

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

August 10, 1998

(Date of earliest event reported)

BALL CORPORATION

(Exact name of Registrant as specified in its charter)

Indiana	1-7349	35-0160610
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(State of Incorporation)	(Commission file No.)	(IRS Employer Identification No.)

10 Longs Peak Drive, Broomfield, CO 80021-2510

(Address of principal executive offices, including zip code)

(303) 469-5511

(Registrant's telephone number, including area code)

Not Applicable

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

Page 1 of 8
Exhibit Index is located at Page 7

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On August 10, 1998, Ball Corporation (the "Company") and its Ball Metal Beverage Container Corp. subsidiary ("BMBC") completed the acquisition (the "Acquisition") of substantially all the assets of the North American beverage can business (the "Acquired Business") of Reynolds Metals Company, a Virginia corporation ("RMC"), and was determined based upon arms length negotiations between the parties. The purchase price was approximately \$745.4 million, subject to certain adjustments. The Acquisition was pursuant to the terms of an Asset Purchase Agreement, dated as of April 22, 1998, as amended (the "Asset Purchase Agreement"), among the Company, BMBC and RMC, which is attached hereto as Exhibit 2.1. The Company intends to continue to use the plants, equipment and other physical property obtained in the Acquisition to produce beverage containers.

In connection with the Acquisition, on August 10, 1998, BMBC and RMC entered into several ancillary agreements, including the Ball and Reynolds Supply Program Agreement (the "Supply Agreement") and an incentive loan agreement (the "Incentive Loan Agreement"). The Supply Agreement provides that, subject to the terms and conditions contained therein, BMBC will purchase from RMC a substantial portion of the can stock required for the operation of the plants purchased from RMC under the Asset Purchase Agreement through December 31, 2000 (which date BMBC may, at its option, extend for three months). Under the Incentive Loan Agreement, the Company advanced \$39.0 million to RMC at a fixed interest rate to help fund RMC's working capital in connection with satisfying its obligations under the Supply Agreement. If the amount of can stock that BMBC purchases in 1998, 1999, 2000 and 2001, if extended, under the Supply Agreement exceeds certain thresholds, RMC will make specified principal and interest payments on the loan up to a maximum of \$43.75 million. After deducting these payments, any amounts still owed on the loan will be cancelled.

At the time the Acquisition was consummated, the Company also refinanced approximately \$521.9 million principal amount of its existing indebtedness (the "Refinancing"). As a result of the Refinancing, the Company paid and will record a charge in the third quarter of 1998 of approximately \$18.2 million specifically related to debt prepayment. The Acquisition, including certain transaction costs paid at the closing of the Acquisition, the funding of the loan to RMC under the Incentive Loan Agreement and the Refinancing, including related costs, were financed by the placement of \$300.0 million principal amount of 7 3/4% Senior Notes due 2006 and \$250.0 million principal amount of 8 1/4% Senior Subordinated Notes due 2008, pursuant to Rule 144A and Regulation S under the Securities Exchange

and revolving portions) (the "Senior Credit Facility") with The First National Bank of Chicago, as administrative agent, Bank of America National Trust and Savings Association, as syndication agent, Lehman Commercial Paper, Inc., as documentation agent, and certain other lenders, of which \$795.2 million was utilized. The Senior Credit Facility is more fully described below. The purchase agreement, registration rights agreements and indentures relating to the Senior Notes and the Senior Subordinated Notes are attached hereto as Exhibits 1.1, 4.1(a), 4.1(b), 4.2(a) and 4.2(b), respectively.

The Senior Credit Facility is comprised of three separate facilities: two term loans totaling \$550.0 million and one facility consisting of a revolving credit facility and a letter of credit sub-facility (such latter facility is referred to herein as "Facility D"). Facility D provides the Company with up to \$650.0 million, of which \$150.0 million is available under a 364-day facility, which may be extended under certain circumstances, and the remainder is comprised of letters of credit with an expiration date of up to one year and revolving loans with a maturity date of six years from the closing date of the Senior Credit Facility. All amounts outstanding under the Senior Credit Facility are secured by (i) a pledge of 100% of the stock of certain of the Company's direct and indirect majority-owned domestic subsidiaries and (ii) a pledge of 65% of the stock of the Company's material foreign subsidiaries. The credit agreements relating to the Senior Credit Facility are attached hereto as Exhibits 10.1(a) and 10.1(b), respectively.

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

(a) FINANCIAL STATEMENTS OF THE ACQUIRED BUSINESS.

Attached as Exhibit 99.1 to this Current Report on Form 8-K are audited combined balance sheets of the Acquired Business as of December 31, 1997 and 1996, and the related combined statements of income and cash flows for each of the three years in the period ended December 31, 1997. Also attached as Exhibit 99.2 are the unaudited combined balance sheets of the Acquired Business as of March 31, 1998 and December 31, 1997 and the related combined statements of income and cash flows for the quarters ended March 31, 1998 and March 31, 1997. It is impracticable at this time to provide more recent interim historical financial statements of the Acquired Business required by Regulation S-X. They will be filed as soon as practicable but no later than 60 days after this report is required to be filed.

(b) PRO FORMA FINANCIAL INFORMATION.

Attached as Exhibit 99.3 to this Current Report on Form 8-K are the unaudited pro forma condensed consolidated statements of income for the period ended December 31, 1997, the three-month period ended March 29, 1998 and the twelve-month period ended March 29, 1998 and the unaudited pro forma condensed combined balance sheet as of March 29, 1998. It is impracticable at this time to provide more recent interim pro forma financial statements required by Regulation S-X. They will be filed as soon as practicable but no later than 60 days after this report is required to be filed.

(c) OTHER EXHIBITS

- EX 1.1 Purchase Agreement, dated as of August 5, 1998, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of the Company.
- EX 2.1 Asset Purchase Agreement, dated as of April 22, 1998, as amended, among the Company, BMBC and RMC (conformed copy).
- EX 4.1(a) Senior Registration Rights Agreement, dated as of August 10, 1998, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of the Company.
- EX 4.1(b) Senior Subordinated Registration Rights Agreement, dated as of August 10, 1998, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of the Company.

- EX 4.2(a) Senior Note Indenture, dated as of August 10, 1998, among the Company, certain subsidiary guarantors of the Company and The Bank of New York, as Senior Note Trustee.
- EX 4.2(b) Senior Subordinated Note Indenture, dated as of August 10, 1998, among the Company, certain subsidiary guarantors of the Company and The Bank of New York, as Senior Subordinated Note Trustee.

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- EX 10.1(a) Short-Term Credit Agreement, dated as of August 10, 1998, among the Company, The First National Bank of Chicago, as administrative agent, Bank of America National Trust and Savings Association, as syndication agent, Lehman Commercial Paper, Inc., as documentation agent, and certain lenders named therein.
- EX 10.1(b) Long-Term Credit Agreement, dated as of August 10, 1998 among the Company, The First National Bank of Chicago, as administrative agent, Bank of America National Trust and Savings Association, as syndication agent, Lehman Commercial Paper, Inc., as documentation agent, and certain lenders named therein.
- EX 15.1 Acknowledgment Letter of Ernst & Young LLP, Independent Accountants.
- EX 23.1 Consent of Ernst & Young LLP, Independent Auditors.

