessor in the building of which the Premises are a part or immediate vicinity; and (c) the assignee or sublessee executes and delivers to Lessor a written assumption of this Lease in form acceptable to Lessor.

Notwithstanding the foregoing, Lessee shall have the right to assign this Lease or to sublet the Premises or any part thereof to any entity controlled, controlling or under common control with Lessee or the purchaser of the business (by merger or acquisition) of the business conducted on the Premises without the consent of Lessor, provided, however, that no such assignment or subletting shall relieve Lessee of its duty to perform fully all of the agreements, covenants, and conditions set forth in this Lease. Lessee shall promptly advise Lessor of any such permitted assignment or subletting and of the name and address of the assignee or subtenant, as the case may be.

Regardless of Lessor's consent, no subletting or assignment shall release Lessee or Lessee's obligation or alter the primary liability of Lessee to pay any rent and to perform all other obligations to be performed by Lessee under this Lease. The acceptance of any rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any term, covenant or condition of this Lease. Every assignment or sublease shall recite that it is and shall be subject and subordinate

to the terms, covenants and conditions of this Lease, and the termination of this Lease shall constitute a termination of every such assignment or sublease.

27. SUBORDINATION. The rights of Lessee under this Lease shall be and they are subject and subordinate at all times to the lien of any mortgage or deed of trust, now or hereafter in force against the Premises and the property of which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof, and Lessee shall execute such further instruments subordinating this Lease to the lien of any such encumbrance, as shall be requested by Lessor, provided the holder of such encumbrance agrees to recognize Lessee's interest under this Lease if Lessee is not then in default.

If any mortgagee or beneficiary elects to have this Lease superior to its mortgage or deed of trust and gives notice of such fact to Lessee, then this Lease shall be deemed superior to the lien of any such encumbrance, whether this Lease or a memorandum thereof is dated or recorded before or after said encumbrance.

As a condition to the effectiveness of this Lease, Lessor shall further secure a nondisturbance and attornment agreement in favor of Lessee in reasonable form from the current mortgagee or lien holder or any future mortgagee or lien holder on the building which shall provide that as long as Lessee is not in default in the payment of rental or any other covenants or conditions of the lease, the rights of Lessee under the lease shall not be terminated and the possession of Lessee shall not be disturbed by Lessor or any mortgagee or ground Lessor or by any proceedings regarding the debt which any such mortgage or ground lease secures.

28. SIGNS. Lessee shall not place any signs, lettering, marks, photographs, or any other material whatsoever, on the interior or exterior of the doors, windows, hallways, or any other place, in, on, or about the Premises, the building of which the Premises are a part, or its appurtenances, without Lessor's prior written approval, which approval shall not be unreasonably withheld or delayed, of the size, style, design, color, material, manner of applying or fastening, and location thereof.

29. DEFAULT.

(a) If Lessee shall fail to pay any rent to Lessor when the same is due and payable under the terms of this Lease and such default shall continue for a period of ten (10) days after written notice thereof has been given to Lessee by Lessor, or if the Lessee shall fail to perform any other duty or obligation imposed upon it by this Lease and such default shall continue for a period of thirty (30) days after written notice thereof has been given to Lessee by Lessor, or if the Lessee shall be adjudged bankrupt, or shall make a general assignment for the benefit of its creditors, or if a receiver of any property of Lessee in or upon the Premises be appointed in any actions, suit, or proceeding by or against Lessee and such appointment shall not be vacated or annulled within sixty (60) days, or if the interest of Lessee in the Premises shall be sold under execution or other legal process, then and in any such event Lessor shall have the right to enter upon the Premises and again have, repossess, and enjoy the same as if this Lease had not been made, and thereupon this Lease shall terminate without prejudice, however, to the right of Lessor to recover from Lessee all rent due and unpaid up to the time of such re-entry. In the event of any such default and re-entry, Lessor shall have the right to relet the Premises for the remainder of the then existing term whether such term be the initial term of this Lease or any renewed or extended term, for the highest rent then obtainable, and to recover from Lessee the difference between the rent reserved by this Lease and the amount obtained through such reletting less the costs and expenses reasonably incurred by Lessor in such reletting.

(b) If Lessor shall fail to perform any duty or obligation imposed upon it by this Lease and such default shall continue for a period of thirty (30) days after written notice thereof has been given by Lessee, then and in such event Lessee may, at its option, terminate this Lease without prejudice to is right to recover appropriate damages from Lessor. Upon termination of the lease pursuant to this provision, all obligations of Lessee arising under this Lease, including payment of rent, shall cease.

30. ABANDONMENT. Lessee shall not abandon or surrender the Premises during the Lease Term, and if Lessee does or is dispossessed by process of law, or otherwise, any personal property belonging to Lessee left on the Premises shall be deemed to be abandoned at the option of Lessor.

31. REMOVAL OF PROPERTY UPON TERMINATION. At any time Lessee may, and, prior to the applicable termination date of the Lease Term, Lessee shall remove from the Premises furniture, equipment, other personal property and any trade fixtures installed by Lessee or at Lessee's expense. Lessee shall not remove any trade fixtures installed by Lessor or Lessor's expense or any other fixtures or leasehold improvements without Lessor's prior written consent: provided, however, that upon Lessor's written request, Lessee shall remove such trade fixture, other fixtures and leasehold improvements. Lessee shall repair any damage to the Premises caused by removal of any property and shall restore the Premises to its condition at the lease commencement date, less reasonable wear and tear. All removal and restoration shall be accomplished at Lessee's sole expense prior to the end of the Lease Term.

32. REMOVAL, STORAGE AND LIEN OF PROPERTY UPON DEFAULT. [Intentionally Omitted]

33. SURRENDER. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to Lessor of any or all such subleases or subtenancies.

34. LESSOR'S CONVEYANCE. Lessor may convey its interest in the Premises and all or any portion of the Common Area. From and after the date of such conveyance, Lessor shall be released and discharged from any and all obligations under this Lease, excepting those obligations previously accrued.

35. WAIVER. The waiver by Lessor of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition of this Lease. The subsequent acceptance of rent under this Lease by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

36. HOLDING OVER. Any holding over after the applicable termination date, with the consent of Lessor, shall be construed to be a tenancy from month to month on the same terms, covenants and conditions specified herein so far as applicable but shall not be deemed to constitute an extension or renewal of this Lease. During any period of holding over the monthly rent shall be the then monthly rent in effect, provided however that in the event such holding over continues for a period of two (2) months, the monthly rent shall be increased by twenty percent (20%) over the then monthly rent in effect.

37. ATTORNEY'S FEES. If either party becomes a party to litigation concerning this Lease by reason of any act or omission of the other party or its authorized representatives, and not by any act or omission of the party that becomes a party to that litigation or any act or omission of its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable to that party for reasonable attorney's fees and court costs incurred by it in the litigation. If any action at law or in equity shall be brought to recover any rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants or conditions of this Lease, or for the recovery of the possession of the Premises, the prevailing party in any final judgment, or the nondismissing party in the event of a dismissal without prejudice, shall be entitled to the full cost of all reasonable expenses, including all court costs and reasonable attorney's fees paid or incurred in good faith.

38. REMEDIES. All of the remedies herein provided are cumulative, and in addition to and not in lieu of the remedies provided by law, and the exercise of one remedy shall not preclude the exercise of any other remedy.

39. NOTICES. All notices to be given to Lessee shall be given in writing, and sent by certified mail, return receipt requested, addressed to Lessee at the address set forth below Lessee's signature. Notice to Lessor shall be given in writing and sent by certified mail, return receipt requested, addressed to Lessor at the address to which the rent is paid.

40. COMMISSION. Lessor and Lessee each represent and warrant to the other that they have not dealt with any broker, finder or agent in connection with this Lease except as disclosed in Section 1.15. Notwithstanding that Trammel Crow Company has acted as Lessee's agent in connection with this Lease, Lessor agrees to pay Trammel Crow Company a brokerage commission as set forth in the separate agreement between Lessor and Trammell Crow Company. Lessor and Lessee each agree to defend, hold harmless and indemnify the other from and against any and all costs, damages, expenses (including without limitation attorney's fees and court costs), suits (whether arising in tort or contract), liability for any compensation, commissions, damages (punitive or otherwise), fees, finder's fees, or charges claimed by any broker, finder or agent with respect to this Lease or the negotiations thereof in breach of the representations and warranties of this Section 40.

41. LAWS. Lessee shall comply and will cause all Lessee's employees to comply, at Lessee's sole expense, with any and all local, county, state and federal ordinances, regulations and laws applicable to the Premises and Lessee's activities on and about the Premises. Lessee will not conduct or permit to be conducted on the Premises or the Common Area any business which is forbidden or prohibited by any local, county, state or federal ordinance, regulation or law.

42. COMMON AREA MAINTENANCE EXPENSE. Lessee shall pay to Lessor as additional rent Lessee's pro rata share based upon the percentage of the building occupied by Lessee as set forth in Section 1.14, of the Common Area Expenses as defined below. The Lessee's share of the Common Area Expenses shall be payable in monthly installments in advance commencing on the lease commencement date, and continuing on the first day of each calendar month for the remainder of this Lease. Lessor may adjust the monthly Common Area Expenses charged at the beginning of any month on the basis of Lessor's actual cost or reasonably anticipated costs.

If Lessee's share of Common Area Expenses for a Lease Year exceeds the payments made by Lessee, Lessee shall pay to Lessor the deficiency within ten (10) days after receipt of a statement showing the total Common Area Expense for the Lease Year, Lessee's share of Common Area Expenses, Lessor shall pay Lessee the excess at the time Lessor furnishes the statement to Lessee.

The term "Common Area Expenses" means any or all of the following incurred by Lessor with respect to the building of which the Premises are a part and all adjacent property owned by Lessor: Cost of electricity, steam, gas, oil, sewer, water, burglar and/or fire alarm, other utility charges, building and cleaning supplies, repairs, maintenance, capital expenditures required to meet changed governmental regulations, cleaning and janitorial services, servicing of equipment, license, permit, inspection fees, common area expenses and allowances, and service contracts with independent contractors.

The term "Lease Year," as used in this Section 42, means the period of twelve (12) months or less commencing with the lease commencement date and ending on the following December 31st, and each successive period of twelve (12) months thereafter during the term, and the final period of twelve (12) months or less commencing with the January 1st immediately preceding the applicable termination date.

43. LESSOR ACCESS. For a period commencing ninety (90) days prior to the end of the Lease Term, Lessor may have reasonable access to the Premises for the purpose of exhibiting the same to prospective lessees and to post any usual "For Lease" signs upon the Premises. During the Lease Term, the Lessor may have reasonable access to the Premises for the purposes of exhibiting the same to prospective purchasers and to post "For Sale" signs upon the Premises.

44. LOCKS. No additional lock or locks shall be placed by Lessee on any door unless written consent of Lessor shall first have been obtained. Two keys to all doors will be furnished by Lessor. All keys shall be surrendered to Lessor on the applicable termination date or any sooner termination.

45. RULES. Lessor reserves the right to make such reasonable rules and regulations, including parking regulations, as in Lessor's judgment may from time to time be necessary for the safety, care, cleanliness and orderly operation of the Premises and the Common Area, and which rules and regulations are expressly made a part hereof, and with which Lessee agrees to comply. Lessee agrees to require Lessee's employees to abide by any such rules and regulations, including parking regulations, provided such rules and regulations do not change, alter, add to or delete from the terms and conditions of this Lease. Lessor agrees to enforce such rules in a uniform and non-discriminatory manner.

46. DEFINITIONS.

46.1. COMMON AREA. The term "Common Area" means all areas and facilities outside the Premises and within the exterior boundaries of the property owned by Lessor of which the Premises are a part, which are presently provided and designated by Lessor for the general use of Lessee and other Lessees of the Lessor and their respective authorized representatives and invitees. Common areas include, without limitation, employee parking areas, customer parking areas, service roads, loading facilities, pedestrian walkways and patios, landscaped areas, sidewalks, plazas, throughways, roads and other facilities located on the real property owned by Lessor of which the Premises are a part.

46.2. PRIME RATE. The term "Prime Rate" means the "prime," "reference" or "base" rate on corporate loans at large U.S. money center banks as published from time to time by the Wall Street Journal. In the event two or more such rates are published, the term "prime rate" shall mean the highest rate published.

47. GENERAL PROVISIONS.

This Lease contains all the terms, covenants and conditions agreed to by Lessor and Lessee and it may not be modified orally or in any manner other than by an agreement in writing signed by Lessor and Lessee or their respective successors in interest. No prior agreement or understanding pertaining to any matter concerning this Lease shall be effective unless incorporated herein.

The terms, covenants and conditions of this Lease, subject to the terms, covenants and conditions of this Lease applicable to subletting and assignment, shall apply to and bind the heirs, successors, executors, administrators, sublessees and assigns of the parties.

The captions and section descriptions of this Lease are for convenience only and are not part of this Lease and do not in any way limit or amplify the terms, covenants and conditions of this Lease.

This Lease shall be governed by and construed in accordance with the laws of the State of Nevada.

Time is of the essence as to all of the terms, covenants and conditions of this Lease.

Lessee shall not record this Lease. Any such recordation shall be a material breach under this Lease and shall, at Lessor's option, terminate this Lease.

48. PACIFIC FREEPORT WAREHOUSE COMPANY. Lessor and Lessee acknowledge and agree that Pacific Freeport Warehouse Company acts as the agent of Lessor in connection with Lessor's negotiation and performance of this Lease unless

and until Lessee shall have received a written notice from Lessor stating that Pacific Freeport Warehouse Company no longer acts as Lessor's agent with respect to this Lease.

49. EARLY OCCUPANCY. Lessor hereby grants to Lessee the right and license to enter upon and possess the Premises on and after January 1, 1992 for the purpose of the construction and installation of such tenant improvements and trade fixtures as may have been consented to by Lessor. Lessee's entry and possession shall be on all the terms and conditions of this Lease, including the payment of all utilities, insurance, taxes and other amounts payable by Lessee pursuant to this Lease; provided, however, that the base monthly rent specified in Section 1.3 shall not commence until the rent commencement date specified in Section 1.5; further provided, however, that any monthly rent to be paid upon execution of this Lease shall nonetheless be immediately due and payable.

50. FIRST OPTION TO LEASE ADJACENT SPACE. Provided Lessee has faithfully performed all terms and conditions of the Lease and is not otherwise in default, Lessor and Lessee agree that Lessee shall have the first option to lease the abutting 134,400 sq. ft. of warehouse space in Building 8 (the "Option Space") upon the expiration of the term of the existing lease with Thrifty Corporation ("Thrifty"). Lessor discloses, and Lessee acknowledges that the initial term of the Thrifty lease expires June 1, 1994, and that Lessor has granted Thrifty the right to extend the term of the lease for two (2) one (1) year periods ending, respectively, on June 1, 1995, and June 1, 1996. The option granted herein shall be subject to the options granted to Thrifty to renew its lease for the Option Space. In the event Thrifty fails to give timely notice to Lessor that it exercises its option to renew or, if Thrifty has exercised its final option, after January 1, 1996, Lessor shall give Lessee written notice that the Option Space will become available for lease to Lessee and the date thereof. Lessee shall have the right to exercise the option granted in this Section 50 for a period of thirty (30) days following such notice. In the event Lessee does not notify Lessor of its exercise of such option within such thirty (30) day period, the option granted in this Section 50 shall become immediately null and void.

In the event Lessee shall have timely exercised the option granted in this Section 50, the Lessor and Lessee shall execute an addendum to this Lease which shall become effective upon the date stated in Lessor's notice and which shall provide that the Option Space shall be leased to Lessee pursuant to all the terms and conditions of this Lease as if such space had been initially leased to Lessee hereunder, excepting only that the monthly rent shall be increased as provided below. On the effective date, the monthly rent which Lessee is then obligated to pay under this Lease shall be increased by the amount equal to the monthly rent payable under this Lease immediately prior to the effective date (calculated on a per square foot per month basis) times the number of square feet of the Option Space. Thereafter, the monthly rent, including the rent for the Option Space, shall be adjusted as provided in Section 3.

51. FIRST OPTION TO LEASE SPACE IN BUILDING. Provided Lessee has faithfully performed all terms and conditions of the Lease and is not otherwise in default, Lessor and Lessee agree that Lessee shall have the first option to lease any other available warehouse space which Lessor intends to lease and which is located within Building 8 (the "Market Rate Space") during the term of this Lease. In the event Lessor determines to lease any Market Rate Space, Lessor shall first offer to lease ("Lessor's Offer") such space to Lessee at a rate equal to the prevailing market rate for similar space in the geographic area in which Building 8 is located as determined by Lessor in good faith commencing on a date stated which is not sooner than thirty (30) days nor later than six (6) months after the date of Lessor's Offer.

In the event Lessee gives notice of acceptance of Lessor's Offer within the five (5) day period following Lessor's Offer, Lessor and Lessee shall execute an addendum to this Lease which shall become effective upon the date stated in Lessor's Offer and which shall provides that the Market Rate Space shall become a part of this Lease as if such space had been initially leased to Lessee hereunder, excepting only the monthly rent which shall be increased as provided below. On the effective date, the monthly rent which Lessee is then obligated to pay under this Lease shall be increased by the amount equal to the monthly rent payable under this Lease immediately prior to the effective date (calculated on a per square foot per month basis) times the number of square feet of the Market Rate Space. Thereafter, the monthly rent, including the rent for the Market Rate

Space, shall be adjusted as provided in Section 3. In the event Lessee does not notify Lessor of its acceptance of such offer within such five (5) day period, the option granted in this Section 50 shall become immediately null and void.

52. PERSONAL RIGHTS. The rights granted in Section 50 and in Section 51 shall be deemed to be personal to the Lessee, and if the Lessee subleases any portion of the Premises or assigns or transfers any interest under this Lease prior to the exercise of the option herein contemplated, the same shall lapse, except in the case of subletting or assignment not requiring consent hereunder.

EXECUTED as of the 1st day of April, 1992.

LESSOR: E.T. HERMANN AND JANE D. HERMANN 1978 LIVING TRUST

By /s/ E.T. Hermann Trustee

LESSEE: WESTINGHOUSE ELECTRIC CORPORATION

ADDRESS FOR NOTICES:

_____

By /s/ Alan J. Meilinger

Name: A.J. Meilinger

Its: Vice President

By /s/ E. O. Pearson

Name: E.O. Pearson

Its: Assistant Secretary

EXHIBIT "A"

LEASED PREMISES

EXHIBIT "B"

LEASEHOLD IMPROVEMENTS

for

Lease dated April 1, 1992 between E.T. Hermann and Jane D. Hermann 1978 Living Trust ("Lessor") and Westinghouse Electric Corporation ("Lessee"/WESCO) for 196,800 sq. ft. premises/facility located at 1161 E. Glendale Avenue, Sparks, NV.

This Exhibit consists of the following items (attached):

. Sheets: "1 of 7" thru "7 of 7" - all dated 1/24/92 and titled "Sparks, NV-WDC" (SCHEME "A" GROUND FLOOR WDC OFFICES AND SCHEME "B" - MEZZANINE FLOOR WDC OFFICES).

. Drawings:

  . Drawing - Office Scheme/Layout "A" (no date) (location in warehouse).

  . Drawing - Office Scheme/Layout "A" (no date) "Floor Plan" - 1/8"=1'.0".

  . Drawing - Office Scheme/Layout "A" (no date) "Reflected Ceiling Plan" - 1/8"-1'.0".

  . Drawing - Office Scheme/Layout "B" (rev. 1/24/92) (Ground Floor Entrance/Elevator-Plan)

  . Drawing - Office Scheme/Layout "B" (rev. 1/24/92) "North Section" (Plan)

  . Drawing - Office Scheme/Layout "B" (rev. 1/24/92) "South Section" (Plan)

The Lessor shall be responsible for the construction of all leasehold improvements indicated herein as provided "by LESSOR" in strict accordance with the "Construction Documents" - drawings and specifications prepared specifically for the site and building via registered architect/engineer, as required by local and state law, from the "Sheets/Drawings" listed above (attached). All drawings and specifications intended for use as "Construction Documents" and/or for construction purposes, and any changes/revisions to same or in field to the construction are to "reviewed with" and "approved by" the WESCO Facilities Department prior to the construction.

/s/ E.T. Hermaan Trustee

EXHIBIT "B"

LEASEHOLD IMPROVEMENTS

WESCO - SPARKS, NV - WDC

The Lessor shall also be responsible for certain maintenance, approvals/verifications, etc. of proposed "tenant provided" leasehold improvements/equipment installations - warehouse equipment included, as indicated herein and on the "Sheets"/"Drawings" listed above (attached).

The following items are included as clarifications/exceptions to the "Sheets"/"Drawings" listed above (attached).

. SHEETS: 1 of 7 thru 7 of 7:

  . Scheme "A" - Ground Floor WDC Offices

    . Office area (approximately 5,280 sq. ft.) included:

      "Section" to be deleted in its entirety.

    . Warehouse area includes:

      "Section" to be revised as noted below. All items not noted as revised or listed below remain as work included under Scheme "B" (but indicated under Scheme "A") and provided "by Lessor".

    . Amend "paragraph" reading - "full height gypsum drywall demising wall..." to include: "demising walls completed as required (by code/lease) by Lessor".

    . Amend "paragraph" reading - "fire protection system..." to include: "all work, except required for rack/bin warehouse equipment, by Lessor. Fire protection system to be existing - 0.33 GPM over 3,000/sf with any code required update by Lessor. Fire extinguishers to be Lessee's responsibility."

    . Amend "paragraph" reading - "repair existing concrete floor..." to include: "all work by Lessor".

    . Amend "paragraph" reading - "electrical service..." to include/read: "electrical service shall be a minimum of 800 AMP, 480 volt, 3 phase, 4 wire - for total/combined office-warehouse area all work by Lessor".

    . Amend "paragraph" reading - "two toilet/restrooms" to include/read: "two existing toilet/restrooms at northwest area of warehouse shall be rehabilitated to comply with A.D.A. handicapped requirements and all other applicable codes. 20 warehouse employees. All work by Lessor".

    . Amend "paragraph" reading - "existing concrete floor slab...." to include/read: "existing concrete floor slab capacity designed and constructed

to 250 P.S.F. - Lessor verified via structural engineer. Lessor via structural engineer shall approve all warehouse equipment installation layouts -including field coordination of legs/anchors with existing reinforcement -approvals to be made with reasonable promptness and within reasonable perimeters of WESCO's intended use of the space. All work by Lessor".

. Delete "paragraph" reading - "installation of protective piping around sprinkler..."

. Amend "paragraph" reading - "all miscellaneous constructions..." to include/read: "interior existing chain link fence at southwest area of warehouse to be removed and floor patched. All work by Lessor".

. Delete "paragraph" reading - "lighting under existing mezzanine..."

. Amend "paragraph" reading - "all exterior chain link fence..." to read: remove all existing chain link fence at west truck apron - parking area (including four planters) and patch all surfaces according to match adjacent existing pavement. Install protective ballards around existing fire hydrant (1) and post indicator valves (2) as required. Existing chain link fence at east truck apron to remain - rehabilitate to first class condition. All work by Lessor".

. Amend "paragraph" reading - "all existing exterior pavement..." to include: "all work by Lessor".

. Amend "paragraph" reading - "thirty-six existing dock truck height(s) positions..." to read: "Thirty-six existing dock truck height(s) positions - twenty at west wall and sixteen at east wall, are to be rehabilitated to good working order. Items included: dock revelers, dock lips. bumpers, seals*, overhead canopies, overhead doors and bituminous/concrete aprons (east and west). All work by Lessor."

"Lessor shall provide Lessee upon receipt of invoices therefor up to a $4,000.00 allowance for Lessee's replacement of existing seals.

. Other - Office-Warehouse/SiteArea(s) Improvements:

"Section" to be deleted in its entirety with the following exceptions:

. Amend "paragraph" reading - "warehouse to be ventilated..." to include/read: "warehouse to be ventilated to meet local/state code. All work by Lessor".

EXHIBIT "B"

LEASEHOLD IMPROVEMENTS

WESCO - SPARKS, NV - WDC

. Remove existing chain link fence at west truck apron - parking area and patch all surfaces accordingly to match adjacent existing. Existing chain link fence at each truck apron to remain - see notes under warehouse regarding rehabilitation.

. Scheme "B" - Mezzanine Floor WDC Offices

. Office Area (approximately 9,600 sq. ft.) includes:

"Section" to be revised as noted below. All items not noted as revised or listed below remain as work included under Scheme "B" and provided by Lessor".

. Amend "paragraph" reading - "area to be repainted..." to include/read: "area to be repainted throughout - following proper repair, patching, preparation, etc. One coat application on existing painted surfaces and one primer coat with two coats on new/unpainted surfaces -complete coverage required on all surfaces. "Touch-up" work not to be noticeable. All work by Lessor".

. Amend "paragraph" reading - "existing carpet to be removed..." to include/read: "existing carpet to be removed throughout. New 32 oz. loop carpet to be installed at these areas (where existing) and at new reception area. Installation to only be made on properly prepared substrate. Carpet to be 'approved by WESCO Facilities Department' - one color/type to be selected and installed throughout. All work by Lessor".

. Amend "paragraph" reading - "existing HVAC system..." to include: "telephone/WESCOM room to be adequately ventilated with separated controlled system/duct supply-return. All work by Lessor".

. Amend "paragraph" reading - "all work to conform to A.D.A regulations..." to read: "all work to conform to current published A.D.A. regulations, which are scheduled to become effective on or before July 26, 1994, and other applicable codes, etc. Existing hardware, handrails, open stair to ground floor ('rated' enclosure may be required - verify via current codes and provide as required), plumbing fixtures, etc. to be made conforming. Installation of new elevator to be installed near north stair per revised office layout and in compliance with A.D.A. requirement as

mentioned above (size accordingly, etc.) Existing fire protection system - sprinklers, hose cabinets. extinguishers (cabinets), etc. shall be made to conform to all applicable codes/ regulations (including N.F.P.A.). All work by Lessor".

. Delete "paragraph" reading - "provide exterior window..."

. Delete "paragraph" reading - "relocate existing window..."

. Warehouse Area includes:

"Section" to remain with the following exception: Add notation: "All work by Lessor".

. Other - Office-Warehouse/site area(s) improvements:

"Section" to be deleted in its entirety.

. Drawing - Office Scheme/Layout "A" (no date) (location in warehouse)
"Drawing" to be deleted in its entirety.

. Drawing - Office Scheme/Layout "A" (no date) "Floor Plan" 1/8"=1'0"
"Drawing" to be deleted in its entirety.

. Drawing - Office Scheme/Layout "A" (no date) "Reflected Ceiling Plan" -1/8"=1'0"
"Drawing" to be deleted in its entirety.

. Drawing - Office Scheme/Layout "B" (rev. 1/24/92) (Ground Floor Entrance/ Elevator Plan)
"Drawing" to be amended to include: "all work by Lessor".

. Drawing - Office Scheme/Layout "B" (rev. 1/24/92) "North Section" (Plan)
"Drawing" to be amended to include: "all work by Lessor".

. Drawing - Office Scheme/Layout "B" (rev. 1/24/92) "South Section" (Plan)
"Drawing" to be amended to include: "all work by Lessor".

SCHEME "A" - GROUND FLOOR, WDC OFFICES

OFFICE AREA (APPROXIMATELY 5,280 SQ. FT.) INCLUDES:

. New main office entrance on west wall (access road/Spalding Way) with exterior steps and handicapped ramp from southwest parking area.

. 9'-0" high acoustic tile ceilings throughout - with 9" batt insulation.

. Use of existing exit door at south wall (near existing warehouse toilets - to be altered for office use).

. Main entrance vestibule (at new west wall door - aluminum storefront frame with glass to match other existing). New exterior canopy (to match other existing above new door and step/ramp landing).

. Telephone Room and WESCOM Room, both with controlled power ventilation to warehouse (sound reduction system).

. Manager's office, Administrative Manager's office, conference room (with separate HVAC control), lunch room (with flush plastic laminate finished base and wall cabinets - S.S. sink).

. Handicapped electric water cooler.

. Men's and women's toilet rooms (handicapped accessible) for 20 employees - fixtures: two water closets each room, one urinal at men's, and two lavatories each room.

. Heating, ventilation and air conditioning throughout - normal office loads (see conference room, telephone room and WESCOM room notes for additional requirements/considerations). Exhaust toilet rooms.

. Fire protection system - 0.35 GPM over 3,000 sq. ft. and extinguishers/hose per code.

. Recessed fluorescent lighting with parabolic lens - design in accordance with the following:

AREA	AVG MAINTAINED FOOTCANDLES
Offices and conference rooms	70 - 80
Toilets and corridors	25 - 35
Mechanical spaces and storage	25 - 35
Warehouse	25 - 35
Roadways, walkways and parking	1/2 - 1
Trucking and dock area (exterior)	2 - 3

EXHIBIT "B" CONTINUED

SPARKS NV - WDC — LEASEHOLD IMPROVEMENTS

1/24/92

. Gypsum wallboard partitions throughout - 5/8" gypsum wallboard on metal studs (16" p.c.) with sound attenuation batt insulation in all partitions around/separating toilet rooms and partitions separating office-warehouse areas, all partitions to extend 6" above ceilings.

. All office areas to receive 32 oz. loop carpet, except: vestibule, telephone room, WESCOM room, and toilet rooms - all of which shall receive 1/8" thick vinyl composition floor tile (no checkerboard pattern - all grain same direction).

. All interior doors to be solid core wood - stained.

. All computer power receptacles - duplex type with isolated ground (one CRT per work station and maximum 6 CRTs/work stations per 20 AMP circuit). Note: maximum 2 printers per 20 AMP circuit.

. Provide raceways within walls/partitions for computer data cable (cable and installation by WESCO) -1" conduit for CRT's and 2" for printers.

. All work to comply with all applicable local, state and federal codes and regulations, fire underwriter's requirements, Occupational Safety and Health Act, and The American With Disabilities Act.

WAREHOUSE AREA INCLUDES:

. Full height gypsum drywall demising wall - rated per code (minimum 1 hr. rated/listed assembly). Seal/firestop at roof deck and all penetrations per rated assembly requirements.

. Fire protection system (except in rack/bin warehouse equipment) - 0.35 GPM over 3,000 sq. ft. and extinguishers/hoses per code.

. Repair existing concrete floor and joints throughout, clean (including all tape/paint markings) and seal floor throughout - sealer product shall be backed with minimum five year warranty against "dusting" of floor surface.

. Electrical service shall be a minimum of 1,000 AMP, 480 volt, 3 phase, 4 wire (based on 800 KVA) -for total/combined warehouse-office area (196,800 sq. ft. approximately). See office area notes for lighting levels.

. Two toilet/restrooms, each with lavatory, urinal and watercloset - one restroom shall comply with handicapped requirements, locations in warehouse as approved by WESCO, restrooms to comply with all applicable codes - 20 warehouse employees.

. Existing concrete floor slab capacity designed and constructed to 250 P.S.F. lessor via structural engineer, lessor shall approve all warehouse equipment installation layouts including coordination of

legs/anchors with reinforcement - approvals to be made with reasonable promptness and within reasonable perimeters of the WESCO's intended use of space.

. Installation of protective piping around sprinkler piping at south wall - similar to other piping in place at other sprinkler locations.

. All miscellaneous construction, not intended for use by WESCO and not code required, to be removed from warehouse - including existing chain link fence.

. Lighting under existing mezzanine area (soffit mounted) to be upgraded to that required for warehouse (see lighting level requirements under office area).

. All existing exterior chain link fence to be rehabilitated to first class condition.

. All existing exterior pavement/*/ to be repaired to first class condition-repair and fill all cracks, seal surfaces, etc.

/*/Includes: aprons, parking areas, curbs, walks, steps and ramps.

. Thirty-six existing dock truck height(s) positions - twenty at west wall and sixteen at east wall, are to be rehabilitated to good working order. Items included: dock levelers, dock lips, bumpers, seals*, overhead canopies, overhead doors and bituminous/concrete aprons (east and west).

/*/Replacement required - existing worn out.

OTHER - OFFICE, WAREHOUSE/SITE AREA(S) IMPROVEMENTS:

. Warehouse to be ventilated via a controlled powered system (minimum 6 air changes per hour). Ventilation system shall be roof/wall mounted units with ability to circulate inside air -with or without outside air. All wall penetrations shall be via approved louver (color approved by WESCO) with no other exterior mounted system components.

. Warehouse ventilation system shall be able to be extended to accommodate a two level (ground floor with mezzanine level - each approximately 18,000 sq. ft.) bin area.

. Truck restraints to be installed at all dock positions (aprons slope away from building walls). Restraints to be electrically operated automatic type with signal lights as manufactured by "Kelly Rite-Hite" or WESCO approved equal.

. All exposed gypsum wall board within warehouse - mezzanine walls and support column enclosures, tenant demising wall, existing toilet rooms to remain, etc. Color as approved by WESCO.

. Remove existing chain link fence at west truck apron - parking area and patch all surfaces accordingly to match adjacent existing. Existing chain link fence at each truck apron to remain - see notes under warehouse regarding rehabilitation.

. Extend all existing concrete truck landing gear pads to accommodate conventional 45 FT semi-trailers - extension to be to 45 FT from face of dock and be engineered reinforced concrete.

. Remove existing dock levelers at west wall and install new dock levelers (20) with 35,000 pound capacity, new levelers to be hydraulic type with security lips and manufactured by "Kelly Rite-Hite" or other WESCO approved manufacturer.

. Existing trucker's lounge at east dock to be rehabilitated to first class condition - cleaned, painted, HVAC rehabilitated/replaced.

. New trucker's lounge at west dock to be constructed at south or north end of dock. New truck lounge to include:

Restroom with water closet, urinal and lavatory - partitioned.

Lounge approximately 12 FT x 20 FT

Vestibule with separate exterior entrance (new with concrete steps) - H.M. door and frame.

Warehouse office 12 FT x 10 FT.

SCHEME "B" - MEZZANINE FLOOR WDC OFFICE

OFFICE AREA (APPROXIMATELY 9,600 SQ. FT.) INCLUDES:

. See revised Scheme "B" drawings attached for office layout.

. Entire office, mezzanine area to be rehabilitated to first class condition for use by WESCO as the Administrative Office for its Distribution Center. Basic rehabilitation work to consist of the following:

  . Area to be thoroughly cleaned throughout.

  . Are to be repainted throughout - following proper repair, patching preparation, etc.