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SIGNATURE

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

By: /s/ R. David Hoover

 Name: R. David Hoover
 Title: Vice Chairman and
 Chief Financial Officer

Dated: August 25, 1998

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EXHIBIT INDEX

DESCRIPTION - - - - -	EXHIBIT -----
Purchase Agreement, dated as of August 5, 1998, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of the Company.	EX 1.1
Asset Purchase Agreement, dated as of April 22, 1998, as amended, among the Company, BMBC and RMC (conformed copy).	EX 2.1
Senior Registration Rights Agreement, dated as of August 10, 1998, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain subsidiary guarantors of the Company.	EX 4.1(a)
Senior Subordinated Registration Rights Agreement, dated as of August 10, 1998, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BancAmerica Robertson Stephens, First Chicago Capital Markets, Inc. and certain	EX 4.1(b)

subsidiary guarantors of the Company.

Senior Note Indenture, dated as of August 10, 1998, among the Company, certain subsidiary guarantors of the Company and The Bank of New York, as Senior Note Trustee. EX 4.2(a)

Senior Subordinated Note Indenture, dated as of August 10, 1998, among the Company, certain subsidiary guarantors of the Company and The Bank of New York, as Senior Subordinated Note Trustee. EX 4.2(b)

Short-Term Credit Agreement, dated as of August 10, 1998, among the Company, The First National Bank of Chicago, as administrative agent, Bank of America National Trust and Savings Association, as syndication agent, Lehman Commercial Paper, Inc., as documentation agent, and certain lenders named therein. EX 10.1(a)

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Long-Term Credit Agreement, dated as of August 10, 1998 among the Company, The First National Bank of Chicago, as administrative agent, Bank of America National Trust and Savings Association, as syndication agent, Lehman Commercial Paper, Inc., as documentation agent, and certain lenders named therein. EX 10.1(b)

Acknowledgment Letter of Ernst & Young LLP, Independent Accountants. EX 15.1

Consent of Ernst & Young LLP, Independent Auditors. EX 23.1

Audited combined balance sheets of the Acquired Business as of December 31, 1997 and 1996, and the related combined statements of income and cash flows for each of the three years in the period ended December 31, 1997. EX 99.1

Unaudited combined balance sheets of the Acquired Business as of March 31, 1998 and December 31, 1997 and the related combined statements of income and cash flows for the quarters ended March 31, 1998 and March 31, 1997. EX 99.2

Unaudited pro forma condensed consolidated statements of income for the period ended December 31, 1997, the three-month period ended March 29, 1998 and the twelve-month period ended March 29, 1998 and the unaudited pro forma condensed combined balance sheet as of March 29, 1998. EX 99.3

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[Execution Copy]

\$550,000,000
Ball Corporation
\$300,000,000 7 3/4% SENIOR NOTES DUE 2006
\$250,000,000 8 1/4% SENIOR SUBORDINATED NOTES DUE 2008

PURCHASE AGREEMENT

August 5, 1998

LEHMAN BROTHERS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
BANCAMERICA ROBERTSON STEPHENS
FIRST CHICAGO CAPITAL MARKETS, INC.
c/o Lehman Brothers Inc.
Three World Financial Center
New York, New York 10285

Ladies and Gentlemen:

Ball Corporation, an Indiana corporation (the "COMPANY"), proposes to issue and sell to you (the "INITIAL PURCHASERS"), \$300.0 million in aggregate principal amount at maturity of its 7 3/4% Senior Notes due 2006 (the "SERIES A SENIOR NOTES") and \$250.0 million in aggregate principal amount at maturity of its 8 1/4% Senior Subordinated Notes due 2008 (the "SERIES A SENIOR SUBORDINATED NOTES" and together with the Series A Senior Notes, the "SERIES A NOTES"). The payment of principal, premium and interest on the Series A Senior Notes and the Company's 7 3/4% Series B Senior Notes due 2006 (the "SERIES B SENIOR NOTES") to be issued in the Exchange Offer referred to below will be unconditionally guaranteed (the "SENIOR NOTE SUBSIDIARY GUARANTEES") on a senior basis by each of Ball Aerospace and Technologies Corp., Ball Asia Pacific Limited, Ball Glass Container Corporation, Ball Holdings Corp., Ball Metal Beverage Container Corp., Ball Metal Food Container Corp., Ball Metal Packaging Sales Corp., Ball Packaging Corp., Ball Plastic Container Corp., Ball Technologies Holdings Corp., Ball Technology Services Corporation, BG Holdings I, Inc., BG Holdings II, Inc. and Efratom Holding, Inc. (collectively, the "GUARANTORS"), which are all of the Company's current domestic Restricted Subsidiaries (the "SUBSIDIARIES"). The payment of principal, premium and interest on the Series A Senior Subordinated Notes and the Company's 8 1/4% Series B Senior Subordinated Notes due 2008 (the "SERIES B SUBORDINATED NOTES" and together with the Series B Senior Notes, the "SERIES B NOTES;" the Series B Notes together with the Series A Notes, the "NOTES") to be issued in the Exchange Offer referred to below will be unconditionally guaranteed (the "SUBORDINATED NOTE SUBSIDIARY GUARANTEES" and together with the Senior Note Subsidiary Guarantees, the "SUBSIDIARY GUARANTEES") on a senior subordinated basis by the Guarantors. The Series A Senior Notes are to be issued pursuant to the terms of an Indenture (the "SENIOR NOTE INDENTURE") between the Company and The Bank of New York, as trustee (the "SENIOR NOTE TRUSTEE") and the Series A Senior Subordinated Notes are to be issued pursuant to the terms of an Indenture (the "SUBORDINATED NOTE INDENTURE" and together with the Senior Note Indenture, the "INDENTURES") between the Company and The Bank of New York, as

trustee (the "SUBORDINATED NOTE TRUSTEE" and together with the Senior Note Trustee, the "TRUSTEES"). Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings given to such terms in the Indentures.

The Company, Ball Metal Beverage Container Corp. and Reynolds Metals Company ("RMC") have entered into an Asset Purchase Agreement, dated as of April 22, 1998 (the "ASSET PURCHASE AGREEMENT"), pursuant to which the Company will purchase the North American aluminum beverage can and can end manufacturing business of RMC (such business referred to herein as "REYNOLDS"), for approximately \$746.0 million, subject to a working capital adjustment. Concurrent with the closing of the Acquisition, the Company is lending RMC \$39.0 million pursuant to the terms of the Incentive Loan Agreement (as such term is defined in the Asset Purchase Agreement). The Company is also entering into the Long-Term Credit Agreement, the Short-Term Credit Agreement and the Canadian Revolving Credit Agreement (collectively, the "CREDIT FACILITIES") pursuant to which it will borrow up to \$800 million to fund a portion of the purchase price for Reynolds and the loan under the Incentive Loan Agreement. The issue and sale of the Series A Notes, the acquisition of Reynolds and the consummation of the Credit Facilities will take place concurrently and are each conditioned on such other events occurring.

Each tranche of the Series A Notes will be offered and sold to you pursuant to exemptions from the registration requirements under the Securities Act of 1933, as amended (the "SECURITIES ACT"). The Company has prepared a preliminary offering memorandum, dated July 22, 1998 (the "PRELIMINARY OFFERING

MEMORANDUM"), and a final offering memorandum (the "OFFERING MEMORANDUM"), dated August 5, 1998, relating to the Company and each tranche of the Series A Notes.

It is understood and acknowledged that upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the Securities Act, each tranche of the Series A Notes (and all securities issued in exchange therefor or in substitution thereof) shall bear the following legend:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE

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COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE."

You have represented and warranted to the Company that you will make offers (the "EXEMPT RESALES") of each tranche of the Series A Notes purchased by you hereunder on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom you reasonably believe to be "qualified institutional buyers," as defined in Rule 144A under the Securities Act ("QIBS"), and (ii) to persons other than U.S. persons in offshore transactions meeting the requirements of Rule 903 or 904 of Regulation S (such persons specified in clauses (i) and (ii) being referred to herein as the "ELIGIBLE PURCHASERS"). As used herein, the terms "OFFSHORE TRANSACTION" and "U.S. PERSON" have the respective meanings given to them in Regulation S. You will offer each tranche of the Series A Notes to Eligible Purchasers initially at a price equal to 100% of the principal amount thereof. Such price may be changed at any time without notice.

Holders (including subsequent transferees) of the Series A Senior Notes will have the registration rights set forth in the registration rights agreement (the "SENIOR REGISTRATION RIGHTS AGREEMENT"), to be dated August 10, 1998 (the "CLOSING DATE"), for so long as such Series A Senior Notes constitute "TRANSFER RESTRICTED SECURITIES" (as defined in the Senior Registration Rights Agreement). Holders (including subsequent transferees) of the Series A Senior Subordinated Notes will have the registration rights set forth in the registration rights agreement (the "SUBORDINATED REGISTRATION RIGHTS AGREEMENT" and, together with the Senior Registration Rights Agreement, the "REGISTRATION RIGHTS AGREEMENTS"), to be dated the Closing Date, for so long as such Series A Senior Subordinated Notes constitute "TRANSFER RESTRICTED SECURITIES" (as defined in the Subordinated Registration Rights Agreement). Pursuant to the

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Registration Rights Agreements, the Company will agree to file with the Securities and Exchange Commission (the "COMMISSION") under the circumstances set forth therein, (i) a registration statement under the Securities Act (the "EXCHANGE OFFER REGISTRATION STATEMENT") relating to the Company's Series B Senior Notes and its Series B Senior Subordinated Notes to be offered in exchange for each tranche of the Series A Notes (such offer to exchange being referred to collectively as the "EXCHANGE OFFER") and (ii) a shelf registration statement pursuant to Rule 415 under the Securities Act (the "SHELF REGISTRATION STATEMENT," and together with the Exchange Offer Registration Statement, the "REGISTRATION STATEMENTS") relating to the resale of each tranche of the Series A Notes by certain holders of such Notes, and to use its reasonable best efforts to cause such Registration Statements to be declared effective. This Agreement, the Indentures and the Registration Rights Agreements are hereinafter referred to collectively as the "OPERATIVE DOCUMENTS." This is to confirm the agreement concerning the purchase of each tranche of the Series A Notes from the Company by the Initial Purchasers.

1. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE COMPANY AND THE GUARANTORS. The Company and each of the Guarantors (as of the date hereof and the Closing Date) represent, warrant and agree as follows (and all of such representations and warranties shall be deemed to include Reynolds, and all references to the Company in this Section shall assume that the Company has acquired Reynolds as of the date hereof):

a. The Preliminary Offering Memorandum and Offering Memorandum have been prepared by the Company for use by the Initial Purchasers in connection with the Exempt Resales. No order or decree preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act, has been issued and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Company, is contemplated.

b. The Preliminary Offering Memorandum and the Offering Memorandum as of their respective dates did not, and the Offering Memorandum as of the Closing Date will not, contain an untrue statement of a material fact or omit to state a material fact necessary, in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of the Initial Purchasers expressly for use therein.

c. The market-related and industry data included in the Preliminary Offering Memorandum and the Offering Memorandum are based upon estimates by the Company derived from sources which the Company believes to be reliable and accurate in all material respects.

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d. The Company is a corporation duly incorporated and validly existing and in good standing under the laws of Indiana with all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Preliminary Offering Memorandum and the Offering Memorandum, and is duly qualified to conduct its business and is in good standing as a foreign corporation in each jurisdiction or place where the nature of its properties or the conduct of its business requires such qualification, except where the failure to qualify or to be in good standing would not reasonably be expected to have a material adverse effect on the financial condition, business, prospects, properties or results of operations of the Company and its Subsidiaries, taken as a whole (a "MATERIAL ADVERSE EFFECT").

e. Each Guarantor is a corporation duly incorporated and validly existing and in good standing under the laws of its state of organization with full corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted, and is duly qualified to conduct its business and is in good standing as a foreign corporation in each jurisdiction where the nature of its properties or the conduct of its business requires such qualification, except where the failure so to qualify or to be in good standing does not have a Material Adverse Effect.

f. The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement, the Indentures, the Registration Rights Agreements and each tranche of the Notes

g. Each Guarantor has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement, the Indentures, the Registration Rights Agreements and the Subsidiary Guarantees.

h. This Agreement has been duly authorized, executed and delivered by the Company and each Guarantor and, assuming due authorization, execution and delivery by the Initial Purchasers, constitutes the legally valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), (iii) an implied covenant of good faith and fair dealing and (iv) except as rights to indemnity and contribution hereunder may be limited by Federal or state securities laws or principles of public policy.

i. The Senior Registration Rights Agreement has been duly

authorized by the Company and each Guarantor and, upon its execution and delivery by the Company and each Guarantor and, assuming due authorization, execution and delivery by the Initial Purchasers, will constitute the legally valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in

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accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), (iii) an implied covenant of good faith and fair dealing and (iv) except as rights to indemnity and contribution hereunder may be limited by Federal or state securities laws or principles of public policy.

j. The Subordinated Registration Rights Agreement has been duly authorized by the Company and each Guarantor and, upon its execution and delivery by the Company and each Guarantor and, assuming due authorization, execution and delivery by the Initial Purchasers, will constitute the legally valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), (iii) an implied covenant of good faith and fair dealing and (iv) except as rights to indemnity and contribution hereunder may be limited by Federal or state securities laws or principles of public policy.

k. The Senior Note Indenture has been duly authorized by the Company and each Guarantor, and upon its execution and delivery by the Company and each Guarantor and, assuming due authorization, execution and delivery by the Senior Note Trustee, will constitute the legally valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing; no qualification of the Senior Note Indenture under the Trust Indenture Act of 1939, as amended ("TIA") is required in connection with the offer and sale of the Series A Senior Notes contemplated hereby or in connection with the Exempt Resales other than in connection with the performance of the Company's obligations under the Senior Registration Rights Agreement.

l. The Subordinated Note Indenture has been duly authorized by the Company and each Guarantor, and upon its execution and delivery by the Company and each Guarantor and, assuming due authorization, execution and delivery by the Subordinated Note Trustee, will constitute the legally valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered

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in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing; no qualification of the Subordinated Note Indenture under the TIA is required in connection with the offer and sale of the Series A Senior Subordinated Notes contemplated hereby or in connection with the Exempt Resales other than in connection with the performance of the Company's obligations under the Subordinated Registration Rights Agreement.

m. The Series A Senior Notes have been duly authorized by the Company and when duly executed by the Company in accordance with the terms of the Senior Note Indenture and, assuming due authentication of the Series A Senior Notes by the Senior Note Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will have been validly issued and delivered, and will constitute legally valid and binding obligations of the Company entitled to the benefits of the Senior Note Indenture, enforceable against the Company in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good

faith and fair dealing.

n. The Series A Senior Subordinated Notes have been duly authorized by the Company and when duly executed by the Company in accordance with the terms of the Subordinated Note Indenture and, assuming due authentication of the Series A Senior Subordinated Notes by the Subordinated Notes Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will have been validly issued and delivered, and will constitute legally valid and binding obligations of the Company entitled to the benefits of the Subordinated Note Indenture, enforceable against the Company in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

o. The Senior Note Subsidiary Guarantees to be endorsed on the Series A Senior Notes have been duly and validly authorized by each Guarantor and when duly executed by each Guarantor in accordance with the terms of the Senior Note Indenture and, assuming due authentication of the Series A Senior Notes by the Senior Note Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will have been validly issued and delivered, and will constitute valid and binding obligations of each of the Guarantors, entitled to the benefits of the Senior Note Indenture, enforceable against each of the Guarantors in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting

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creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

p. The Subordinated Note Subsidiary Guarantees to be endorsed on the Series A Senior Subordinated Notes have been duly and validly authorized by each Guarantor and when duly executed by each Guarantor in accordance with the terms of the Subordinated Note Indenture and, assuming due authentication of the Series A Senior Subordinated Notes by the Subordinated Note Trustee, upon delivery to the Initial Purchasers against payment therefor in accordance with the terms hereof, will have been validly issued and delivered, and will constitute valid and binding obligations of each of the Guarantors, entitled to the benefits of the Subordinated Note Indenture, enforceable against each of the Guarantors in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

q. The Series B Senior Notes will have been duly authorized by the Company on or before the Closing Date and, if and when duly issued and authenticated in accordance with the terms of the Senior Note Indenture and delivered in accordance with the Exchange Offer provided for in the Senior Registration Rights Agreement, will constitute legally valid and binding obligations of the Company entitled to the benefits of the Senior Note Indenture, enforceable against the Company in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

r. The Series B Subordinated Notes will have been duly authorized by the Company on or before the Closing Date and, if and when duly issued and authenticated in accordance with the terms of the Subordinated Note Indenture and delivered in accordance with the Exchange Offer provided for in the Subordinated Registration Rights Agreement, will constitute legally valid and binding obligations of the Company entitled to the benefits of the Subordinated Note Indenture enforceable against the Company in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

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s. The Senior Note Subsidiary Guarantees to be endorsed on the Series B Senior Notes will have been duly authorized by each Guarantor on or before the Closing Date and, if and when executed and delivered by the Guarantors, if and when the Series B Senior Notes are issued and authenticated in accordance with the terms of the Senior Registration Rights Agreement and the Senior Note Indenture, the Senior Note Subsidiary Guarantees to be endorsed on the Series B Senior Notes will be the legally valid and binding obligation of each Guarantor, enforceable against each Guarantor in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

t. The Subordinated Note Subsidiary Guarantees to be endorsed on the Series B Senior Subordinated Notes will have been duly authorized by the Guarantors on or before the Closing Date and, if and when executed and delivered by each Guarantor, if and when the Series B Senior Subordinated Notes are issued and authenticated in accordance with the terms of the Subordinated Registration Rights Agreement and the Subordinated Note Indenture, the Subordinated Note Subsidiary Guarantees to be endorsed on the Series B Senior Subordinated Notes will be the legally valid and binding obligation of each Guarantor, enforceable against each Guarantor in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

u. The Company has all requisite corporate power and authority to enter into the Credit Facilities and any and all other agreements and instruments ancillary to or entered into in connection with the transactions contemplated by the Credit Facilities (collectively, the "CREDIT DOCUMENTS").

v. Each of the Credit Documents was duly and validly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the valid and binding agreement of the Company, enforceable against the Company in accordance with its respective terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

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w. Each of the Company and Ball Metal Beverage Container Corp. has all requisite corporate power and authority to enter into the Asset Purchase Agreement (the "TRANSACTION AGREEMENT"), dated as of April 22, 1998, by and among Ball Corporation, Ball Metal Beverage Container Corp. and Reynolds Metals Company and (ii) any and all other agreements, side letters and instruments ancillary to or entered into in connection with the transactions contemplated by the Transaction Agreement.

x. The Transaction Agreement has been duly and validly authorized, executed and delivered by the Company and Ball Metal Beverage Container Corp. and, assuming due authorization, execution and delivery by the other party thereto, constitutes the valid and binding agreement of each of the Company and Ball Metal Beverage Container Corp., enforceable against each of the Company and Ball Metal Beverage Container Corp. in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether enforcement is considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

y. All the shares of capital stock, partnership, membership or other equity interest of the Company outstanding prior to the issuance of each tranche of the Series A Notes have been duly authorized and validly issued and are fully paid and nonassessable.

z. Other than as disclosed in the Offering Memorandum, the Company does not own capital stock or other equity interests of any corporation or entity which would be required by the Senior Note Indenture or the Senior Subordinated Note Indenture to be a Guarantor thereunder. All of the Company's Domestic Subsidiaries, excluding any Unrestricted Subsidiaries and any Excluded Subsidiaries, that have any assets or are guarantors of any other Indebtedness of the Company or any

of its Subsidiaries are Guarantors hereunder.

aa. There are no legal or governmental proceedings pending or, to the knowledge of the Company or any of the Guarantors, expressly contemplated by, or threatened, against the Company or any of the Guarantors or to which any of its properties are subject, that are not disclosed in the Offering Memorandum and are reasonably likely to have a Material Adverse Effect or to materially and adversely affect the issuance of each tranche of the Notes or the consummation of the other transactions contemplated by the Operative Documents. Except as disclosed in the Offering Memorandum, neither the Company nor any of the Guarantors is involved in any strike, job action or labor dispute with any group of employees that is reasonably likely to have a Material Adverse Effect and, to the knowledge of the Company and each of the Guarantors, no such action or dispute is threatened.

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bb. No material relationship, direct or indirect, exists between or among the Company or any of the Guarantors on the one hand, and the directors, officers, shareholders, members, partners, customers or suppliers of the Company on the other hand, that would be required to be described in the Offering Memorandum pursuant to Regulation S-K of the Securities Act if Regulation S-K were applicable to the Offering Memorandum, which is not so described in the Offering Memorandum.

cc. Neither the Company nor any of its Subsidiaries (i) is in violation of its certificate of incorporation, bylaws or other organizational documents, (ii) is in default in any material respect in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which any of them is a party or by which any of them is bound or to which any of their respective properties or assets is subject that is material to the Company's consolidated financial condition or prospects (collectively, the "MATERIAL AGREEMENTS") or (iii) is in violation in any material respect of any law, statute or ordinance or any rule, regulation, injunction or decree of any court or governmental agency to which their respective property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise, or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of (i), (ii) or (iii), as would not, individually or in the aggregate, have a Material Adverse Effect.

dd. Except (i) as has been obtained or completed or (ii) to the extent the failure to obtain any such consent, approval, authorization or order or to make any such filing or registration would not, individually or in the aggregate, have a Material Adverse Effect, none of (A) the issuance, offer or sale of each tranche of the Series A Notes and each tranche of the Series B Notes, the execution, delivery, or performance by the Company or any of its Subsidiaries of this Agreement, the Subsidiary Guarantees or the other Operative Documents, compliance by the Company and its Subsidiaries with the provisions hereof or thereof or the consummation by the Company or such Subsidiaries of the transactions contemplated hereby or thereby; (B) the execution, delivery or performance by the Company of the Credit Facilities or the other Credit Documents, compliance by the Company with the provisions thereof or consummation by the Company of the transactions contemplated thereby; and (C) the execution, delivery or performance by the Company and Ball Metal Beverage Container Corp. of the Transaction Agreement, compliance by each of the Company and Ball Metal Beverage Container Corp. with the provisions thereof, or consummation by the Company and Ball Metal Beverage Container Corp. of the transactions contemplated thereby (1) requires any consent, approval, authorization or other order of, or registration or filing with, any court, regulatory body, administrative agency, or other governmental body, agency or official (except as such as may be required in connection with the registration under the Securities Act of the Series B Notes in accordance with the Registration Rights Agreements, under the TIA for the issuance of each tranche of the Series B Notes, in