  . Existing tile floor areas to remain, except at men's and women's toilet/restrooms which is to be removed (saved for patching at other areas where tile is to remain). Where existing tile is to remain, the tile is to be repaired where damaged, stripped, cleaned, and waxed (prior to building/office area turn over to WESCO). Existing tile to be retained/revised in accordance with applicable codes, regulations, etc. - testing/abatement responsibility of lessor. Copy of reports/results to be furnished to WESCO.

  . Existing acoustical ceiling tile and suspension system to be thoroughly cleaned throughout. All damaged tile units are to be replaced with good existing units from other areas to minimize color difference, etc. - other areas then to receive new tile throughout that specific area, suspension system to be repaired/replaced. New ceiling tile to match that of existing areas (where tile is to remain) to be installed at new reception area and new office near mezzanine level elevator landing.

  . Existing carpet to be removed throughout. New 32 oz. carpet to be installed following proper preparation substrate/concrete floor slab. Carpet to be approved by WESCO - one color/type to be selected and used throughout.

  . Existing lighting fixtures to be replaced, repaired, refinished, relamped, etc. New fixtures to match existing to be installed at new reception area, new office (near elevator at mezzanine landing), new ground floor corridor to new elevator.

  . Provide duplex receptacles as indicated on revised drawing for Scheme "B." Existing electrical devices that remain are to be functional - otherwise device to be removed and wall patched. New devices to be installed where existing devices are not reasonably available. New 20 AMP, 120 volt circuits with isolated grounds to be provided for CRT locations at work stations - maximum of 6 CRTs or 2 printers per circuit. Provide minimum 1" conduit, within walls/partitions where required to easily install data cable for CRTs/printers - data cable only, supplied and installed by WESCO.

SPARKS NV - WDC

1/24/92

. Existing men's and women's toilet/restrooms to be updated to conform to A.D.A. requirements present/to become effective and other applicable handicapped codes, etc. Each restroom to have minimum two waterclosets and two lavatories - one site of which is to conform to handicapped requirements. Men's restroom to also have one urinal. Existing electrical water cooler in corridor near restrooms to be replaced with new "Westinghouse" electric water cooler - handicapped conforming. Restrooms to also receive normal accessories: soap dispensers, etc.

. Existing janitor's room to have sanitary system repaired and truck dock soffit patched. Existing hot water tank to be replaced. Two painted plywood shelves with mop holder to be installed at west wall.

. Existing HVAC system to be fully reconditioned, including a replacement of existing controls presently not functioning with equal new devices, new grilles and diffusers are to be installed throughout. Existing system has apparent direct draft problems (suspended plastic sheet diffusers) - this condition is to be checked and completely alleviated (via diffuser type change, ductwork modifications, etc.).

. All work to conform A.D.A. regulations, present and to become effective, and other applicable codes, etc. Existing hardware, handrrails, open stair to ground floor (rated enclosure required - verify and provide if required), plumbing fixtures, etc. to be made conforming. Installation of new elevator to be installed near existing north stair per revised office layout and in compliance with A.D.A. regulations, present and to become effective (size accordingly).

. Provide exterior windows at the conference room (2) and lunchroom (4) as indicated on revised Scheme "B" drawings.

. Relocate existing window at south wall of manager's office to east/warehouse wall.

. Verify existing mezzanine dock soffit (floor, warehouse walls sound insulated - install attenuation as required).

WAREHOUSE AREA INCLUDES: ALL WORK AS INDICATED FOR SCHEME "A"

OTHER - OFFICE, WAREHOUSE/SITE AREA(S) IMPROVEMENTS: ALL WORK AS INDICATED FOR SCHEME "A" WITH THE FOLLOWING EXCEPTIONS:

. Existing office area at south wall to be removed, including toilet-locker area.

. Installation of new overhead door at west end of south wall (3rd bay in). Door to be 14 FT wide x 14 FT high. Also included with this work are a new mandoor adjacent to the new overhead door, a new concrete truck apron/drive from street with new depressed curb cut.

. Remove existing planting area, island at street (Kleppe Lane) east of existing overhead door in south wall and extend existing truck apron/drive into this area (with new depressed curb). Also remove existing raised section of curb at southeast corner of property along Kleppe Lane and replace with depressed curb.

. Install new locker room are for 20 warehouse employees in conjunction with the proposed (section "A" OTHER WAREHOUSE IMPROVEMENTS) new trucker's lounge at west dock.

VIA CERTIFIED MAIL

December 13, 1996

Utah State Retirement Fund
c/o Trammell Crow Company
990 East Greg Street
Sparks, NV 89431
Attention: Par Tolles

Re: WESCO 6228, Sparks, NV
Exercise of Lease Option

Dear Mr. Tolles:

Under the terms of a Lease Agreement dated April 1, 1992, for 196,800 square feet of office and warehouse space at the above referenced premises, WESCO Distribution, Inc. ("WESCO") a Delaware corporation, successor in interest to Westinghouse Electric Supply Company, a former division of Westinghouse Electric Corporation has the option to renew for a term of five (5) years the aforementioned lease by giving you one hundred eighty (180) days written notice of its intention to renew.

You are hereby notified that WESCO elects to renew said lease for a term of five (5) years upon the same covenants, agreements and conditions as those contained in said lease. The annual rental rate shall increase by the percentage increase in the CPI from July 1, 1992 to June 30, 1997 for the period July 1, 1997 to June 30, 2002.

Please acknowledge receipt of this notice by signing and returning the attached copy of this letter to:

WESCO Distribution, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, PA 15219

Attention: Real Estate Department

Thank you for your attention with this matter.

Sincerely,

WESCO DISTRIBUTION, INC.

By:/s/ R.J. Marshuetz
Richard J. Marshuetz
Vice President, Chief Financial and
Administrative Officer

RECEIPT ACKNOWLEDGED

Utah State Retirement Fund
c/o Trammell Crow Company

By: /s/ Luis A. Belmonte

Luis A. Belmonte
Printed Name

Title: Agent

Date: 4/25/97

cc: Jeff Kramp
Mark Good
Certifed Z220 964 441

July 18, 1995

VIA FAX AND OVERNIGHT EXPRESS

Utah State Retirement Fund
c/o Trammell Crow Company
990 East Greg Street
Sparks, Nevada 89431

ATTN: Par Tolles
RE: Lease dated April 1, 1992 by and between E.T. Hermann and Jane Hermann 1978 Living Trust and Westinghouse Electric Corporation for space located at 1161 East Glendale Avenue, Sparks, Nevada, within the Sierra Commerce Park (formerly the Pacific Freeport Industrial Park).

Dear Par:

The undersigned hereby waives the option set forth in Paragraph 51 of the above-referenced Lease with regard to Lessor's lease of the 73,080 square feet of space located at 1101 East Glendale Avenue, Sparks, Nevada to Rubbermaid Cleaning Products Inc. (fomerly Empire Brush, Inc.). Such waiver is only for the aforementioned Rubbermaid Cleaning Products Inc. Lease and the undersigned does not waive its first option right for such space in the event such space again becomes available during the Term of our Lease.

Date: 7/19/95

Wesco Distribution Inc. (Formerly known as Westinghouse Electric Corporation)

By: /s/ Jeffrey B. Kramp

Name: Jeffrey B. Kramp

Its: Secretary and General Counsel

EXHIBIT 10.12

AGREEMENT OF LEASE

AGREEMENT OF LEASE made this 4th day of September, 1997 by and between THE BUNCHER COMPANY (hereinafter called "Landlord"), a Pennsylvania corporation having its principal place of business in the _____, Allegheny County, Pennsylvania and WESCO Distribution, Inc. (hereinafter called "Tenant"), a Delaware corporation having its principal place of business in the City of Pittsburgh, Allegheny County, Pennsylvania.

WHEREAS, Landlord has full right and power to lease pursuant hereto a certain parcel of land (the "Premises") more particularly described in and/or shown outlined in red on Exhibit A attached hereto, upon which is erected a building containing approximately 58,499 square feet of space and known as 2528 Lovi Road, Freedom, PA 15042 and other improvements incidental thereto (which building portion and other incidental improvements are hereinafter called the "Improvements"); and

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to take and hire from Landlord the Premises and the Improvements. (The Premises and the Improvements are sometimes hereinafter collectively called the "Leased Premises".)

NOW, THEREFORE, WITNESSETH, That Landlord hereby demises and leases unto Tenant, and Tenant hereby takes and hires from Landlord the Leased Premises, subject to the terms and conditions hereof.

Term. TO HAVE AND TO HOLD the Leased Premises unto Tenant for a term of five (5) years commencing at 12:01 A.M. on October 1, 1997 (the "Commencement Date") and ending at 11:59 P.M. on September 30, 2002; subject nevertheless, to the following covenants and conditions which Landlord and Tenant respectively covenant and agree to keep and perform.

1. Rent. See Rider Item #3.

2. Taxes. See Rider Item #7. Tenant will pay to Landlord on demand and as additional rental hereunder all real estate taxes (including taxes levied or assessed in lieu of or as a substitution for real estate taxes) imposed, assessed or levied upon or against the Leased Premises during the term of this Lease.

In addition, Tenant will pay to Landlord on demand as additional rental hereunder, each and every item of expense in the nature of a tax or imposition for the payment of which Landlord is or shall become liable by reason of Landlord's estate or interest in the

Leased Premises, or any portion thereof, including without limiting the generality thereof all personal property taxes, sales taxes, excise taxes, use and occupancy taxes, whether or not the same are now customarily levied or enacted and regardless of whether the same shall be general or special, foreseen or unforeseen, provided the same shall be (i) levied or assessed against Landlord or Tenant in connection with the Leased Premises, or any portion thereof, or (ii) levied, assessed or imposed upon or against, or which shall be measured by, any rents or rental income, as such, payable to Landlord, provided, however, that Tenant shall not be obligated hereunder to pay any of the following:

a. any estate, inheritance, devolution, succession, transfer, legacy or gift tax which may be imposed upon or with respect to any transfer of Landlord's interest in the Leased Premises; or

b. any net income tax levied upon or against Landlord's income from all sources.

3. Use. Tenant will use and occupy the Leased Premises only for office, storage and distribution of Tenant's electrical products and other lawful uses consistent with existing uses of the Tri-County Commerce Park and will not create, permit or maintain any nuisance thereon. Tenant will not use or occupy or suffer or permit the Leased Premises or any part thereof to be used or occupied for (a) any purpose contrary to law or the rules or regulations of any governmental authority having jurisdiction over the Leased Premises (b) any purpose which in the reasonable judgment of Landlord is hazardous or detrimental to persons or property.

4. Maintenance and Repair. See Rider Item #4. Tenant will at Tenant's sole cost and expense keep the Leased Premises and all equipment and personal property of Landlord therein in good order, condition and repair, damage by insured casualty excepted. If Tenant fails or refuses to keep the Leased Premises in good order, condition and repair as aforesaid, Landlord may do so, and charge the cost thereof to Tenant to be collected as additional rental hereunder.

Landlord shall, during the term of this Lease, at its sole cost and expense and as promptly as is reasonable under the circumstances, make all needed structural repairs (exclusive of painting) to the Improvements upon receipt of notice from Tenant of the need for such repairs, unless the need for such repairs was caused by the wrongful act or negligence of Tenant, in which event Tenant shall promptly make such repairs at Tenant's sole cost and expense. Structural repairs shall mean only repairs to the roof, exterior walls, rain conductors, floors, foundations and steel frame of the Improvements and the utility service lines running from the main line to the Building. Structural repairs shall be

deemed to be needed when the failure to make same will result in a hazard to persons or property and/or cause a significant impairment to Tenant's use of the Leased Premises for the purposes set forth in section 3 hereof.

5. Alterations. Tenant will not make or permit to be made any alterations, improvements and additions to the Leased Premises or any part thereof except by and with the prior written consent of Landlord, which consent shall not be unreasonably withheld. All alterations, improvements and additions to the Leased Premises shall be made in accordance with all applicable laws and shall at once when made or installed be deemed to have attached to the freehold and to have become the property of Landlord and except as provided in section 12 of this Lease shall remain for the benefit of Landlord at the end of the term of this Lease or other expiration of this Lease in as good order and condition as they were when installed, reasonable wear and tear and damage by insured casualty excepted; provided, however, if at the time of such alterations, the parties hereto agreed that such alterations were to be removed at the termination of this Lease, Tenant shall at Tenant's sole cost and expense promptly remove the alterations, improvements and additions which were placed in the Leased Premises by Tenant and which are designated in said notice and repair any damage occasioned by such removal and restore the Leased Premises to the condition in which they were prior to such alterations, improvements or additions, reasonable wear excepted, and in default thereof Landlord may effect said removals and repairs at Tenant's expense. In the event of making such alterations, improvements and additions as herein provided, Tenant further will indemnify and save harmless Landlord from all reasonable expense, liens, claims or damages or injuries to either persons or property arising out of, or resulting from the undertaking, making or removal of said alterations, additions and improvements.

6. Assignment and Subletting. See Rider Item #5. Tenant shall not assign this Lease or sublet the whole or any part of the Leased Premises or permit any other persons to occupy same without the prior written consent of Landlord. Landlord shall not unreasonably withhold such consent. Any such assignment or subletting, even with the consent of Landlord, shall not relieve Tenant from liability for payment of rent or other sums herein provided or from the obligation to keep and be bound by the terms, conditions and covenants of this Lease. The acceptance by Landlord of rent from any other person shall not be deemed to be a waiver of any of the provisions of this Lease or to be a consent to the assignment of this Lease or subletting of the Leased Premises.

Any transfer of this Lease from Tenant by merger, consolidation or liquidation shall constitute an assignment of this Lease and shall require the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

An assignment for the benefit of creditors or by operation of law shall not be effective to transfer any rights to an assignee without the prior written consent of the Landlord first having been obtained.

7. Utilities. Tenant will pay for all public and private utility services, including water and sewer rentals, used or consumed on or in connection with the Leased Premises. Electric and gas shall be separately metered, water and sewer to be submetered and invoiced to Tenant by Landlord.

8. Insurance. See Rider Item #6. During the term of this Lease, Tenant will at Tenant's sole cost and expense maintain with insurance companies satisfactory to Landlord comprehensive public liability and property damage insurance with respect to the Leased Premises, with minimum limits of $1,000,000 with respect to the death or injury of one person, and $2,000,000 with respect to the death or injury of two or more persons and $200,000 with respect to property damage. Such insurance coverage shall be endorsed to include the contractual liability assumed by Tenant under section 9 hereof.

Prior to the Commencement Date, Tenant shall furnish to Landlord certificates evidencing the comprehensive public liability insurance and property damage coverage as provided in this section 8 above, said certificates and policies to contain the standard 10 day notification clause to Landlord and Landlord's mortgagee in the event of change of cancellation of insurance coverage, and shall name Landlord as an additional insured.

9. Indemnity. See Rider Item #8. Tenant will protect and save and keep Landlord forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any law or ordinance, whether occasioned by the neglect of Tenant or those holding under Tenant, and Tenant will at all times protect, indemnify and save and keep harmless Landlord against and from all claims, loss, cost, damage or expense arising out of or from any accident or other occurrence on or about the Leased Premises causing injury to any person or property whomsoever or whatsoever, and will protect, indemnify, save and keep harmless Landlord against and from any and all claims and against and from any and all loss, cost, damage, or expense arising out of any failure of Tenant in any respect to comply with and perform all the requirements and provisions of this Lease.

10. Surrender. Tenant will deliver up and surrender to Landlord possession of the Leased Premises upon expiration of the term of this Lease or upon the earlier termination of this Lease, broom clean and in as good condition and repair as the same shall be at the commencement of the term of this Lease, ordinary wear and tear and damage by insured

casualty excepted. Tenant hereby waives any notice now or hereafter required by law with respect to vacating at the termination of any tenancy.

11. Access to Leased Premises. Tenant will permit Landlord or Landlord's agents to inspect or examine the Leased Premises at any reasonable time upon reasonable advanced notice and permit Landlord to make such repairs to the Leased Premises as Landlord may deem necessary for preservation of the Leased Premises and which Tenant has failed so to make without the same being construed as an eviction of Tenant in whole or in part, and the rent shall in no wise abate while such repairs, alterations, improvements or additions are being made by reason of loss or interruption of the business of Tenant because of the prosecution of such work. Landlord shall diligently perform all work referenced herein.

Landlord shall have the right to enter upon the Leased Premises at any reasonable time and from time to time during the term of this Lease for the purpose of exhibiting the same to prospective purchasers and for a period commencing 180 days prior to the end of the term of this Lease for the purpose of exhibiting the same to prospective tenants. During said 180-day period Landlord may place signs in or upon the Leased Premises to indicate that same are for rent or sale, which signs shall not be removed, obliterated or hidden by Tenant. Landlord's signs shall not obstruct Tenant's signs.

12. Tenant's Property. All fixtures, equipment and other property placed or installed in or on the Leased Premises by Tenant and designed for and used in the conduct of Tenant's business in the Leased Premises, shall at all times be and remain the property of Tenant. Tenant will at Tenant's sole cost and expense remove all such equipment, fixtures and other property from the Leased Premises prior to the termination of this Lease and Tenant will at Tenant's cost and expense repair any and all damage to the Leased Premises caused or occasioned by the installation or removal of said fixtures, equipment or other property. Any and all such equipment, fixtures and other property which shall remain on the Leased Premises for more than five (5) days after the termination of this Lease, shall at Landlord's option be deemed abandoned by Tenant and become the sole property of Landlord, or may be removed by Landlord in which case Tenant shall pay or reimburse Landlord for the reasonable cost of such removal and of repairing any and all damage to the Leased Premises caused thereby.