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connection with the trading of the Notes on PORTAL, under the securities or "blue sky" laws of various jurisdictions in connection with the sale of each tranche of the Series A Notes and each tranche of the Series B Notes and as required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended), or conflicts or will conflict with or constitutes or will constitute a breach of, or a default under, the charter or bylaws, or other organizational documents, of the Company or any of its Subsidiaries or (2) conflicts or will conflict with or constitutes or will constitute a breach or violation of any of the terms

or provisions of, or (including with the giving of notice or the lapse of time or both) constitute a default under any Material Agreement or (3) violates in any material respect any law, statute or ordinance, or any rule, regulation, injunction or decree of any court or governmental agency to which the Company or any of its Subsidiaries or their property or assets may be subject or results in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company (except for liens arising under the Credit Documents) pursuant to the terms of any agreement or instrument to which it is a party or by which it may be bound or to which any of its property or assets is subject.

ee. The accountants, PricewaterhouseCoopers, LLP and Ernst & Young LLP who have certified certain of the financial statements included as part of the Offering Memorandum, are independent public accountants under Rule 101 of the AICPA's Code of Professional Conduct, and its interpretation and rulings during the period covered by the financial statements on which they reported contained in the Offering Memorandum.

ff. The consolidated and combined historical financial statements, and PRO FORMA financial information, together with the related notes thereto, set forth in the Offering Memorandum comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act applicable to registration statements on Form S-3 under the Securities Act. Such historical financial statements fairly present in all material respects the financial position of the Company at the respective dates indicated and the results of operations and cash flows for the respective periods indicated, subject, in the case of unaudited combined financial statements, to year-end audit adjustments, in each case in accordance with generally accepted accounting principles ("GAAP") consistently applied throughout such periods. Such PRO FORMA financial information has been prepared on a basis consistent with the historical and proposed transactions contemplated by the Offering Memorandum and this Agreement. The other financial information and data included in the Offering Memorandum, historical and PRO FORMA, are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of the Company.

gg. Except as disclosed in or specifically contemplated by the Offering Memorandum, subsequent to the date as of which such information was given, (i) neither

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the Company nor any Guarantor has incurred any liability or obligation, direct or contingent, or entered into any transaction, in each case not in the ordinary course of business, that is material to the Company or such Guarantor, (ii) there has been no Material Adverse Effect and, (iii) except as disclosed in or contemplated by the Offering Memorandum, since the date of the latest audited combined financial statements of the Company included in the Offering Memorandum, there has been no (A) dividend or distribution of any kind declared, paid or made by the Company or such Guarantor on any class of its capital stock (other than the payment of regular quarterly cash dividends), (B) issuance of securities (other than pursuant to the Company's or such Guarantor's employee benefit plans and agreements and the issuance of the Series A Notes offered hereby) or (C) material increase in short-term or long-term debt of the Company or such Guarantor.

hh. The Company and each Guarantor will, on or prior to the Closing Date, have good and marketable title to all property owned by it, free and clear of all liens, claims, security interests or other encumbrances and defects except such as are described in the Offering Memorandum, granted pursuant to the Credit Facilities, or such as do not materially affect the value of such property by the Company or any Guarantor or would not reasonably be expected to have a Material Adverse Effect; and all material real property and buildings held under lease by the Company or any Guarantor is held under valid, subsisting and enforceable leases, with such exceptions as would not have a Material Adverse Effect.

ii. The Company and each Guarantor owns or has the right to use, free and clear of all Liens (other than Permitted Liens), defects, restrictions or equities of any kind whatsoever (other than Liens, defects, restrictions and equities which would not result in a Material Adverse Effect), all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, "INTELLECTUAL PROPERTY") presently employed by it in connection with its respective business now operated by it, except where the failure to own or have the right to use such Intellectual Property would not, singly or in the aggregate, result in a Material Adverse Effect. The use of such Intellectual Property in connection with the business and operations of

the Company and the Guarantors does not, to the Company's knowledge, infringe on the rights or claimed rights of any person. Neither the Company nor any of the Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any Intellectual Property which, singly or in the aggregate, is reasonably likely to have a Material Adverse Effect.

jj. The Company and each Guarantor will, on or prior to the Closing Date, have such permits, licenses, franchises, certificates, consents, orders and other approvals or authorizations of any governmental or regulatory authority ("PERMITS") as are necessary under applicable law to own its properties and to conduct its businesses in

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the manner described in the Offering Memorandum, except to the extent that the failure to have such Permits would not reasonably be expected to have a Material Adverse Effect. The Company and each Guarantor is in compliance in all material respects with all its material obligations with respect to the Permits, and, to the knowledge of the Company, no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such Permit, subject in each case to such qualification as may be set forth in the Offering Memorandum and except to the extent that any such revocation or termination would not reasonably be expected to have a Material Adverse Effect.

kk. The Company is not currently and will not be, upon sale of each tranche of the Series A Notes in accordance herewith and the application of the net proceeds therefrom as described in the Offering Memorandum under the caption "Use of Proceeds," an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

ll. Neither the Company nor any affiliate (as defined in Rule 501(b) of Regulation D ("REGULATION D") under the Securities Act) of the Company has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or could be integrated with the offering and sale of each tranche of the Notes in a manner that would require the registration of each tranche of the Series A Notes under the Securities Act or (ii) engaged in any form of general solicitation or general advertising (within the meaning of Regulation D, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) in connection with the offering of each tranche of the Series A Notes. No securities of the same class as each tranche of the Series A Notes have been issued and sold by the Company within the six-month period immediately prior to the date hereof.

mm. Except as permitted by the Securities Act, the Company has not distributed and, prior to the Closing Date will not distribute, any offering material in connection with the offering and sale of each tranche of the Series A Notes other than the Preliminary Offering Memorandum and Offering Memorandum.

nn. When each tranche of the Series A Notes is issued and delivered pursuant to this Agreement, neither tranche of such Series A Notes will be of the same class (within the meaning of Rule 144A under the Securities Act) as securities of the Company that are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") or that are quoted in a United States automated inter-dealer quotation system.

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oo. Assuming (i) that each tranche of the Series A Notes is issued, sold and delivered under the circumstances contemplated by the Offering Memorandum and this Agreement, (ii) that your representations and warranties in Section 2 are true, (iii) compliance by you with your covenants set forth in Section 2 and (iv) that each of the Eligible Purchasers is either (A) an entity that you reasonably believe to be a QIB or (B) a person who is not a "U.S. person" and who acquires the Series A Notes outside the United States in an "offshore transaction" (within the meaning of Regulation S), the purchase of each tranche of the Series A Notes by you pursuant hereto and the initial resale of each tranche of the Series A Notes pursuant to the Exempt Resales are not required to be registered under the Securities Act.

pp. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: the Company is in

compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any liability; the Company has not incurred and does not reasonably expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "CODE"). Each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

qq. To the knowledge of the Company, the execution and delivery of this Agreement, the other Operative Documents and the sale of each tranche of the Series A Notes to be purchased by the Eligible Purchasers will not involve any prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. The representation made by the Company in the preceding sentence is made in reliance upon and subject to the accuracy of, and compliance with, the representations and covenants made or deemed made by the Eligible Purchasers as set forth in the Offering Memorandum under the section entitled "Notice to Investors."

rr. Except as described in the Offering Memorandum, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities

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registered pursuant to the Registration Statements or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

ss. The Company and each of its Subsidiaries maintain insurance covering their properties, operations, personnel and businesses. Such insurance insures against such losses and risks as are reasonably adequate in accordance with customary industry practice to protect the Company and its Subsidiaries and their businesses.