13. Signs. Tenant may install at Tenant's own cost and expense an appropriate sign or signs on the Leased Premises referring to Tenant's business or services; provided, however, that the size, type and location of any such sign shall comply with all applicable laws and governmental rules, regulations and restrictions and shall be subject to Landlord's approval, which approval shall not be unreasonably withheld or delayed.

14. Condemnation of the Leased Premises. If the Leased Premises or any part thereof shall be taken or condemned either permanently or temporarily for any public use or purpose by any competent authority in condemnation proceedings or by any right of eminent domain, the entire compensation award thereof, both leasehold and reversion, shall belong to the Landlord without any deduction therefrom for any present or future estate of Tenant, and Tenant hereby assigns to Landlord all its right, title and interest to any such award. Tenant shall, however, be entitled to claim, prove and receive in such condemnation proceedings such award as may be allowed for moving and relocation expenses, fixtures and other equipment installed by Tenant, but only if such award shall be in addition to the award for the Leased Premises.

If substantially all of the Leased Premises shall be taken as aforesaid or if any such taking shall render the Leased Premises unfit for the conduct of Tenant's business, then this Lease shall terminate and shall become null and void from the time possession thereof is required for public use, and from that date the parties hereto shall be released from all further obligations hereunder.

If only a portion of the Leased Premises shall be so taken or condemned, which taking shall not materially render the Leased Premises unfit for the conduct of Tenant's business, then Landlord at its own expense shall with all reasonable dispatch repair and restore the portion not affected by the taking and this Lease shall continue in full force and effect except that the rental shall be equitably and proportionately reduced.

15. Damage or Destruction. See Rider Item #15. If, during the term of this Lease, the Improvements are so damaged or destroyed by insured casualty so as to render the Improvements unfit for occupancy by Tenant for the purposes set forth in section 3 of this Lease, and if the Improvements cannot in the sole judgment of Landlord be repaired, restored or rebuilt within five (5) months from the happening of such damage or destruction, then Landlord or Tenant may terminate this Lease as of the date of such damage by giving the other notice in writing with respect thereto within thirty (30) days from the date of such happening. In such case, rental hereunder shall abate as of the date of such damage or destruction and Landlord shall be entitled to retain all insurance proceeds resulting from such damage or destruction. Landlord shall refund to Tenant any unearned rent paid in advance and Tenant shall as expeditiously as is reasonable under the circumstances remove such of its property as it is required to remove under the provisions of section 12 hereof and shall surrender the Leased Premises to Landlord who may enter upon and repossess the same, and all further liability Tenant and Landlord hereunder shall thereupon cease.

In the event any such damage to or destruction of the Improvements can in the sole judgment of Landlord be repaired within a period of five (5) months after the happening thereof, Landlord shall repair, restore or rebuild the Improvements and Tenant's Improvement with all reasonable dispatch and in a good workmanlike manner, and this Lease shall not be affected in any manner, except that the liability of Tenant for rent shall be suspended for the period during which such repair, restoration or rebuilding is being made. However, if the damage is such as not to render the Improvements totally unfit for the occupancy by Tenant for the purposes set forth in section 3 of this Lease, Landlord shall repair the Improvements with all reasonable dispatch and rentals hereunder shall abate pro rata to the extent that portions of the Leased Premises are not available for use by Tenant. In either situation provided for in this paragraph, Landlord shall be entitled to receive and retain all insurance proceeds resulting from such damage or destruction.

Notwithstanding the foregoing provisions of this section 15, if the Improvements shall be destroyed or in the judgment of Landlord substantially damaged by insured casualty during the last two (2) years of the term of this Lease, Landlord may, within 30 days after the occurrence of such damage or destruction, cancel and terminate this Lease by giving written notice to Tenant, and if such notice is given, this Lease shall expire as of the date of such destruction with the same effect as though that date was the date of the expiration of the term of this Lease, rental hereunder shall abate as of the date of such damage or destruction, Landlord shall be entitled to retain all insurance proceeds resulting from such damage or destruction, Landlord shall refund to Tenant any unearned rent paid in advance, and Tenant shall as expeditiously as is reasonable under the circumstances remove such of its property as it is required to remove under the provisions of section 12 hereof and shall surrender the Leased Premises to Landlord who may enter upon and repossess the same, and all further liability Tenant and Landlord hereunder shall thereupon cease. If this Lease is not so cancelled and terminated, the provisions of the foregoing paragraphs of this section 15 shall control.

16. Default and Remedies. See Rider Item #16. All rights and remedies of Landlord herein enumerated shall be cumulative, and none shall exclude any other rights or remedies allowed by law. Tenant covenants and agrees that if any of the following events of default occur, that is, if:

a. Tenant shall fail, neglect or refuse to pay any rent or sums payable hereunder as rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, or if Tenant shall fail to keep and maintain in full force and effect the insurance required under section 8 of this Lease, and if

any such default should continue for a period of more than 10 days after notice thereof by Landlord to Tenant; or

b. Tenant commit waste thereon, or any execution be issued against a substantial part of Tenant's assets or bankruptcy, receivership or insolvency proceedings be instituted by or against Tenant or an assignment made by Tenant for the benefit of creditors, or Tenant shall fail, neglect or refuse to keep and perform any of the other covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such failure, neglect or refusal shall continue for a period of more than 30 days after notice thereof is given in writing to Tenant by Landlord, provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period of time than the period of such notice, Tenant shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance of said notice or has taken the proper steps or proceedings under the circumstances to prevent the seizure, destruction, alteration or other interference with said Leased Premises by reason of non-compliance with the requirements of any law or ordinance or with the rules, regulations or directions of any governmental authority, as the case may be;

then the present value of the entire rental for the balance of the term of this Lease discounted at 8% per annum shall at the option of Landlord at once become due and payable as if by the terms of this Lease it is payable in advance, and if not so paid the Tenant does hereby authorize and fully empower Landlord to cancel or annul this Lease at once and in compliance with the laws of Pennsylvania to re-enter and take possession of the Leased Premises immediately, without any previous notice of intention to re-enter, and to remove all persons and their property therefrom, and to use such assists in effecting and perfecting such removal of Tenant as may be necessary and advisable to recover at once first and exclusive possession of the Leased Premises, without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used by Landlord, in which event this Lease shall terminate and Tenant shall indemnify Landlord against all unavoidable loss of rent which Landlord may incur by reason of such termination during the residue of the term of this Lease.

Landlord may, however, at its option at any time and after such default or violation of condition or covenant, in compliance with the laws of Pennsylvania, re-enter and take possession of the Leased Premises without such re-entry working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by Tenant for the term of this Lease. In such event Landlord shall have the right, but not the

obligation, to divide or subdivide the Leased Premises in any manner Landlord may determine and make reasonable efforts to lease or let the same or portions hereof for such periods of time and at such rentals and for such use and upon such covenants and conditions as Landlord may elect, applying the net rentals from such letting first to the payment of Landlord's reasonable expenses incurred in dispossessing Tenant and the reasonable cost and expense of making such improvements in the Leased Premises as may be necessary in order to enable Landlord to re-let the same, and to the payment of any reasonable brokerage commissions or other necessary expenses of Landlord in connection with such re-letting. The balance, if any, shall be applied by Landlord from time to time on account of the payments due or payable by Tenant hereunder, with the right reserved to Landlord to bring such action or proceedings for the recovery of any deficits remaining unpaid as Landlord may deem desirable from time to time, without being obligated to await the end of the Term for the final determination of Tenant's account. Any balance remaining, however, after full payment and liquidation of Landlord's account as aforesaid shall be paid to Tenant, with the right reserved to Landlord at any time to give notice in writing to Tenant of Landlord's election to cancel and terminate this Lease, and the giving of such notice in writing to Tenant of Landlord's election to cancel and terminate this Lease and the simultaneous payment by Landlord to Tenant of any credit balance in Tenant's favor that may at the time be owing to Tenant shall constitute a final and effective cancellation and termination of the Lease and the obligation hereunder on the part of either party to the other.

17. Confession of Judgment.
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18. Hold Over. If Tenant shall remain in possession of the Leased
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Premises after the expiration of the term of this Lease with the prior written consent of Landlord, then Tenant shall be deemed a tenant of the Leased Premises from month to month at the same rental and subject to all of the terms and provisions hereof, except only as to the term of this Lease.

19. Quiet Enjoyment. If Tenant pays rental and other charges herein
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provided and shall perform all of the covenants and agreements herein stipulated to be performed on the Tenant's part, Tenant shall, at all times during the term of this Lease, have the peaceable and quiet enjoyment and possession of the Leased Premises without any manner of hindrance from Landlord or any persons lawfully claiming through Landlord, except as to any portion of the Leased Premises as may be taken under the power of eminent domain.

20. Notices. All notices, demands and requests which may be or are
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required to be given hereunder shall be given in writing and shall be deemed to have been duly given

as of the date of receipt or refusal of mailing if sent by postage prepaid, first class, United States registered or certified mail, return receipt requested or by personal messenger, evidenced by written receipt, to each of the parties at the following places, or to such other places as either party hereto may for itself designate in writing from time to time for the purpose of receiving notices hereunder:

THE BUNCHER COMPANY	WESCO DISTRIBUTION, INC.
c/o Buncher Management Agency, Inc.	Commerce Court, Suite 700
5600 Forward Avenue	Four Station Square
P.O. Box 81930	Pittsburgh, PA 15219
Pittsburgh, PA 15217-0930	Attn: Real Estate Manager

22. Entire Agreement. This Lease constitutes and contains the entire and only agreement between the parties, and supersedes and cancels any and all pre-existing agreements and understandings between the parties relating to the subject matter hereof. No representation, inducement, promise, condition or warranty not set forth herein has been made or relied upon by either party.

23. Subordination. This Lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect the Leased Premises, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required; however, in confirmation of such subordination Tenant shall execute promptly any certificate to that effect upon reasonable request by Landlord.

24. Limitation of Landlord. Notwithstanding the provisions hereof, the term "Landlord" as used in this Lease means only the holder, for the time being, of Landlord's interest under this Lease so that in the event of any transfer of title to the Leased Premises to a party assuming Landlord's obligations hereunder Landlord shall be and hereby is entirely freed and relieved of all obligations of Landlord hereunder accruing after such transfer, and it shall be deemed without further agreement between the parties that such grantee, transferee or assignee has assumed and agreed to observe and perform all obligations of Landlord hereunder arising during the period it is the holder of Landlord's interest hereunder.

25. Force Majeure. Landlord shall not be liable to Tenant and shall not be in default under this Lease in any manner by reason of delay in performance of any covenant or condition in this Lease, if any such delay is caused by present or future governmental

regulations, restrictions, strikes, lockouts, unusual unavailability of materials or labor, severe adverse weather conditions, or by any other reason or reasons, whether similar or not to foregoing, which delays are beyond the reasonable control of Landlord, provided that Landlord shall use Landlord's best efforts to overcome the same.

26. Attachments. Attached to this Lease and made a part hereof, and initialed on behalf of both parties simultaneously with the execution of this Lease, are Exhibits A through C inclusive, and Rider pages 1 through 10 inclusive.

27. Governing Law. This Lease shall be construed, governed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

28. Separability. If any term or provision of this Lease, or the application thereof to any party or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to parties or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

29. Cumulative Remedies. The specified remedies to which Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord or Tenant may be lawfully entitled in case of any breach by Landlord or Tenant of any provision of this Lease. Failure of Landlord or Tenant to insist in any one or more cases upon the strict performance of any of the covenants of this Lease shall not be construed as a waiver or a relinquishment for the future of such covenant. A receipt by Landlord of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord or any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. In addition to the other remedies in this Lease provided, Landlord or Tenant shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Lease. Nothing in this Lease shall give either party the right to terminate this Lease except as otherwise specifically set forth in this Lease.

30. Amendments. This Lease may be amended, modified, renewed, extended, cancelled or terminated only by a written instrument duly executed by both of the parties hereto.

31. Provisions Construed As Covenants. All the provisions of this Lease, insofar as they are applicable to either or both of the parties hereto, shall be taken and construed

as the covenant or covenants of such party or parties respectively to do or perform the thing or act specified or not to do the act or thing inhibited.

32. Binding Effect. The provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; subject, nevertheless, to the restrictions on assignment by Tenant as set forth in section 6 hereof and to the provisions of section 24 hereof.

33. Reservations Roads and Utilities. Landlord reserves for itself and all tenants, the use of access roads and of utilities, and the right to make additional connections, as Landlord may deem necessary, without unreasonable interference with the operations of Tenant.

34. Acceptance of possession of the Leased Premises or opening the same for business shall be conclusive evidence that the Leased Premises are and were in good order and condition on the Commencement Date.

35. Tenant shall have the non-exclusive right to the use of the fifty (50) foot driveway in the area shaded in green on Exhibit A attached hereto which driveway may be used in common with Landlord, Tenant and other respective tenants, their employees, invitees and business visitors for pedestrian and vehicular traffic.

WITNESS the due execution hereof.

ATTEST: THE BUNCHER COMPANY

/s/ By /s/
- ---------- ----------
Secretary President

ATTEST: WESCO DISTRIBUTION, INC.

/s/ By /s/
- ---------- ----------
Assistant Secretary Steven A. Burleson, Treasurer

RIDER TO
AGREEMENT OF LEASE DATED
SEPTEMBER 4, 1997 BY AND BETWEEN
THE BUNCHER COMPANY, AS LANDLORD, AND
WESCO DISTRIBUTION, INC., AS TENANT

This Rider is attached to and made a part of the Agreement of Lease referred to above. To the extent any inconsistencies exist between the provisions of this Rider and the foregoing printed portions of the Agreement of Lease referred to above, the provisions of this Rider shall govern. All terms defined in the foregoing printed provisions of the Agreement of Lease shall have the same meanings herein as in the foregoing printed provisions unless otherwise set forth herein. The term "this Lease" shall mean the foregoing printed provisions as modified, amended and/or supplemented by this Rider.

1. TERMINATION OF EXISTING LEASE: Tenant is presently leasing other property of Landlord under that certain Agreement of Lease dated June 30, 1997 (the "Old Lease"). The Old Lease and the term thereof shall terminate seven (7) days after the Commencement Date or the Beginning Date, if applicable, as though such date was the scheduled expiration date of the Old Lease except Tenant shall have no obligation for the payment of rental under the Old Lease for the seven (7) day period after the Commencement Date or the Beginning Date, if applicable, of this Lease.

2. COMPLETION: (A) Landlord shall use Landlord's best efforts to substantially complete, at Landlord's cost and expense, the tenant improvements described on Exhibit B attached hereto and made a part hereof (the "Tenant Improvements") prior to the Commencement Date. If the Tenant Improvements are not so completed, this Lease shall remain in full force and effect except that rental, taxes, insurance, utility payments and other sums due as additional rental under this Lease shall not commence until the seventh (7th) day (hereinafter known as the "Beginning Date") after Landlord has provided written notice to Tenant ("Letter Amendment") setting

forth (i) that the Tenant Improvements are substantially completed and the Leased Premises are ready for occupancy, (ii) that a certificate of occupancy has been issued by the applicable governmental authorities, (iii) the actual Beginning Date, the actual Commencement Date and expiration date of the term of this Lease, and (iv) subject to paragraph 3 of this Rider, the dates and amounts of the rental payments due hereunder. The Letter Amendment when issued as provided herein shall be incorporated into and made a part of this Lease. If the Beginning Date is other than the first day of a month, Tenant shall pay to Landlord as rental the sum of $601.02 for each day from the Beginning Date to the first day of the month following the Beginning Date, and the initial term shall run for a full sixty (60) months from the first day of the month following the Beginning Date so as to end on the last day of the sixtieth (60th) full month after the Beginning Date.

(B) If the Tenant Improvements are substantially completed more than seven (7) days prior to the scheduled Commencement Date, the Beginning Date shall be the seventh (7th) day after Tenant has been notified that the Tenant Improvements are so completed and there shall be no change in the Commencement Date or the expiration date as set forth in the printed portion of this Lease. Tenant shall pay to Landlord as rental for the Leased Premises the sum of $601.02 for each day from the Beginning Date to the Commencement Date.

All terms and conditions of this Lease shall be effective from the Beginning Date as though the term of this Lease had commenced on the Beginning Date except that the expiration date of the initial term shall be as provided above in this paragraph.

3. RENTAL: Tenant shall pay to Landlord as rental for the Leased Premises the following amounts at the following times:

(A) On the first day of the first full calendar month of the initial term of this Lease following the

Beginning Date, if applicable, Tenant shall pay to Landlord as rental for the Leased Premises the per diem rental, if any, as set forth in paragraph 2(A) and paragraph 2(B) of this Rider.

(B) Beginning on October 1, 1997, or if later, on the first day of the first (lst) full calendar month of the initial term of this Lease (i.e., the first day of the month following the Beginning Date), and on the first day of each calendar month thereafter until October 1, 1999, or the first day of the twenty-fifth (25th) full calendar month following the Beginning Date, if applicable, Tenant shall pay to Landlord as monthly rental for the Leased Premises the amount of $18,280.94.

(C) Beginning on October 1, 1999 or on the first day of the twenty-fifth (25th) full calendar month of the initial term of this Lease following the Beginning Date, if applicable, and on the first day of each calendar month thereafter until October 1, 2000 or the first day of the thirty-seventh (37th) full calendar month following the Beginning Date, if applicable, Tenant shall pay to Landlord as monthly rental for the Leased Premises the amount of $19,499.67.

(D) Beginning on October 1, 2000, or on the first day of the thirty-seventh (37th) full calendar month of the initial term of this Lease following the Beginning Date, if applicable, and on the first day of each calendar month thereafter during the remainder of the initial term of this Lease, Tenant shall pay to Landlord as monthly rental for the Leased Premises the amount of $20,718.40.

The rentals as determined under 3(B), 3(C) and 3(D) above shall be payable in advance, without demand, deduction or set off. All rentals and other sums payable hereunder shall be paid to Landlord's agent, Buncher Management Agency, Inc.,

5600 Forward Avenue, P.0. Box #81930, Pittsburgh, Pennsylvania 15217-0930 or at such other place or to such other person as may be designated by Landlord in writing.

4. MAINTENANCE AND REPAIR: During the term of this Lease, Tenant, at its sole cost and expense, shall procure a satisfactory maintenance contract with an authorized service company for the HVAC equipment serving the Leased Premises and keep records of service to the HVAC system for Landlord's review.

Landlord will assign to Tenant at the commencement of the term of this Lease, the benefits of all assignable manufacturer's warranties, if any, covering the equipment serving the Leased Premises and will grant to Tenant a one (1) year warranty of the workmanship and materials installed by Landlord from any defects unless caused by lack of maintenance by Tenant or any act or negligence of Tenant or those acting under Tenant.

Tenant understands and acknowledges that the Leased Premises is a part of a commerce park being developed by Landlord. Landlord reserves the right to institute reasonable rules and regulations governing the maintenance of the Leased Premises and the commerce park which Tenant agrees to observe.

In addition to Tenant's obligation for maintenance and repair of the Leased Premises as set forth in the first paragraph of section 4 of the printed portion of this Lease, Tenant shall, at Tenant's sole cost and expense, comply with all governmental laws and regulations, including but not limited to local, state, federal administrative requirements and regulations, relating to Tenant's use and occupancy of the Leased Premises and the business conducted therein and thereon including without limitations compliance with laws relating to accessibility to, usability by and discrimination against disabled individuals.

5. ASSIGNMENT AND SUBLETTING: Notwithstanding any provision to the contrary contained in section 6 of the

printed portion of this Lease, Tenant may without Landlord's consent assign this Lease or sublet the Leased Premises or any part thereof to any subsidiary or affiliate of Tenant provided Tenant notifies Landlord in writing of its intention to so assign or sublet. For the purpose of this paragraph 5, the terms "subsidiary and affiliate" shall be defined as any corporation or entity which controls Tenant, is controlled by Tenant or is under the common control with Tenant by the same parent corporation or other entity, or any corporation into which Tenant may be merged or consolidated or which purchases all or substantially all of the assets of Tenant.

6. INSURANCE: Tenant and Landlord agree that the Leased Premises is a portion of Landlord's building (the "Building"), more particularly shown on Exhibit A attached hereto.

Landlord shall maintain fire and extended coverage insurance on the Building for its replacement value in such amounts as Landlord may from time to time reasonably determine. Within fifteen (15) days after Landlord provides to Tenant supporting documentation of the reasonable cost of insuring the Building, Tenant will pay to Landlord as additional rental hereunder, Tenant's pro rata share of the insurance premium paid or payable by Landlord for so insuring the Building. Tenant's pro rata share of such insurance premium shall be based on the number of square feet of space in the Building portion of the Leased Premises to the number of square feet of space in the Building as the same may exist from time to time. As currently calculated, Tenant's pro rata share is determined as follows: i.e., 58,499 square feet divided by 99,475 square feet or 58.81%. In addition, Tenant shall be liable for any increase in such insurance premiums resulting from Tenant's use of the Leased Premises. Tenant shall be responsible for insuring against any loss to Tenant's own fixtures and contents in or about the Leased Premises. If the Leased Premises is damaged as a result of an insured risk, Tenant shall be responsible for its proportionate share of the deductible portion of Landlord's insurance coverage which deductible is currently $1,000.00.

In addition to the insurance requirements set forth in section 8 of the printed portion of this Lease, Tenant shall maintain during the term of this Lease or any extension thereof worker's compensation and employee's liability insurance at the statutory limits on its employees at the leased Premises and shall indemnify and hold harmless Landlord from and against any and all expenses connected with claims made by Tenant's employees for injuries incurred at the Leased Premises.

7. TAXES: The parties hereto acknowledge that the assessment for real estate taxes for the Leased Premises is included in the assessment for all buildings and the entire land area (collectively hereinafter called the "Property") of which the Leased Premises is a part. The Property is more particularly identified on the tax records as Parcel Number 69-165-0155-000.

Tenant shall pay to Landlord its allocated share of the real estate taxes on the Property as the same shall be determined by Landlord from time to time during the term of the Lease.

Upon the execution of this Lease by the parties hereto, Landlord shall make application to the Beaver County and the Freedom Area School District for abatement of real estate taxes under the existing regulations of each named body pursuant to the Local Economic Revitalization Tax Assistant Act. The present rate of tax abatement for each named body is set forth on Exhibit C attached hereto and made a part hereof. Tenant shall receive the benefit of the tax abatement, if any, as approved by each named body.

Landlord shall provide Tenant at the time of invoice, supporting documentation of Tenant's allocable share of the real estate taxes.

8. LANDLORD'S INDEMNITY: Landlord shall, indemnify, hold harmless and defend Tenant from and against any and all costs, expenses, liabilities, injuries, losses, damages, suits,

actions, fines, penalties, claims, or demands of any kind which are asserted by or on behalf of any person, arising out of or in any way connected with any accident, death or personal injury, or damage to property, that shall occur in or about the Leased Premises which results from or is caused by the sole negligence or willful misconduct of Landlord, its employees, contractors, agents or invitees.

9. HAZARDOUS SUBSTANCES: Tenant shall not cause, permit or allow any Hazardous Substance to be generated, emitted, discharged, released or disposed of, on, in or from the Leased Premises by Tenant, Tenant's agents, employees, contractors, invitees or those holding under Tenant. Tenant shall comply with all Environmental Laws governing or relating to the generation, transportation, use, storage, emission, discharge, release, threatened release or disposal of Hazardous Substances with respect to the use and occupancy of the Leased Premises or the condition thereof. Without limitation of the foregoing, if Tenant causes, permits or allows the emission, discharge, release, threatened release or disposal of any Hazardous Substance from, on or in the Leased Premises (hereinafter called the "Contamination") in violation of any Environmental Laws, Tenant shall promptly, at its sole cost and expense, take any and all actions necessary to remediate and/or remove Contamination and to comply with the Environmental Laws.

Tenant shall defend, indemnify and hold Landlord harmless from and against all claims, damages, remedial or removal actions or obligations, fines, judgments, liens, penalties, costs, expenses, diminished property value, lost or diminished rental revenue, liabilities or losses of any kind asserted against, or suffered or incurred by, Tenant and/or Landlord resulting directly or indirectly from the presence, generation, transportation, use, storage, emission, discharge, release, threatened release or disposal of Hazardous Substances on, in or from the Leased Premises, provided, however, that Tenant's indemnity hereunder shall not extend to Contamination existing on the Leased Premises prior to the date of this Lease and for Contamination of the Leased

Premises directly attributable to or Contamination caused by landlord or any unrelated third party without the consent or knowledge of Tenant or under Tenant's control. The provisions of the foregoing sentence shall survive the termination of this Lease.

Landlord shall defend, indemnify and hold Tenant harmless from and against all claims, damages, remedial or removal actions or obligations, fines, judgments, liens, penalties, costs, expenses, diminished property value, lost or diminished rental revenue, liabilities or losses of any kind asserted against, or suffered or incurred by Tenant resulting directly or indirectly from the presence, generation, transportation, use, storage, emission, discharge, release, threatened release or disposal of Hazardous Substances on, in or from the Leased Premises by Landlord, its employees, agents or authorized representatives or resulting from Landlord's construction, use or occupancy of the Leased Premises. The provisions of the foregoing sentence shall survive the termination of this Lease.

As used herein, the term "Hazardous Substance" or "Hazardous Substances" shall mean any and all substances or materials which are defined as or listed as "hazardous materials", "toxic substances", "hazardous air pollutants", "toxic pollutants", "pollutants", and/or "contaminants" as those terms are used, defined or listed under any Environmental Laws. As used herein the term "Hazardous Substance" shall also include any petroleum product, including gasoline, diesel fuel, motor oil and waste oil.

As used herein the term "Environmental Laws" shall mean any federal, state or local law, statute, ordinance, rule, order, regulation, injunction, writ or decree now or hereafter existing which governs or otherwise relates to the generation, transportation, use, storage, emission, discharge, release, threatened release or disposal of Hazardous Substances including, without limitation, the Resource, Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials

Transportation Act, the Toxic Substances Control Act, the Clean Air Act and the Clean Water Act.

10. RENEWAL OPTION: Tenant shall have the right and option to extend the initial term of the Lease for one (1) additional term of five (5) years (the "Renewal Term") to commence immediately following the expiration of the initial term. Tenant may exercise the right for the Renewal Term only by delivering to Landlord written notice of Tenant's exercise of such right no less than one (1) year prior to the expiration of the initial term. The terms and conditions of this Lease shall continue in full force and effect for the Renewal Term, except that the monthly rental for the Renewal Term shall be determined pursuant to the following formula:

$$\text{Monthly Rental for the Renewal Term} = \$19{,}499.67 \times \frac{\text{CPI in effect on the expiration date of the initial term}}{\text{CPI on October 1, 1997}}$$

Notwithstanding the result of the above calculation, the monthly rental for the Renewal Term shall not be less than $20,718.40 per month.

The CPI, as referred to herein, means the Consumer Price Index for all Urban Consumers 1984=100 relating to the Pittsburgh Metropolitan area, as issued by the Bureau of Labor Statistics of the United States Department of Labor, or any successor to the function thereof. In the event of the conversion of the CPI to a different standard reference base or any other revision thereof, the determination hereunder shall be made with the use of such Bureau of Labor Statistics or successor to the functions thereof or in the absence of the publication of such conversion factor, such formula or table as the parties shall mutually designate.

The foregoing option and right to extend the term of this Lease for the Renewal Term as herein provided is subject to (i) Tenant's timely exercise of this option as herein

provided, (ii) WESCO Distribution, Inc., or its subsidiary or affiliate themselves being in full possession of the Leased Premises one (1) year prior to the expiration date of the Extended Term and at the commencement of the Renewal Term and (iii) Tenant not being in material default at the time of the exercise of such option or at the commencement of the Renewal Term. If Tenant does not satisfy conditions (ii) and (iii) above, Landlord at its option may terminate this Lease effective on the day preceding the commencement of the Renewal Term.

11. BROKERAGE: Except as provided below, Landlord and Tenant each hereby warrants to the other that no real estate broker has been involved in this transaction on its behalf and that no finder's fees or real estate commissions have been earned by any third party. Tenant agrees to indemnify Landlord and Landlord hereby agrees to indemnify Tenant for any liability or claims for commissions or fees arising from a breach of this warranty. The only real estate broker involved in this transaction is Galbreath Company, whose commissions or fees with respect to this transaction, shall be paid by Landlord.

12. TERMINATION BY TENANT: Tenant shall have a one time right during the initial term of this Lease to terminate this Lease and the term thereof on the later of March 31, 2000 or the last day of the thirtieth (30th) full month of the term of the Lease (the "Early Out Date") by providing Landlord with not less than six (6) months' prior written notice of its intention to so terminate this Lease and the payment to Landlord not less than three (3) months prior to the Early Out Date, the amount of $116,998.02. Upon the timely giving of notice and the payment of the said amount, this Lease and the term thereof shall terminate on the Early Out Date as though said date was the scheduled date for the expiration of the term of this Lease.

13. PARKING: Tenant shall have the exclusive right to the use of the parking areas located within the Leased

Premises as shown outlined in red on Exhibit A attached hereto.

14. COMMON AREA MAINTENANCE: A. Landlord shall, at its sole cost and expense (i) maintain in reasonably good condition and repair, when necessary as determined by Landlord, the driveway shown shaded in green on Exhibit A and the parking lots shown on Exhibit A attached hereto located on the Property and (ii) maintain the landscape areas located within the Property but not included in Tenant's Leased Premises or in the Leased Premises of other Tenants in the Building. The driveway, the parking lots and the landscape areas are collectively hereinafter called the "Common Areas".

Tenant shall pay to Landlord a monthly charge (the "CAM Charge"), as reasonably determined from time to time by Landlord, being Tenant's allocable share of the Common Area Expense, as hereinafter defined, to reimburse Landlord for Tenant's allocable share of Landlord's costs of maintaining the Common Areas. As used herein, "Common Area Expenses" shall mean all reasonable costs and expenses incurred by Landlord of whatever nature for maintaining the Common Area including but not limited to a reasonable reserve for the replacement of the asphalt surfaces of the Common Areas. All capital repairs and replacements shall be amortized in accordance with GAAP.

Beginning on the Commencement Date, Tenant shall pay to Landlord, as additional rental, a CAM Charge of $731.24 per month (said amount being Landlord's estimate of Common Area Expenses allocable to Tenant for 1997). The CAM Charge shall be subject to adjustment at the end of each calendar year during the term of the Lease based upon the actual Common Area Expenses incurred by Landlord during the previous calendar year and an estimate of Common Area Expenses for the ensuing calendar year.

Landlord shall provide Tenant within sixty (60) days after each calendar year proper documentation to support said CAM Charge and the Common Area Expenses.

B. ADJUSTMENT MECHANISM: During each calendar year following the first calendar year, but no later than sixty (60) days following each calendar year, Landlord shall submit a statement supported by reasonable documentation setting forth the amount of the Common Area Expenses and Tenant's allocable share of the Common Area Expenses and the difference if any between the amount actually owed by Tenant and the amount actually paid by Tenant in accordance with this paragraph 14. Landlord agrees to keep books and records documenting Common Area Expenses. Tenant shall have the right for a period of one (1) year after Landlord has submitted said statements, at Tenant's cost, to inspect Landlord's statement of Common Area Expenses after reasonable notice during normal operating hours. If Tenant owes Landlord the difference, Tenant shall pay the difference as additional rental within thirty (30) days of billing by Landlord. If Landlord owes Tenant the difference, Tenant shall receive a credit for such amount against Tenant's next ensuing monthly CAM Charge payments. Tenant's covenant to pay Tenant's allocable share of the Common Area Expenses for the term of this Lease or any extension thereof shall survive the expiration or early termination of this Lease.

15. DAMAGE OR DESTRUCTION: Notwithstanding the provisions of section 15 of the printed portion of this Lease, if the Improvements shall be destroyed or in the judgment of Landlord substantially damaged by insured casualty during the last year of the term of this Lease, and in Landlord's sole reasonable judgment cannot be repaired or restored within ninety (90) days after the happening of such event, then either party may, within thirty (30) days after the occurrence of such damage or destruction, cancel and terminate this Lease by giving written notice to the other, and if such notice is given, this Lease shall expire as of the date of such destruction with the same effect as though that date was the date of the expiration of the term of this Lease, rental hereunder shall abate as of the date of such damage or destruction, Landlord shall be entitled to retain all insurance proceeds resulting from such damage or destruction, Landlord shall refund to Tenant any unearned rent paid in

advance, and Tenant shall as expeditiously as is reasonable under the circumstances remove such of its property as it is required to remove under the provisions of section 12 hereof and shall surrender the Leased Premises to Landlord who may enter upon and repossess the same, and all further liability by Tenant and Landlord hereunder shall thereupon cease. If this Lease is not so canceled and terminated, the provisions of the foregoing paragraphs of section 15 shall control.

16. DEFAULTS AND REMEDIES: If Landlord fails to perform any of the covenants and conditions of this Lease to be kept, observed or performed by Landlord, and such failure shall not have been cured within thirty (30) days after notice and demand, or in the event the default is of such a nature that it cannot be cured within thirty (30) days and Landlord has not taken reasonable steps to cure said default, then, Tenant shall have the right to exercise any and all rights and remedies available to it at law or in equity, including, but not limited to, the right to enjoin a breach or threatened breach of this Lease in a court of competent jurisdiction.

WITNESS the due execution hereof as of the date of the foregoing Agreement of Lease.