tt. The Company has filed all Federal, state and local income and franchise tax returns required to be filed through the date hereof (other than those the nonfiling of which would not have a Material Adverse Effect) and have paid all taxes due thereon, other than those being contested in good faith and for which reserves have been provided in accordance with GAAP, currently payable without penalty or interest, or the nonpayment of which would not have a Material Adverse Effect. No tax deficiency has been determined adversely to the Company nor does the Company have any knowledge of any tax deficiency which, if determined adversely to the Company, would have a Material Adverse Effect.

uu. Except as set forth in the Offering Memorandum, there has been no storage, disposal, generation, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes or hazardous substances by the Company (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company in violation of any applicable law, ordinance, rule, regulation or order, or which would require remedial action under any applicable law, ordinance, rule, regulation or order, except for any violation or remedial action which would not be reasonably likely to have, singularly or in the aggregate, a Material Adverse Effect; except as set forth in, or specifically contemplated by, the Offering Memorandum there has been no material spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any toxic wastes, solid wastes, hazardous wastes or hazardous substances due to or caused by the Company or with respect to which the Company has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not be reasonably likely to have, singularly or in the aggregate, a Material Adverse Effect; and the terms "hazardous wastes," "medical wastes," "toxic wastes," and "hazardous substances" shall have the meanings specified in any applicable local, state, federal and foreign laws or regulations with respect to environmental protection.

vv. None of the Company or any of its affiliates or any person acting on its or their behalf has engaged or will engage during the

applicable restricted period in any directed selling efforts within the meaning of Rule 902(b) of Regulation S with respect to each tranche of the Notes, and the Company and its affiliates and all persons

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acting on its or their behalf have complied with and will comply with the offering restrictions requirements of Regulation S in connection with any offering of each tranche of the Notes outside of the United States; PROVIDED, that no representation is made by the Company or the Guarantors as to the Initial Purchasers or any person acting on their behalf.

ww. The sale of each tranche of the Series A Notes pursuant to Regulation S are "offshore transactions" and are not part of a plan or scheme to evade the registration provisions of the Securities Act.

2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE INITIAL PURCHASERS. The Initial Purchasers represent and warrant that:

a. Each of the Initial Purchasers is a QIB with such knowledge and experience in financial and business matters as is necessary in order to evaluate the merits and risks of an investment in each tranche of the Series A Notes.

b. Each of the Initial Purchasers (i) is not acquiring each tranche of the Series A Notes with a view to any distribution thereof or with any present intention of offering or selling any of either tranche of the Series A Notes in a transaction that would violate the Securities Act or the securities laws of any State of the United States or any other applicable jurisdiction; (ii) in connection with the Exempt Resales, will solicit offers to buy the Notes only from, and will offer to sell either tranche of the Notes only to, the Eligible Purchasers in accordance with this Agreement and on the terms contemplated by the Offering Memorandum; and (iii) will not offer or sell either tranche of the Notes pursuant to, nor has it offered or sold either tranche of the Notes by, or otherwise engaged in, any form of general solicitation or general advertising (within the meaning of Regulation D; including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) in connection with the offering of each tranche of the Series A Notes.

c. Each of the Initial Purchasers understands that neither tranche of the Series A Notes has been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons pursuant to an exemption from the registration requirements of the Securities Act or outside the U.S. or to, or for the account or benefit of non-U.S. persons in accordance with Regulation S. Each of the Initial Purchasers represents that it has not offered, sold or delivered either tranche of the Series A Notes, and will not offer, sell or deliver either tranche of the Series A Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date or such longer period as may then be applicable under Regulation S (such

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period, the "RESTRICTED PERIOD"), within the United States or to, or for the account or benefit of U.S. persons, except in accordance with Rule 144A under the Securities Act or another applicable exemption. Accordingly, each of the Initial Purchasers represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts within the meaning of Rule 902(b) of Regulation S with respect to either tranche of the Series A Notes, and it, its affiliates and all persons acting on its behalf have complied and will comply with the offering restriction requirements of Regulation S.

d. Each of the Initial Purchasers agrees that at or prior to confirmation of all sales of each tranche of the Series A Notes pursuant to Regulation S, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Series A Notes from it during the Restricted Period a confirmation or notice substantially to the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the

commencement of the offering or the closing date, except in either case in accordance with Rule 144A if available under the Securities Act. Terms used above have the meanings assigned to them in Regulation S."

Each of the Initial Purchasers further agrees that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of either tranche of the Notes, except with its affiliates or with the prior written consent of the Company.

e. Each of the Initial Purchasers agrees not to cause any advertisement of either tranche of the Notes to be published in any newspaper or periodical or posted in any public place and not to issue any circular relating to each tranche of the Notes, except such advertisements as may be permitted by Regulation S.

f. The sale of each tranche of the Series A Notes pursuant to Regulation S are "offshore transactions" and are not part of a plan or scheme to evade the registration provisions of the Securities Act.

g. Each of the Initial Purchasers understands that the Company and, for purposes of the opinions to be delivered to you pursuant to Section 7 hereof, counsel to the Company and counsel to the Initial Purchasers, will rely upon the accuracy and truth of the foregoing representations and you hereby consent to such reliance.

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The terms used in this Section 2 that have meanings assigned to them in Regulation S are used herein as so defined.

3. PURCHASE OF THE NOTES BY THE INITIAL PURCHASERS. On the basis of the representations and warranties contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell \$300.0 million in aggregate principal amount of Series A Senior Notes to the Initial Purchasers and the Initial Purchasers will purchase such aggregate principal amount of Series A Senior Notes at an aggregate purchase price equal to 97.75% of the principal amount thereof (the "SENIOR NOTES PURCHASE PRICE") and the Company agrees to sell \$250.0 million in aggregate principal amount of Series A Senior Subordinated Notes to the Initial Purchasers and the Initial Purchasers will purchase such aggregate principal amount of Series A Senior Subordinated Notes at an aggregate purchase price equal to 97.5% of the principal amount thereof (the "SUBORDINATED NOTES PURCHASE PRICE").

The Company shall not be obligated to deliver any of the Series A Notes to be delivered, except upon payment for all of each tranche of the Series A Notes to be purchased on such Closing Date as provided herein.

4. DELIVERY AND PAYMENT.

a. Delivery to the Initial Purchasers of and payment for each tranche of the Series A Notes shall be made at 10:00 a.m., Chicago time, on the Closing Date at the offices of Skadden, Arps, Slate, Meagher & Flom, 333 W. Wacker Drive, Suite 2100, Chicago, IL 60606, or such other place or time as you and the Company shall designate.

b. One or more of each tranche of Series A Notes in definitive form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), or such other names as the Initial Purchasers may request upon at least one business days' notice to the Company, having an aggregate principal amount at maturity corresponding to the aggregate principal amount of each tranche of the Series A Notes sold pursuant to Exempt Resales (collectively, the "GLOBAL NOTES"), shall be delivered by the Company to the Initial Purchasers, against payment by the Initial Purchasers of the purchase price thereof by wire transfer of immediately available funds as the Company may direct by written notice delivered to you one business day prior to the Closing Date. The Global Notes in definitive form shall be made available to you for inspection not later than 10:00 a.m. on the day immediately preceding the Closing Date.

c. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Initial Purchasers hereunder.