ATTEST:	THE BUNCHER COMPANY
/s/	/s/
- ----------	----------
Exec. Vice Pres. & Secretary (Corporate Seal)	President
ATTEST:	WESCO DISTRIBUTION, INC.
/s/	/s/
- ----------	----------
Assistant Secretary	Steven A. Burleson, Treasurer

FIRST AMENDMENT TO AGREEMENT OF LEASE

MADE THIS 24TH DAY OF SEPTEMBER, 1997

BY AND BETWEEN

THE BUNCHER COMPANY (hereinafter called "Landlord"), a Pennsylvania corporation having its principal place of business in Allegheny County, Pennsylvania

AND

WESCO DISTRIBUTION, INC. (hereinafter called "Tenant"), a Delaware corporation having its principal place of business in the City of Pittsburgh, Allegheny County, Pennsylvania

WHEREAS, the parties hereto have entered into a certain Agreement of Lease (the "Lease") dated September 4, 1997 covering certain property located in the Township of New Sewickley, Beaver County, Pennsylvania and more particularly described in the Lease (the "Leased Premises"); and

WHEREAS, all terms defined in the Lease and used herein shall have the same meaning herein as in the Lease unless otherwise provided herein; and

WHEREAS, the parties desire to amend the Lease to (i) provide that Landlord shall perform or cause to perform certain additional work (the "Additional Improvements") in or about the Leased Premises and (ii) increase the monthly rental for the Leased Premises to amortize the cost of the Additional Improvements over the initial term of the Lease.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound, the parties hereto promise, covenant and agree as follows:

1. COMPLETION OF ADDITIONAL IMPROVEMENTS: Landlord shall, at its sole cost and expense, complete the Additional Improvements to the Leased Premises on or before the

Commencement Date or Beginning Date, if applicable, of the Lease. As used herein the Additional Improvements shall include (i) the construction of a concrete ramp at the drive-in door and (ii) the installation of one (1) 110 volt duplex outlet at each of the following column locations in the warehouse, i.e., columns: C-5, C-11, F-5 and F-11.

2. AMORTIZATION PAYMENTS: Beginning on the Commencement Date or on the first day of the first full calendar month of the initial term of the Lease following the Beginning Date, if applicable, and on the first day of each calendar month thereafter during the initial term of the Lease, Tenant shall pay to Landlord as additional rental in addition to rental and other sums otherwise payable under the Lease, the amount of $353.79 per month which amount represents the amount required to amortize the agreed upon cost of the Additional Improvements, including interest, over the initial term of the Lease. If Tenant exercises its right to terminate the Lease as provided under paragraph 12 of the Rider to Agreement of Lease, Tenant shall pay to Landlord three (3) months prior to the Early Out Date the amount of $9,299.39 (the unamortized cost of the Additional Improvements at the end of the thirtieth (30th) month of the initial term of the Lease), in

addition to all other sums payable by Tenant as set forth in the Lease.

3. Except as amended and supplemented hereby, all terms and conditions of the Lease shall remain in full force and effect.

WITNESS the due execution hereof as of the date of the foregoing Agreement of Lease.

ATTEST:	THE BUNCHER COMPANY
/s/	/s/
Exec. V.P. & Secretary	President
(Corporate Seal)	
ATTEST:	WESCO DISTRIBUTION, INC.
/s/	/s/
Assistant Secretary	Steven A. Burleson, Treasurer
(Corporate Seal)	

EXHIBIT 10.13

AGREEMENT OF LEASE

BETWEEN: ATLANTIC CONSTRUCTION INC., a company duly incorporated under the law, herein acting and represented by David Rosenberg, its President, hereunto duly authorized as he declares,

(hereinafter referred to as "Landlord")

AND: WESCO DISTRIBUTION CANADA INC., a body politic and corporate, duly incorporated under the Law, and having an office in the City of Pittsburgh, State of Pennsylvania, U.S.A., located at Riverfront Center, herein acting and represented by Roy W. Haley, its President and Chief Executive Officer duly authorized as he declares,

(hereinafter referred to as "Tenant")

1. DESCRIPTION AND LEASE OF PREMISES

The Landlord in consideration of the rentals and other obligations of the Tenant herein set forth, hereby leases to the Tenant, the latter accepting, the location bearing civic number 1330 Trans Canada Highway, Dorval, Quebec, consisting of an area of approximately ninety-seven thousand (97,000) square feet and the land upon which it is erected, the whole as outlined on the plan hereto attached as Schedule "A" (hereinafter referred to as the "Leased Premises").

The building containing the Leased Premises (hereinafter referred to as the "Building") is situated on the emplacement described in Schedule "B" hereto attached.

Landlord will, within thirty (30) days after the occupation of the Leased Premises by the Tenant, furnish the latter with a certificate of its architect attesting to the area of the Leased Premises. Said certificate shall be based on outside measurements and shall be final and binding upon the parties hereto.

2. TERM OF LEASE

The Term of this Lease shall commence on September 16, 1994 and shall terminate on the last day of July 1999 unless sooner terminated under the provisions hereof (hereinafter referred to as the "Term").

3. USE OF PROPERTY

Tenant covenants that the Leased Premises shall be used solely for the purpose of office space and warehousing and for no other purpose. Storage shall be permitted outside the Leased Premises on the Thirty-five thousand (35,000) square feet of yard space on the south side of the Leased Premises during the Term.

Notwithstanding the foregoing, Landlord shall have the right to reclaim the yard space without financial penalty on thirty (30) days written notice to the Tenant of its need for the yard space. All such storage shall be in conformity with municipal regulations.

4. RENTAL ON NET RETURN BASIS

It is intended that the Base Rent provided for in this Lease shall be an absolute net return to Landlord for the Term of this Lease, free of any and all costs, expenses of any nature whatsoever, taxes and charges with respect to the Leased Premises, other than any income or profit taxes which may be levied against Landlord and any interest or amortization charges of Landlord in respect of any hypothecs and except as otherwise herein stipulated.

5. BASE RENT

Subject to and under reserve of the terms and conditions contained in Article 46.3 and Schedule D hereof, Tenant covenants and agrees to pay to Landlord in lawful money of Canada without deduction, abatement or set off, an annual Base Rent as follows:

a) During the first three (3) years of the Term a sum of Three hundred fifteen thousand dollars ($315,000.00) payable in equal consecutive monthly installments of Twenty-six thousand two hundred and fifty dollars ($26,250.00) each;

b) During the last two (2) years of the Term a sum of Three hundred thirty-seven thousand five hundred dollars ($337,500.00) payable in equal consecutive monthly

installments of Twenty-eight thousand one hundred twenty-five dollars ($28,125.00) each, the whole without deduction, abatement or set-off and payable in advance on the first (1st) day of each month during the Term, with the applicable Goods and Services Taxes and Quebec Sales Taxes and any other similar taxes which may be levied in the future by any governmental authority (hereinafter referred to as the "Base Rent").

Such Base Rent has been calculated on an area of Ninety thousand (90,000) square feet which area the parties irrevocably agree to use for the calculation of Base Rent.

The Base Rent and other charges as herein provided shall be paid to Landlord and/or its nominee at the office of the Landlord, 7077 ave. du Parc, Suite 600, Montreal, Quebec H3N lX7, or at such other place in Canada as shall be designated by Landlord in writing to Tenant.

Should the Tenant continue to occupy the Leased Premises after the expiry of the Term without a written agreement, there shall be no tacit renewal and the Tenant shall pay the Landlord Base Rent and other charges for the period of occupancy as set out in this Lease plus fifty percent (50%) thereof, without prejudice to such further damage claims as may be available to the Landlord against the Tenant. However, the Tenant is not to have the right to such occupancy beyond the expiry of the Term.

6. ADDITIONAL RENTAL

Subject to and under reserve of the terms and conditions contained in Article 46.3 and Schedule D hereof and without limiting the obligations of Tenant, the Tenant shall pay its proportionate share of the following items, which Proportionate Share is the product of the fraction of which the area of the Leased Premises is the numerator and the total Leasable area of the Building is the Denominator (hereinafter referred to as the "Proportionate Share"):

A) TAXES

Within thirty (30) days of receipt by Tenant of proof of payment by the Landlord and a written statement of the taxes set out in this paragraph the Tenant will in each and every year during the term of this Lease pay to the Landlord, whether they be special or general, its Proportionate Share of all property taxes, municipal taxes, school taxes, surtax on non-residential immoveables, ecclesiastical taxes, rates including local improvement rates, duties and assessments and any tax on capital pertaining to the Leased Premises that may be levied, rated, charged or assessed against the Building and/or all equipment and facilities thereon or therein, and/or the land and appurtenant land on which the Building is situated and/or any property on or in the Building owned or brought

thereon or therein by Landlord or Tenant, and their respective officers, agents, employees, servants, visitors or licensees and/or Tenant in respect thereof, whether such taxes, rates, duties or assessments are charged by a municipal, school or any other body of competent jurisdiction. Upon payment by the Tenant as provided for in this paragraph, the Landlord will pay and will indemnify and keep indemnified the Tenant from and against any and every tax, rate, charge, duty and assessment referred to in this paragraph with respect to the Building and the lands appurtenant thereto.

The Tenant shall be solely responsible to pay its share of municipal surtaxes on non-residential immoveables that may be levied, charged, rated or assessed against the Building. Landlord may from time to time, or at any time, in its reasonable discretion revise its method for charging for such surtax, based either on the proportion allotted by the Municipality or based on the Tenant's Proportionate Share.

The foregoing taxes in respect of the first and last years of the Term shall be adjusted between Landlord and Tenant.

B) OTHER EXPENSES

The Tenant shall pay its Proportionate Share of:

i) the expense required to keep the exterior of the Leased Premises in good order and condition and to keep the sidewalks, curbs, lawns and grounds in and about the Leased Premises in good condition, clean and free of snow and ice and properly landscaped.

ii) the reasonable cost of all goods and services furnished, employed or utilized in the operation, administration, maintenance, repair, supervision and management of the Building and of the common areas;

iii) the salaries, wages and costs related to fringe benefits and pension plan benefits of the employees of the Landlord exclusively engaged in the operation, administration, maintenance, repair, supervision and management of the Building;

iv) the reasonable cost of modifications, improvements and additions to the Building and to the equipment thereof as well as the equipment or specialized services necessary for the establishment, in the Building, of energy conservation measures, when, in the opinion of the Landlord and the Tenant, these costs are likely to reduce the operating expenses of the Building or improve the welfare or the security of the tenants of the Building or when the foregoing are required by law.

v) the capital cost, reasonably calculated according to a method of depreciation reasonably determined by the Landlord, of work or of equipment required for the operation, administration, maintenance, repair, supervision, management, modification or improvement of the Building or the common areas or of energy conservation measures as well as interest as hereinafter stipulated.

vi) the reasonable expenses incurred to redo, improve, modify or increase the insulation of the Building when, in the opinion of an expert in such matters, such expenses may reduce the electricity costs or gas consumed in the Leased Premises;

vii) the sprinkler maintenance and its monitoring alarm connection with a central security company;

viii) the reasonable cost of works, replacements or of repairs made to the Building, except those relating to the structure and roof of the Building which shall be paid by the Landlord, unless caused by the fault or negligence of the Tenant or by those for whom it is in law responsible. The term "structure" means the foundations and the frame of the Building. Tenant shall, also, not be responsible for any repairs of capital nature to the Building which for the purpose hereof shall be repairs of a replacement nature which give significant added value to the Building.

ix) Insurance

During the whole of the Term, the Tenant will pay its Proportionate Share of all premiums with respect to insurance to be placed by Landlord on the Building and described as follows:

i) Fire, Extended Coverage and Malicious Damage insurance for the full replacement cost of the Building, improvements and equipment and in addition upon the full annual rental income thereof.

ii) Broad boiler and Unfired Pressure Vessels insurance, including Repair or Replacement and rental income coverages in an amount reasonably satisfactory to Landlord;

iii) such other insurance as institutional lenders may require or as it may be or may become customary for owners of property to carry as respects loss of or damage to the Leased Premises or liability arising therefrom, specifically including any insurance required by reason of the introduction by or on behalf of Tenant, and/or its sub-tenants of any radioactive materials or substances into the Leased Premises.

All policies of insurance shall contain a provision of cross liability or severability of interest as between the Landlord and the Tenant. All other policies referred to above shall contain a waiver of subrogation rights which the Landlord's insurers may have against the Tenant, the Tenant's insurers and persons under the Tenant's care and control. The Landlord hereby releases and waives any and all claims against the Tenant and those for whom the Tenant is in law responsible with respect to the occurrences insured against by the Landlord hereunder. The Landlord shall from time to time furnish the Tenant with certified copies of all insurance policies and the renewals thereof upon request.

Tenant will pay the amount of any increase in insurance premiums on the whole of the Building of which the Leased Premises form part if such increase is caused by Tenant's operations in the Leased Premises, or anything brought therein by Tenant.

The following shall not be included in the operating expenses, such cost to be assumed by the Landlord exclusively:

i) any repairs to the roof or any structural repairs to the Building;

ii) any repairs of a capital nature to the Building and the land;

iii) any modification or improvement to the Building and the land unless same has been previously approved by the Tenant it being understood that the Tenant may withhold such approval without necessity of justification, and the whole subject to article 6 (v), 6 (vii) and 6 (ix) hereof.

iv) any repairs to the tile floor of the warehouse area;

Items due pursuant to this article 6 hereunder shall also be paid to Landlord by Tenant Thirty (30) days after receipt of Landlord's invoice for same.

7. METHOD OF PAYMENT

Notwithstanding anything to the contrary hereinabove contained, the Landlord may, at its reasonable option, instead of billing individually for taxes and other items to be paid by the Tenant, as hereinabove stipulated, estimate the amounts payable by the Tenant under the provisions of this Lease for such periods as the Landlord may determine, the Tenant hereby agreeing to pay to the Landlord such amounts in monthly instalments in advance during said period together with the rental payments as hereinabove provided. At the expiration of the period of which such estimated payments have been made, the Landlord shall furnish to the Tenant a certified statement showing

in reasonable details the actual amount required to be paid under the provisions hereof. If the amounts actually due by the Tenant for such period exceed the amount so collected by the Landlord, the Tenant shall pay same within thirty (30) days after receipt of billings therefore, and if the amounts due by the Tenant for the said period are less than the amount actually collected by the Landlord, then the Landlord shall credit same to the next ensuing payments becoming due by the Tenant to the Landlord.

All sums due by the Tenant to the Landlord in virtue of this Lease will be considered as rent for all legal purpose.

8. DIRECT PAYMENTS

a) PAYMENT FOR BUSINESS TAX, LICENCES ETC.

Tenant shall be responsible for and pay all business taxes, and similar taxes levied with respect to the Leased Premises as well as the costs of any licences and permits required by the Tenant.

b) INSURANCE

Tenant covenants that nothing will be done or omitted to be done whereby any policy shall be cancelled or the Leased Premises rendered uninsurable.

Throughout the term of this Lease and any renewal thereof, the Tenant shall take out and keep in force:

(i) comprehensive general liability insurance with respect to the business carried on in or from the Leased Premises and the use and occupancy thereof for bodily injury and death and damage to the property of others in an amount of at least two million dollars ($2,000,000.00) for each occurrence or such greater amount as the Landlord may from time to time reasonably require;

(ii) all risks insurance including the perils of fire, extended coverage, leakage from sprinkler and other fire protective devices, earthquake, collapse and flood in respect to furniture, equipment, inventory and stock-in-trade, fixtures and leasehold improvements located within the Leased Premises and such other property located in or forming part of the Leased Premises, including all mechanical or electrical systems (or portions thereof) installed

by the Tenant in the Leased Premises, the whole for the full replacement cost (without depreciation) in each such instance.

(iii) if any boiler or pressure vessel is operated in the Leased Premises, boiler and pressure vessel insurance with respect thereto;

(iv) glass and plate-glass insurance to the full replacement cost thereof;

(v) such additional insurance as the Landlord, acting reasonably, may from time to time require.

All policies of insurance shall provide that they will not be canceled or permitted to lapse unless the insurer notifies the Landlord in writing at least thirty (30) days prior to the date of cancellation or lapse. Each such policy shall name the Landlord and any other party reasonably required by the Landlord as an additional insured as its interest may appear. Each comprehensive general liability insurance policy will contain a provision of cross-liability or severability of interest as between the Landlord and the Tenant. All other policies referred to above shall contain a waiver of subrogation rights which the Tenant's insurers may have against the Landlord, the Landlord's insurers and persons under the Landlord's care and control. The Tenant hereby releases and waives any and all claims against the Landlord and those for whom the Landlord is in law responsible with respect to occurrences required to be insured against by the Tenant hereunder. The Tenant shall from time to time furnish the Landlord with certificates of insurance policies and the renewals thereof.

The Landlord hereby releases and waives any and all claims against the Tenant and those for whom the Tenant is in law responsible with respect to occurrences required to be insured against by the Landlord hereunder.

Should the Tenant fail to take out or keep in force such insurance, the Landlord will have the right to do so and to pay the premiums therefore and in such event the Tenant shall repay to the Landlord the amount paid as premiums as additional rent within thirty (30) days after receipt of invoice.

c) UTILITIES

Subject to and under reserve of the terms and conditions contained in Schedule D hereof, the Tenant shall pay for the consumption in the Leased Premises of electricity, water, heat, gas and for telephone, pest control and garbage removal services, and all public utilities with respect to the Leased Premises, directly to the utility companies levying said charges.

The Tenant shall, at its cost, suitably heat the Leased Premises during the customary heating season. The Landlord represents and warrants to the Tenant that all heating equipment presently located in the Leased Premises is in good working order during the Term subject to regular maintenance thereof.

Notwithstanding anything contained in this article 8, should any of the expenses presently billed to the Tenant be invoiced to the Landlord in future the Tenant agrees to immediately reimburse the Landlord for these expenses.