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5. FURTHER AGREEMENTS OF THE COMPANY AND THE GUARANTORS. The Company and each of the Guarantors agrees:

a. To advise you promptly and, if requested by you, to confirm such advice in writing, of (i) the issuance by any state

securities commission of any stop order suspending the qualification or exemption from qualification of each tranche of any Series A Notes for offering or sale in any jurisdiction, or the initiation of any proceeding for such purpose by the Commission or any state securities commission or other regulatory authority, and (ii) the happening of any event that makes any statement of a material fact made in the Offering Memorandum untrue or that requires the making of any additions to or changes in the Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company and each Guarantor shall use its reasonable efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of each tranche of the Series A Notes under any state securities or Blue Sky laws and, if at any time any state securities commission shall issue any stop order suspending the qualification or exemption of each tranche of the Series A Notes under any state securities or Blue Sky laws, the Company and each Guarantor shall use reasonable efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

b. To furnish to you, without charge, as many copies of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments or supplements thereto, as you may reasonably request. The Company and each Guarantor consents to the use of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments and supplements thereto required pursuant to this Agreement, by you in connection with the Exempt Resales that are in compliance with this Agreement.

c. Not to amend or supplement the Offering Memorandum prior to the Closing Date unless you shall previously have been advised of, and shall not have reasonably objected to, such amendment or supplement within a reasonable time, but in any event not longer than five days after being furnished a copy of such amendment or supplement. The Company shall reasonably promptly prepare, upon any reasonable request by you, any amendment or supplement to the Offering Memorandum that may be necessary or advisable in connection with Exempt Resales. If, in connection with any Exempt Resales or market-making transactions after the date of this Agreement and prior to the consummation of the Exchange Offer, any event shall occur that, in the judgment of the Company or in the judgment of counsel to you, makes any statement of a material fact in the Offering Memorandum untrue or that requires the making of any additions to or changes in the Offering Memorandum in order to make the statements in the Offering Memorandum, in light of the circumstances at the time that the Offering Memorandum is delivered to prospective Eligible Purchasers, not misleading, or if it is necessary to amend or supplement the Offering Memorandum to comply in all material respects with

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any applicable laws, the Company shall promptly notify you of such event and prepare an appropriate amendment or supplement to the Offering Memorandum so that (i) the statements in the Offering Memorandum as amended or supplemented will, in light of the circumstances at the time that the Offering Memorandum is delivered to prospective Eligible Purchasers, not be misleading and (ii) the Offering Memorandum will comply in all material respects with applicable law.

d. To cooperate with you and your counsel in connection with the qualification of each tranche of the Series A Notes for offer and sale by you and by dealers under the state securities or Blue Sky laws of such jurisdictions as you may reasonably request (PROVIDED, HOWEVER, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process in any jurisdiction in which it is not now so subject or subject itself to taxation in excess of a nominal amount in any such jurisdiction where it is not then so subject). Subject to the provisions in the first sentence of this Section 5(d), the Company shall continue such qualification in effect so long as required by law for distribution of each tranche of the Series A Notes.

e. Prior to the Closing Date, to furnish to you, as soon as they have been prepared, any internal combined financial statements of the Company that have been prepared by the Company for any period subsequent to the period covered by the financial statements appearing in the Offering Memorandum.

f. To use its reasonable efforts to do and perform all things required to be done and performed under this Agreement by it prior to or after the Closing Date and to satisfy all conditions precedent on its part to the delivery of each tranche of the Series A

Notes.

g. Not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that would be integrated with the sale of either tranche of the Series A Notes in a manner that would require the registration under the Securities Act of the sale to you or the Eligible Purchasers of either tranche of Series A Notes.

h. For a period of 90 days from the date of the Offering Memorandum, not to, directly or indirectly, sell, contract to sell, grant any option to purchase, issue any instrument convertible into or exchangeable for, or otherwise transfer or dispose of, any debt securities of the Company in a public or private offering for cash having a maturity of more than one year from the date of issue of such securities, except (i) for each tranche of the Series B Notes in connection with the Exchange Offer or (ii) with the prior consent of each of the Initial Purchasers, which consent shall not be unreasonably withheld.

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i. During any period that the Company is not subject to Section 13 or Section 15(d) of the Exchange Act, for the period that is two years after the Closing Date or for so long as necessary to comply with Rule 144A in connection with resales by registered holders or beneficial owners of each tranche of Series A Notes, whichever is longer, to make available to such registered holder or beneficial owner of each tranche of Series A Notes in connection with any sale thereof and any prospective purchaser of each tranche of such Series A Notes from such registered holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

j. To comply with its agreements in the Registration Rights Agreements, and all agreements set forth in the representation letters of the Company to DTC relating to the approval of each tranche of the Notes by DTC for "book-entry" transfer.

k. To use its reasonable efforts to effect the inclusion of each tranche of the Notes in the National Association of Securities Dealers, Inc. Automated Quotation System - PORTAL ("PORTAL").

l. To apply the net proceeds from the sale of each tranche of the Series A Notes being sold by the Company as set forth in the Offering Memorandum under the caption "Use of Proceeds."

m. During the period that is two years after the Closing Date, to take such steps as shall be necessary to ensure that the Company does not become an "investment company" within the meaning of such term under the Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

6. EXPENSES. The Company agrees that, whether or not the transactions contemplated by this Agreement are consummated or this Agreement becomes effective or is terminated, to pay all costs, expenses, fees and taxes incident to and in connection with: (i) the preparation, printing, filing and distribution of the Preliminary Offering Memorandum and the Offering Memorandum (including, without limitation, financial statements) and all amendments and supplements thereto (but not, however, legal fees and expenses of your counsel incurred in connection therewith), (ii) the preparation, printing (including, without limitation, word processing and duplication costs) and delivery of this Agreement, the Indentures, any Blue Sky Memoranda and any other agreements, memoranda, correspondence and other documents printed and delivered in connection herewith and with the Exempt Resales (but not, however, legal fees and expenses of your counsel incurred in connection with any of the foregoing other than reasonable fees of such counsel plus reasonable disbursements incurred in connection with the preparation, printing and delivery of such Blue Sky Memoranda), (iii) the issuance and delivery by the Company of each tranche of the Notes, (iv) the qualification of each tranche of the Notes

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for offer and sale under the securities or Blue Sky laws of the several states (including, without limitation, the reasonable fees and disbursements of your counsel relating to such registration or qualification), (v) furnishing such copies of the Preliminary Offering Memorandum and the Offering Memorandum, and all amendments and supplements thereto, as may be reasonably requested by the Initial Purchasers for use in connection with the initial Exempt Resales, (vi) the preparation of certificates for each tranche of the Notes including, without limitation, printing and engraving, (vii) the fees, disbursements and expenses of the Company's counsel and accountants,

(viii) all expenses and listing fees in connection with the application for quotation of each tranche of the Series A Notes in PORTAL, (ix) all fees and expenses (including fees and expenses of counsel) of the Company in connection with approval of each tranche of the Notes by DTC for "book-entry" transfer and (x) the performance by the Company of its other obligations under this Agreement to the extent not provided for above.