9. FAILURE OF TENANT TO PERFORM

If Tenant fails to pay any taxes, rates, insurance premiums, charges or debts which it owes or has herein covenanted to pay, Landlord may pay the same and shall be entitled to charge the sums so paid to Tenant who shall pay them within thirty (30) days after receipt of invoice and Landlord. In addition to any other rights, Landlord shall have the same remedies and may take the same steps for the recovery of all such sums as it might have and take for the recovery of rent in arrears under the terms of this Lease; all arrears of rent and any monies paid to Landlord hereunder shall bear interest from the date of default at the rate equal to that charged by the Toronto Dominion Bank in Montreal to its most credit worthy commercial customers plus five percent (5%) per annum.

10. DEFAULT

Without prejudice to all of the rights and recourses available to the Landlord, the following shall be considered defaults under the terms of this Lease:

(a) in the event that Tenant shall be in default under any provision of this Lease providing for the payment of Base Rent or additional rent or any other charges, after fifteen (15) days written notice to the Tenant from the Landlord;

(b) in the event that Tenant shall be adjudicated a bankrupt or make any general assignment for the benefit of creditors, or take, or attempt to take, the benefit of any insolvency or Bankruptcy Act, or if a petition in bankruptcy shall be maintained against Tenant, or if a receiver or trustee be appointed to the property of Tenant, or any part thereof, or any execution be issued pursuant to a judgment, rendered against Tenant or pursuant to this Lease in which such event shall not be discharged within thirty (30) days;

(c) in the event that Tenant shall be in default in observing any covenant herein contained and/or performing any of its obligations contained in this Lease (other than a default in the payment of rent or additional rent) and such default shall continue for fifteen (15) days after written notice specifying such default shall have been given to Tenant by Landlord and provided Tenant has not started to remedy such default and to diligently pursue such remedial action within said delay.

In the event of any default under the terms of this Lease, the Landlord without prejudice to any rights or remedies it may have hereunder or by law shall have the right to terminate this Lease forthwith upon written notice given to Tenant by Landlord. Tenant upon such a termination of this Lease shall thereupon quit and surrender the Leased Premises to Landlord and Landlord, its agents and servants may immediately or at any time thereafter, re-enter the Leased Premises and dispossess Tenant, and remove any and all persons and any or all property therefrom whether by summary dispossession proceedings or by any suitable action or proceeding at law, or by force or otherwise without being liable to prosecution or damages therefore.

In case of any termination, or in case Tenant, in the absence of such termination, shall be dispossessed by or at the instance of Landlord in any lawful manner, whether by force or otherwise, Base Rent and Additional Rent for the then current month and for the next six (6) months succeeding the date of such termination or dispossession shall immediately become due and payable (as accelerated rent) and this Lease shall immediately, at the reasonable option of the Landlord, become forfeited and terminated, and the Landlord may, without notice of any form of legal process, forthwith re-enter upon and take possession of the Leased Premises and remove the Tenant's effects therefrom, the whole without prejudice to and under reserve of all of the rights and recourses of the Landlord to claim any and all losses and damages sustained by the Landlord by reason of and arising from any default of the Tenant.

Landlord will use its best efforts to mitigate damages in the event of a default by the Tenant.

11. SIGNS

Landlord shall have the right at all times during the term of this Lease to place upon the Leased Premises a notice of reasonable dimensions and reasonably placed, so as not to interfere with the business of Tenant, stating that the Building is for sale and for six (6) months prior to the termination of this Lease, Landlord shall have the right to place upon the Leased Premises a similar notice that the Leased Premises are for rent and Tenant will not remove such notice or knowingly permit same to be removed.

Tenant shall have the right to place any signs, advertisements, notices or posters inside or outside the Leased Premises for the purposes of Tenant's operations in and from the Leased Premises, the whole subject to Landlord's consent which consent shall not be unreasonably withheld or delayed.

All such signs shall comply with the lawful requirements of municipal and governmental authorities.

Neither the Tenant or anyone other than the Landlord will have the right to place any signs for rent, sublet, etc. on the outside or inside of the Leased Premises or on any adjacent building or property belonging to the Landlord.

The Tenant shall have the right at any time to list the Leased Premises or any part thereof with any broker or agent for purposes of subleasing same.

12. EXHIBITION OF PREMISES

Landlord shall have the right, at any time upon twenty-four (24) hour notice to the Tenant, during business hours, to exhibit the Leased Premises to any prospective lender or purchaser or to any prospective Tenant during the last Nine (9) months of the Term.

13. MAINTENANCE AND REPAIRS

Notwithstanding the provisions of the Civil code of Quebec, the Tenant, at its own expense, shall operate, maintain and keep the Leased Premises including all facilities, equipment and services, both inside and outside, available to the Tenant exclusively, in such good order and condition, as they would be kept by a careful owner, and shall promptly, if known, make all needed repairs and replacements to the Leased Premises, which a careful owner would make, including, without limitations, the water, gas, drain and sewer connections, pipes and mains, electrical wiring, water closets, sinks and accessories thereof, and all equipment belonging to or connected with the Leased Premises or used in its operation, including the heating and air conditioning systems therein.

The Tenant undertakes to obtain and pay for such maintenance, repair, and replacement service and/or insurance contracts with respect to the foregoing; the whole without prejudice to the other obligations of the Tenant with respect to same. The Tenant shall forward, upon request, to the Landlord copies of such contracts and evidence of renewals thereof during the continuance of this Lease.

Notwithstanding the other provisions of this article, Tenant shall not be responsible for the execution of and the payment of any repairs to the roof, any structural repairs, any repairs of a capital nature and any repair to the tile floors in the warehouse area unless caused by fault of the Tenant or by those for whom it is in law responsible.

14. SUBLETTING AND ASSIGNMENT

Subject to the provisions hereinafter detailed, the Tenant shall have the right to sublet the Leased Premises or assign its rights in the present Lease with the consent of the Landlord which consent shall not be unreasonably withheld or delayed and provided that the Leased Premises are utilized only for the purposes stipulated in article 3 hereof. Notwithstanding such subletting and assignment, the Tenant shall remain solidarily liable with such sublessee or assignee for the performance of all the terms and conditions of the present Lease.

It is understood and agreed that notwithstanding the terms of Article 1873 of the Civil Code of Quebec any such assignment consented to by the Landlord shall in no way acquit the Tenant of its obligations stipulated in this Lease.

Sales aggregating fifty percent (50%) or more of the capital issued voting stock of Tenant (if Tenant is a non-public corporation) or transfers aggregating fifty percent (50%) or more of Tenant's partnership shall be deemed to be an assignment of this Lease. As used in the foregoing sentence, the word "Tenant" shall also mean any entity which has guaranteed Tenant's obligations under this Lease and the prohibition hereof shall be applicable to any sales or transfers of the stock or partnership interest of said guarantor.

Notwithstanding anything to the contrary in this Section 14, so long as Wesco Distribution Inc. is Tenant under this Lease, is not in default of any of the terms and conditions hereof, and has fully and faithfully performed all of the terms and conditions of the Lease, Tenant shall have the right to assign this Lease without Landlord's consent, at any time during the Term of this Lease, to the purchaser in connection with the sale by Tenant of all or substantially all of its assets, provided: (i) the net assets of the assignee corporation shall not be less than the net assets of Tenant at the time of the signing of this Lease; (ii) the assignee corporation provides Landlord with audited financial statements certifying such net assets; (iii) such assignment does not adversely affect the quality and type of business operation which Tenant has conducted theretofore; and (iv) such assignee shall assume in writing, on a form acceptable to Landlord, all of Tenant's obligations hereunder and Tenant shall provide Landlord with a copy of such assumption/assignment document.

Tenant shall remain solidarily liable with any such assignee.

Tenant shall pay Landlord a fee of Three hundred dollars ($300.00) in connection with the sublease or assignment hereunder.

15. INSPECTION AND REPAIR

Landlord and its agents shall have the right, at all reasonable times and upon prior reasonable notice save in the event of an emergency during the Term of this Lease to enter the Leased Premises to examine the condition thereof and to ascertain whether Tenant is performing its obligations hereunder, and Tenant shall make any repairs which Landlord deems reasonably necessary as a result of such examination through professional tradesmen approved by the Landlord which approval may not be unreasonably withheld. If Tenant fails to make any such repairs within a maximum of Ten (10) days or less if Landlord deems reasonably necessary after notice from Landlord requesting Tenant to do so, provided that such repairs may reasonably be made within the said period, or Tenant has not diligently commenced to pursue same, Landlord may, without prejudice to any other rights or remedies it may have, make such repairs and charge the cost thereof to Tenant. Nothing in this Clause shall be construed to obligate or require Landlord to make any repairs but Landlord shall have the right at any time to make any emergency repairs without notice to Tenant and charge the reasonable cost thereof to Tenant. Any costs chargeable to Tenant hereunder shall be payable within thirty (30) days after receipt of invoice as additional rent and shall bear interest at the rate herein above mentioned.

16. DESTRUCTION OF PREMISES

Provided, and it is hereby expressly agreed that if and whenever during the Term hereby leased, the Building or the portion of the Building hereby leased shall be destroyed or damaged by fire, lightning or tempest, or any of the other perils insured against under the provisions hereunder, then and in every such event:

(a) If the damage or destruction is such that the portion of the Building hereby leased, or the Building, is rendered wholly or partially unfit for occupancy or it is impossible or unsafe to use and occupy it and if in either event the damage, in the reasonable opinion of Landlord's architect to be given to Tenant within thirty (30) days of the happening of such damage or destruction, cannot be repaired with reasonable diligence within one hundred and twenty (120) days from the happening of such damage or destruction, then either Landlord or Tenant may within Five (5) days next succeeding the giving of the Landlord's architect's opinion as aforesaid, terminate this Lease by giving to the other notice in writing of such termination, in which event this Lease and the term hereby leased shall cease and be at an end as of

the date of such destruction or damage and the rent and all other payments for which Tenant is liable under the terms of this Lease shall be apportioned and paid in full to the date of such destruction or damage; in the event that neither Landlord or Tenant so terminate this Lease, the Landlord shall repair the said Building with all reasonable speed and the rent hereby reserved shall abate from the date of the happening of the damage until the damage shall be made good to the extent of enabling Tenant to use and occupy the Leased Premises in Tenant's reasonable opinion;

(b) If the damage be such that the portion of the Building hereby leased is wholly unfit for occupancy, or if it is impossible or unsafe to use or occupy it but if in either event the damage, in the reasonable opinion of Landlord's architect, to be given to Tenant within thirty (30) days from the happening of such damage, can be repaired with reasonable diligence within one hundred and twenty (120) days of the happening of such damage, then the rent hereby reserved shall abate from the date of the happening of such damage until the damage shall be made good to the extent of enabling Tenant to use and occupy the Leased Premises and Landlord shall repair the damage with all reasonable speed;

(c) If, in the opinion of the Landlord's architect, the damage can be made good, as aforesaid, within one hundred and twenty (120) days of the happening of such destruction or damage and the damage is such that the portion of the Building leased is capable of being partially used for the purposes for which it is hereby leased, then until such damage has been repaired the rent shall abate in the proportion that the part of the portion of the Building leased is rendered unfit for occupancy bears to the whole of the said portion of the Building leased and Landlord shall repair the damage with all reasonable speed.

Should any mortgage creditor who may have an interest in any insurance proceeds refuse to permit the use of such proceeds for the repair, replacement, rebuilding and/or restoration as hereinabove provided and for the payment of amounts expended for such purposes, then the Landlord's obligation to repair or rebuild as provided for hereinabove shall cease and shall be null and void and the Lease shall be canceled effective as of the date of the damage, unless, the Landlord, at the Landlord's sole option, chooses to repair or rebuild.

17. IMPROVEMENTS AND ALTERATIONS

The Tenant shall not make any alterations or repairs to the Leased Premises, or any other part of the Building, or wires, pipes or other services to be run into the Building without first

obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. Any amounts owing under the terms of this Article shall be payable on demand as additional rent.

However in the event that the Landlord shall grant permission to the Tenant to execute the said work for its own account (which permission shall be reasonably determined by the Landlord), then the said work shall be subject to the following conditions:

(i) Tenant shall furnish to Landlord plans and specifications showing in reasonably complete detail the work proposed to be carried out and the estimated cost thereof and Landlord shall approve or reject such plans and specifications within fifteen (15) days after receipt of the same. If such plans and specifications are approved, all work shall be carried out in compliance therewith.

(ii) The value of the Leased Premises shall not, as a result of any work proposed to be carried out by Tenant, be less than the value of the Leased Premises before the commencement of such work and Landlord shall be the sole judge of such value.

(iii) All work shall be carried out with reasonable dispatch and in a good workmanlike manner and in compliance with all applicable permits, authorizations and building and zoning by-laws and with all regulations and requirements of all competent authorities having jurisdiction over the Leased Premises.

(iv) The Leased Premises and the Building shall at all times be free of all legal hypothecs (construction) and any charges whatsoever.

(v) If the cost of any work shall be in excess of Five thousand dollars ($5,000.00) as reasonably estimated by Tenant, Landlord may require Tenant to furnish security satisfactory to Landlord guaranteeing the completion of the work and the payment of the cost thereof free and clear of all privileges and charges of any nature whatsoever.

(vi) Tenant shall maintain Workmen's Compensation insurance covering all persons employed in connection with the work and shall produce evidence of such insurance to Landlord and shall also maintain such general liability insurance for the protection of Landlord and Tenant as Landlord may require.

All work whether executed by the Landlord or the Tenant, whether structural or not, when completed, shall be comprised in, and form part of the Leased Premises and shall be subject to all the provisions of this Lease and Tenant shall not have any right to claim compensation therefore. At the expiration of this Lease, Tenant shall be required to repair any damage to the Leased

Premises caused by removing any of its personal property, reasonable wear and tear and casualty damage excepted.

18. EXPIRATION OF LEASE

The Tenant shall at the expiration or earlier termination of the term of this Lease peaceably surrender and yield up unto the Landlord the Leased Premises together with all buildings, alterations, replacements, additions, erections, and improvements (leasehold or otherwise), including, but not limited to electrical installations, electric or other fixtures, offices, partitions, divisions, air-conditioning and heating equipment, paneling, built-in furniture, wall-to-wall carpets, carpets or other floor coverings, attached cabinets, or other attached equipment, wiring, switches, meters, meter boxes and transformers, which at any time during the term hereof shall be placed, made, installed, fixed or attached therein or thereon by the Tenant, in good repair and condition, subject to reasonable wear and tear only, and without any compensation whatsoever being allowed to the Tenant for same.

Tenant hereby renounces any right to terminate the Lease in accordance with the terms of article 1605 of the Civil Code of Quebec.

19. COMPLIANCE WITH LAWS AND REGULATIONS

The Tenant shall, at its own expense, promptly comply with the requirements of every applicable statute, law and ordinance and with every applicable lawful regulation in relation to its use or occupation of the Leased Premises or with respect to any equipment found therein or with respect to any requirements of the Landlord's insurers. The Landlord certifies and warrants to the Tenant that the Leased Premises are in compliance with all applicable laws, ordinances, rules, orders and regulations of any governmental authority or regulatory body with jurisdiction thereof or any applicable insurance rating agency and that there is no pollutant or contaminants in the Building or the land at the commencement of the Term of this Lease and that said Building and land comply with the environmental laws, regulations and policies applicable thereto.

20. INDEMNIFICATION

Except if caused directly by the negligence or negligent acts of the Landlord, its employees, agents and invitees, the Landlord shall not be liable nor responsible in any way for any injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent or customer of the Tenant or any other person who may be upon the Leased Premises or for any loss

of or damages to any property belonging to the Tenant or to its employees or to any other person while such property is on the Leased Premises and, in particular (but without limiting the generality of the foregoing) the Landlord shall not be liable for any damage or damages of any nature whatsoever to any such property caused by the failure to supply adequate drainage, snow or ice removal, or by reason of the interruption of any public utility or service or in the event of steam, water, rain or snow which may leak into, issue, or flow from any part of the Building or from the water, steam, sprinkler, or drainage pipes or plumbing works of the same, or from any other place or quarter or for any damage caused by anything done or omitted by any Tenant, but the Landlord shall use all reasonable diligence to remedy such condition, failure or interruption of the service when not directly or indirectly attributable to the Tenant, after notice of same, when it is within its power and obligation to do so. Nor shall the Tenant be entitled to any abatement of Base Rent or Additional Rent in respect of any such condition, failure or interruption of service.

The Tenant will indemnify and save harmless the Landlord from and against all fines, liability, damages, suits, claims, demands and actions of any kind or nature which the Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any injury (including death resulting at any time therefrom) or damage to property occasioned to or suffered by any person or persons including the Landlord by reason of any such breach, violation or non-performance or of any wrongful act, neglect or default on the part of the Tenant or any of its employees, officers, agents, or invitees.

21. ASSIGNMENT BY LANDLORD AND SUBORDINATION

Landlord declares that it may assign its rights under this Lease to a lending institution as collateral security for a loan made to Landlord and in the event that such an assignment is given and executed by Landlord and notification thereof is given to Tenant by or on behalf of Landlord, it is expressly agreed between Landlord and Tenant that this Lease shall not be canceled or modified for any reason whatsoever without the consent in writing of such lending institution.

Tenant hereby covenants and agrees that it will, if and whenever reasonably required by Landlord and, at Landlord's expense, consent to and become a party to any instrument or instruments permitting the Landlord to hypothecate or otherwise encumber the Building of which the Leased Premises form part and to subordinate this Lease to any hypothec or security document, provided Tenant receives satisfactory confirmation of the full respect of its rights under this Lease by anyone benefitting from said subordination.

22. EXPROPRIATION

If the whole or any part of the Building shall be expropriated or taken in any manner for any public or quasi-public use or purpose, Landlord may at its option, terminate this Lease by giving notice in writing to Tenant that the term hereof shall expire upon the day when possession is required for such purpose, and in the event of such expiration, Landlord shall have no liability to Tenant of any nature, without prejudice to Tenant's claim against the expropriating authority.

23. EXTENSIONS

The Landlord shall have the right at its option and from time to time during the Lease Term to make extensions and/or additions and/or to add one (1) or more additional floors or storeys onto all or part of the Building comprising the Leased Premises.

Notwithstanding anything to the contrary in the foregoing, Landlord shall use its best efforts not to interfere with access or visibility of the Leased Premises during the construction of any such extensions or additions.

In the event the Landlord exercises said option, the Tenant agrees to permit the Landlord to install and/or extend and/or add the required improvements including supports, beams, wiring, piping, stairways, elevators, ramps, vents, ducts, shafts and openings and the like and to close all windows and openings which may be required to be closed as a consequence of such construction, the whole without any claims for disturbance and/or inconveniences and the like which may be caused to the Tenant, provided always that the required work is carried out within a reasonable delay and that this article shall not absolve or release the Landlord from liability in respect for damages or any loss caused to the Tenant as a consequence of any wilful act of the Landlord, its employees or representatives as a consequence of said additions and/or extensions and provided that the Tenant shall be granted a proportionate reduction in rent as compensation for loss of use of its inside floor space (during the period and for the area of loss of use only). All of the foregoing without any other claims by the Tenant against the Landlord for damages and loss of use.

24. PUBLICATION

The Tenant shall have the right to publish the Lease, at its cost, which Summary shall not contain any financial information whatsoever. Tenant shall, prior to publication, furnish Landlord with a draft copy of the text of said Summary, for its approval, which approval shall not be unreasonably withheld.

In addition, Tenant shall, at its own cost, at the expiration of the Term, radiate the publication of the Lease from the Land Register.

25. FLOOR LOADING

Tenant shall not bring upon the Leased Premises or any part thereof any machinery, equipment, article or thing that by reason of its weight or size might damage the Leased Premises and will not at any time overload the floors of the Leased Premises and if any damage is caused to the Leased Premises by any machinery, equipment, article or thing or by overloading or by any act, neglect or misuse on the part of Tenant or any of its invitees, agents or employees or any person having business with Tenant, Tenant will forthwith pay to Landlord any damages incurred by the latter.

26. PERMITS, ETC.

Tenant declares that it has and/or will obtain all necessary permits or licenses in connection with the operation of its business in the Leased Premises and further recognizes that it has no claim against the Landlord with respect to the issuance of such permits or licenses.

27. INTERIOR AND EXTERIOR AREAS

The keeping of pets on the Leased Premises is prohibited.

The Tenant shall not use any part of the exterior parking and loading areas or any other areas outside the Leased Premises for any purpose other than parking, shipping or receiving in the areas designated by the Landlord for same except as defined in Section 3.

28. DISTURBANCE

Notwithstanding anything to the contrary stipulated in the present Lease, the Tenant will not hold the Landlord in any way responsible for any damages or annoyance which the Tenant may sustain through the fault of any tenant who occupies any premises adjacent to, near, above or under the Leased Premises or from any person the Tenant allows to use or have access to the Leased Premises, and renounces any claims it may have against the Landlord pursuant to Articles 1859 and 1861 of the Civil Code of Quebec.

29. ODOURS

The Tenant warrants that no noxious odours or dust or noise will emanate from the Leased Premises as a result of the operations conducted by the Tenant therein. Accordingly, the Tenant agrees that should such noxious odour, dust, or noise condition exist, it will at its own cost and expense take such steps as may be necessary to rectify the same after written notice from the Landlord. Should the Tenant fail to commence to do so within seven (7) days or less in an emergency situation and complete the same within a reasonable time, the Landlord shall have the right to take reasonable measures to correct the situation and the Landlord shall be entitled to recover the cost plus fifteen percent (15%) administration thereof from the Tenant within thirty (30) days of receipt of invoice. Such cost shall be considered as additional rental hereunder.

30. ENVIRONMENTAL MATTERS

During the term hereof, Tenant obliges itself to forthwith take, at its cost, all necessary precautions for the purposes of conforming with all laws, by-laws, ordinances and regulations of federal, provincial and municipal authorities relating to environmental matters and more specifically, but without restricting the generality of the foregoing, those relating to the protection of water, air and soil from pollution or contamination of any form whatsoever.

Landlord warrants and declares that it has complied with all laws and regulations related to environmental matters and that no toxic wastes or contaminants are to be found or stored in or about the Leased Premises and shall indemnify and save Tenant harmless in connection with same.

Notwithstanding anything herein contained and without restricting the generality of the preceding paragraph, Tenant obliges itself to indemnify, exonerate and save the Landlord free and harmless with respect to all claims, actions, suits for loss of life, personal and property damages, or for any other losses or injuries which may result in whole or in part from the use, fabrication or presence in the Leased Premises of any substance, product, or contaminant or the exercise of any act or activity exposing the Landlord to a claim in connection with the foregoing provided said substance, product or contaminant is found on the Leased Premises by reason of Tenant's fault or negligence or that of its employees, agents or invitees.

31. BROKERAGE COMMISSION

As part of the consideration for the granting of this Lease, Landlord and Tenant mutually represent and warrant to each other that no broker or agent negotiated or was instrumental in negotiating or consummating this Lease other than Axxa Realties Inc. whose commission shall be

paid by Landlord. Any commissions due to another broker shall be paid by the party having retained the services of said other broker.

32. LIQUIDATION SALES, ETC.

The Tenant undertakes not to carry out or permit a bankruptcy or liquidation sale or war surplus goods, insurance salvage stock or auction in or from the Leased Premises. The Tenant acknowledges that a violation of the present clause will cause irreparable injury to the Landlord and consents to the Landlord enforcing the present clause by way of interim and interlocutory injunction, without prejudice to such other rights as the Landlord may have under the circumstances.

33. RULES AND REGULATIONS

The rules and regulations attached hereto as Schedule "C" form part hereof and may be reasonably amended from time to time by the Landlord.

34. WAIVER

The failure of Landlord or Tenant to insist upon the strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that Landlord or Tenant may have and shall not be deemed a waiver of any subsequent breach or default in any such agreements, terms, covenants and conditions.

35. NOTICES AND DEMANDS

Any notice or demand given by Landlord to Tenant shall be deemed to be duly given when served upon Tenant personally or when mailed to Tenant by registered or certified mail or overnight courier, at the address of the Leased Premises.

Tenant elects domicile at the Leased Premises for the purpose of service of all notices, writ of summons or other legal documents in any suit at law, action or proceeding, which Landlord may take under this Lease.

Any notice or demand given by Tenant to Landlord shall be deemed to be duly given when served upon Landlord personally, or when mailed to Landlord by registered or certified mail or

overnight courier, at the address designated by Landlord for purposes of payment of the rent hereunder.

Copies of any notice or demand hereunder, other than legal proceedings, shall also be sent as aforesaid to Tenant's head office at:

Wesco Business Unit
One Riverfront Center
Pittsburgh, PA U.S.A. 15222

36. DESCRIPTIVE READINGS

The descriptive headings of this Lease are inserted for convenience and reference only and do not constitute a part of this Lease.

37. INTERPRETATION

This Lease shall be construed and governed by the laws of the Province of Quebec. Should any of the provisions of this Lease and/or its conditions be illegal or not enforceable under the laws of the Province of Quebec, same shall be considered severable and the Lease and its conditions shall remain in force and be binding upon the parties as though the said provision or provisions had never been included.

Words importing the singular number only shall include the plural and vice-versa and words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and unless the contrary intention appears the words "Landlord" and "Tenant" wherever they appear in this Lease shall mean respectively "Landlord, its executors, administrators, successors and/or assigns" and "Tenant", its executors, administrators, successors and/or assigns" and if there is more than one Tenant or Landlord or the Tenant or Landlord is a female person or a corporation this Lease shall be read with all grammatical changes appropriate by reason thereof; and all covenants, liabilities and obligations shall be solidarity.

38. PRIOR AGREEMENTS

The present Lease cancels and supersedes any and all prior leases and agreements, written or otherwise, entered into by the Landlord and the Tenant regarding the Leased Premises. This

Lease, the schedules thereof and such rules and regulations as may be adopted and promulgated by the Landlord from time to time constitute the entire agreement between the parties.

39. CONDITION OF LEASED PREMISES/LANDLORD'S WORK

The Tenant declares having examined the Leased Premises and is satisfied and content therewith, and agrees to take said Leased Premises in their present state and condition that is "AS IS" with the exception of latent defects and the representations and warranties provided herein, save that the Landlord shall execute, at its own cost, the work set forth in Schedule E hereof in the Leased Premises, which shall be executed in accordance with Landlord's present existing building standards, the whole to be completed by September 16, 1994.

40. SECURITY DEPOSIT

As additional security for the faithful and prompt performance of its obligations hereunder, Tenant has concurrently with the execution of the Lease, paid to Landlord, the sum of Sixty-one thousand nine hundred fifty-three dollars and three cents ($61,953.03) of which Twenty-six thousand two hundred forty dollars ($26,240.00) plus G.S.T. and Q.S.T. thereof shall be applied to Basic Rental due for the month of November 1994 and the balance to constitute a security deposit which may be applied by Landlord for the purpose of curing any default or defaults of Tenant hereunder, in which event, Tenant shall replenish the Security Deposit in full by promptly paying to Landlord the amount so applied. If tenant has not defaulted hereunder, and Landlord has not applied the Security Deposit to cure a default, or Landlord has applied the Security Deposit to a default and Tenant has replenished the same, then the Security Deposit or any remaining portion thereof, shall be paid to Tenant after the termination of this Lease. The Security Deposit shall not be deemed an advance payment of rent or a measure of Landlord's damages for any default hereunder by Tenant. During the Term, interest shall accrue on the Security Deposit or on any balance thereof not credited to any Base Rent or applied to cure a default hereunder at a rate equal to that paid by the Bank of Montreal on long term deposits as of September 16, 1994 and such interest shall be remitted to the Tenant at the end of the Term.

41. SPECIAL CONDITIONS

41.1 RIGHT OF FIRST REFUSAL

Should the Landlord during the Term receive an offer satisfactory to it, to lease the land adjacent to the Building and consisting of approximately Thirty-five thousand (35,000)

square feet, Landlord shall forthwith advise Tenant in writing of same, specifying all terms and conditions contained in said offer and remitting a certified true copy of said offer to Tenant. After receipt of the said notice, Tenant shall have a delay of thirty (30) days to advise Landlord as to whether or not it is prepared to lease the Land in accordance with the terms and conditions contained in the above mentioned notice. In the event the Tenant accepts to lease within the said delay, it shall execute an Addendum to Lease for the Land, within fifteen (15) days after reception by the Landlord of Tenant's acceptance.

41.2 FLOOR TILES

Tenant shall not be responsible for any damages caused to the floor tiles in the warehouse area.

41.3 FREE RENT

The Tenant shall not be obliged to pay any Base Rent for the first three (3) months of the Term and for the last month thereof, however the Tenant shall be responsible for the Additional Rent due to pursuant to Article 6 and the Direct Payments due pursuant to Article 8 hereof, subject to and under reserve of the terms and conditions contained in Schedule D.

42. LANGUAGE

The parties hereto acknowledge and confirm that they have requested that the present agreement and all notices and communication so contemplated hereby be drafted in the English Language.

Les parties aux presentes reconnaissent et conferment qu'ils ont exige que la presente convention ainsi que tous avis et communications y afferents soient rediges dans la langue anglaise.

IN WITNESS WHEREOF, LANDLORD AND TENANT HAVE DULY EXECUTED AND SIGNED THESE PRESENTS ON THE DATE AND PLACE HEREINAFTER MENTIONED.

MONTREAL, this _____ day of _____, 1995.

ATLANTIC CONSTRUCTION INC.
(The "Landlord")

_____ Per:_____
Witness David Rosenberg
President

_____
Witness

MONTREAL, this _____ day of _____, 1995.

WESCO DISTRIBUTION CANADA INC.
(the "Tenant")

/s/ Per: /s/ Richard J. Marshuetz
- ---------- ----------
Witness Richard J. Marshuetz

_____
Witness

SCHEDULE "A"
PLAN OF THE LEASED PREMISES

[FLOOR PLAN]

SCHEDULE "B"
CADASTRAL DESCRIPTION

Subdivision number four of original lot number ninety (90-4) on the Official Plan and Book of Reference of the Parish of Pointe-Claire, registration division of Montreal, with building thereon erected bearing civic number 1330 Trans Canada Highway, Dorval, Quebec;

SCHEDULE "C"
RULES AND REGULATIONS

The Tenant shall observe the following provisions regulating the use and occupation of the Leased Premises and of the Common Areas:

1. keep the windows of the Leased Premises clean;

2. promptly replace, at its expense, any cracked or broken windows by windows of the same nature and quality;

3. keep, at its cost, the Leased Premises clean and in a good state and ensure the absence of insects, rodents or other vermin;

4. keep all refuse, waste or rubbish in such containers which the Landlord deems as acceptable and in a location it determines;

5. not to place or keep any article or merchandise in the Common Areas;

6. not to permit any undue accumulation of rubbish, waste or refuse in the Leased Premises and in the Common Areas;

7. not to permit the parking of delivery vehicles in such a manner as to hinder the use of the exterior Common Areas;

8. not to use the plumbing installations for other purposes other than for which they were destined and not to discard any toxic substance whatsoever therein;

9. not to use, make or keep in the Leased Premises any product, substance or contaminant which risks the Landlord of being exposed to any claim whatsoever;

10. in order to facilitate snow removal, not to park any vehicle overnight on the parking lot from the first (1st) day of November to the first (1st) day of April. Any vehicles left on the parking lot overnight shall be removed, unless prior written authorization has been given by the Landlord;

11. provide to the Landlord a list of emergency telephone numbers so that the Tenant may be contacted seven (7) days a week;

12. not to obstruct or disrupt the operation of the heating, ventilation and air conditioning systems serving the Leased Premises.

SCHEDULE "D"

NET RENT SUMMARY

YEARS	DATES	AREA (SQ.FT.)	RATE/SQ.FT.	MONTHLY DUE
1 - 3	September 16 - December 15, 1994	63,000	$0.00	$ 0.00
	December 16 - December 31, 1994	63,000	$3.50	$ 9,187.50
		27,000	$3.50	$ 3,937.50
	January 1, 1995 - July 31, 1997	90,000	$3.50	$26,250.00
4 - 5	August 1, 1997 - June 30, 1999	90,000	$3.75	$28,125.00
	July 1, 1999 - July 31, 1999	90,000	$0.00	$ 0.00

OPERATING EXPENSE SUMMARY

DATES	TOTAL BUILDING OPERATING EXPENSES
August 1 - August 15, 1994	72.2%*
August 16, 1994 - July 31, 1999	100%

* calculated as follows: 70,000 sq. ft. = 72.2%
97,000 sq. ft.

SCHEDULE "E"

LANDLORD'S WORK

OFFICE AREA

- Demolition of all existing office areas on both ground floor and mezzanine, open walls to warehouse save and except for a maximum of 5,000 sq.ft. of office area adjacent to the main entrance of the building;

The 5,000 sq.ft. of office area mentioned above shall be finished as follows:

- HVAC in good working order;
- Clean and/or replace carpet where necessary;
- Paint with one (1) primer coat and one (1) finish coat of first quality paint;
- Provide two (2) Executive Offices;
- one (1) kitchen;
- Two (2) bathrooms;
- One (1) stationary room;
- Balance of finished office open area;

WAREHOUSE "A" FRONT 48,000 SQUARE FEET

- Raise all lighting fixtures (in good working order);
- Remove all air conditioning equipment;
- Demolition all existing interior walls to provide clear open warehouse except in front of shipping docks;
- Provide cafeteria and washrooms on mezzanine (existing);
- Clean and sweep warehouse;

WAREHOUSE "B" 27,000 SQUARE FEET SOUTHERN SECTION OF BUILDING

- Re-install drive in on southern wall;
- Demolition all interior walls except in front of shipping docks;
- Remove all air-conditioning equipment;
- Open maximum of 80 linear feet of block wall between warehouse "A" and warehouse "B" (Tenant choice of location);
- Raise lighting fixtures (in good working order);
- Clean and sweep warehouse;

Exhibit 21

SUBSIDIARIES OF
CDW HOLDING CORPORATION
AS OF MARCH 10, 1998

Name	State/Jurisdiction of Incorporation
WESCO Distribution, Inc.	Delaware
WESCO Distribution - Canada, Inc.	Ontario
CDW Realco, Inc.	Delaware
WESCO International, Inc.	Barbados
WESCO Distribution de Mexico, C.V.	Mexico

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this registration statement on Form S-1 (File No. 333-43225) of our reports dated February 6, 1998, except for Note 18, as to which the date is February 13, 1998, on our audits of the financial statements and financial statement schedule of CDW Holding Corporation and subsidiaries. We also consent to the references to our firm under the captions "Experts" and "Selected Financial Data."

/s/ COOPERS & LYBRAND L.L.P.

600 Grant Street
Pittsburgh, Pennsylvania

March 10, 1998