7. CONDITIONS OF INITIAL PURCHASERS' OBLIGATIONS. The obligations of the Initial Purchasers hereunder are subject to the accuracy, when made and again on the Closing Date (as if made again on and as of such date), of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

a. The Offering Memorandum shall have been printed and copies made available to you not later than 6:00 p.m., Chicago time, on the Business Day following the date of this Agreement, or at such later date and time as you may approve in writing.

b. No Initial Purchaser shall have discovered and disclosed to the Company on or prior to such Closing Date that the Offering Memorandum or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Kirkland & Ellis, counsel for the Initial Purchasers, is material or omits to state a fact which, in the opinion of such counsel, is material and is necessary to make the statements contained in the Offering Memorandum, in the light of the circumstances under which they were made, not misleading.

c. All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the other Operative Documents, the Offering Memorandum and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Initial Purchasers, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

d. Skadden, Arps, Slate, Meagher & Flom (Illinois), special counsel to the Company and Donald C. Lewis, General Counsel of the Company each shall have furnished to the Initial Purchasers, their written opinions addressed to the Initial

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Purchasers and dated as of the Closing Date, substantially in the form of Exhibit A and Exhibit B hereto, respectively.

e. The Initial Purchasers shall have received from Kirkland & Ellis, counsel for the Initial Purchasers, such opinion or opinions, dated as of the Closing Date, with respect to the issuance and sale of each tranche of the Series A Notes, the Offering Memorandum and other related matters as the Initial Purchasers may reasonably require.

f. The Company shall have entered into the Senior Credit Facilities and any Credit Documents and the Initial Purchasers shall have received counterparts, conformed as executed, thereof, and the Company shall have borrowed such amounts thereunder as contemplated in the Offering Memorandum.

g. The Company and the Senior Note Trustee shall have entered into the Senior Note Indenture and the Initial Purchasers shall have received counterparts, conformed as executed, thereof.

h. The Company and the Subordinated Note Trustee shall have entered into the Subordinated Note Indenture and the Initial Purchasers shall have received counterparts, conformed as executed, thereof.

i. The Company and the Initial Purchasers shall have entered into each of the Senior Registration Rights Agreement and the Subordinated Registration Rights Agreement and the Initial Purchasers shall have received counterparts, conformed as executed, thereof.

j. The Initial Purchasers shall have received from PricewaterhouseCoopers, LLP, independent certified public accountants, letters addressed to the Company and the Initial Purchasers, substantially in the form heretofore approved by the Initial Purchasers, and dated the date hereof and the Closing Date, (i) confirming that they are independent accountants as required by the Securities Act and its Rules and Regulations, (ii) stating, as of the date of each letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five Business Days prior to the date of each letter), the conclusions and findings of such firm with respect to the financial information and other matters covered

by the letter delivered concurrently with this Agreement and (iii) with respect to the letter delivered on the Closing Date, confirming in all material respects the conclusions and findings set forth in the letter delivered concurrently with this Agreement.

k. The Initial Purchasers shall have received from Ernst & Young LLP, independent certified public accountants, letters addressed to the Initial Purchasers, substantially in the form heretofore approved by the Initial Purchasers, and

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dated the date hereof and the Closing Date, (i) confirming that they are independent auditors as required by the Securities Act and its Rules and Regulations, (ii) stating, as of the date of each letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five Business Days prior to the date of each letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the letter delivered concurrently with this Agreement and (iii) with respect to the letter delivered on the Closing Date, confirming in all material respects the conclusions and findings set forth in the letter delivered concurrently with this Agreement.

l. The Company shall have furnished to the Initial Purchasers a certificate, dated as of the Closing Date, of a Vice President and its Chief Financial Officer or Treasurer stating that the representations, warranties and agreements of the Company (after giving effect to all materiality qualifiers therein) and the Guarantors in Section 1 are true and correct as of such Closing Date and giving effect to the consummation of the transactions contemplated by the Transaction Agreement, the Credit Documents and this Agreement; the Company and each Guarantor has complied in all material respects with all its agreements contained herein; and the conditions set forth in Sections 7(m) and 7(o) have been fulfilled.

m. The Company and each Guarantor shall not have sustained since the date of the latest audited financial statements included in the Offering Memorandum any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Offering Memorandum or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any Material Adverse Effect otherwise than as set forth or contemplated in the Offering Memorandum, the effect of which, in any such case described in clause (i) or (ii), is, in the reasonable, good faith judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the payment for and delivery of the Notes being delivered on such Closing Date on the terms and in the manner contemplated in the Offering Memorandum.

n. Kirkland & Ellis shall have been furnished with executed copies, certified by the Assistant Corporate Secretary of the Company, of the Transaction Agreement, the Credit Documents and such other documents and opinions, in addition to those set forth above, as they may reasonably require for the purpose of enabling them to review or pass upon the matters referred to in this Agreement and in order to evidence the accuracy, completeness or satisfaction in all material respects of any of the representations, warranties or conditions herein contained.

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o. Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities.

p. Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange or the American Stock Exchange or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities, (iii) the United States shall have become directly engaged in hostilities, there shall have been an escalation in hostilities

involving the United States or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of the Initial Purchasers, impracticable or inadvisable to proceed with the public offering or delivery of each tranche of the Notes being delivered on such Closing Date on the terms and in the manner contemplated in the Offering Memorandum.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

8. INDEMNIFICATION AND CONTRIBUTION.

a. The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless the Initial Purchasers, their officers and employees and each person, if any, who controls the Initial Purchasers within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of either tranche of Notes), to which the Initial Purchaser, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Offering Memorandum (in each case as amended or supplemented), or (ii) the omission or alleged omission to state in any Preliminary Offering Memorandum or the Offering

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Memorandum (in each case as amended or supplemented) any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and shall reimburse the Initial Purchaser and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Initial Purchaser, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; PROVIDED, HOWEVER, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Offering Memorandum or the Offering Memorandum (in each case as amended or supplemented) in reliance upon and in conformity with written information concerning the Initial Purchasers furnished to the Company by or on behalf of the Initial Purchasers specifically for inclusion therein; and PROVIDED FURTHER that with respect to any such untrue statement or omission made in the Preliminary Offering Memorandum, the foregoing indemnity shall not inure to the benefit of an Initial Purchaser (or any person who controls the Initial Purchaser or any officer or director thereof) from whom the person asserting such loss, claim, damage, liability or action purchased the Notes, to the extent that such sale was an initial resale by the Initial Purchaser and any such loss, claim, damage, liability or action of the Initial Purchasers is a result of the fact that both (i) to the extent required by applicable law, a copy of the Offering Memorandum was not sent or given to such person at or prior to the written confirmation of the sale of such Securities to such person, and (ii) the untrue statement or omission in the Preliminary Offering Memorandum was corrected in the Offering Memorandum unless, in either case, such failure to deliver the Offering Memorandum was a result of noncompliance by the Company with section 5(c). The foregoing indemnity agreement is in addition to any liability which the Company or any Guarantor may otherwise have to the Initial Purchasers or to any officer, employee or controlling person of any of the Initial Purchasers.

b. Each of the Initial Purchasers shall indemnify and hold harmless the Company, the Guarantors, their officers and employees, each of their respective directors, and each person, if any, who controls the Company or any Guarantor within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such Guarantor, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Offering Memorandum (in each case as amended or supplemented) or in any Blue Sky application or (ii) the omission or alleged omission to state in any

therein, in light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning the Initial Purchaser furnished to the Company by or on behalf of the Initial Purchaser specifically for inclusion therein, and shall reimburse the Company, the Guarantors, and any such director, officer, employee or controlling person for any legal or other expenses reasonably incurred by the Company, the Guarantors, or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which the any of the Initial Purchasers may otherwise have to the Company or any such director, officer, employee or controlling person.

c. Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; PROVIDED, HOWEVER, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure and, PROVIDED, FURTHER, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation. Any indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of such counsel shall have been specifically authorized in writing by the Company, (ii) the Company shall have failed to assume the defense and employ counsel, (iii) counsel which has been provided by the Company reasonably determines that its representation of such indemnified person would present it with a conflict of interest or (iv) the named parties to any such action (including any impleaded parties) include both such indemnified party and the Company, and such indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Company (in which case the Company shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the

Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all such indemnified parties, which firm shall be designated in writing by Lehman Brothers Inc. and that all such reasonable fees and expenses shall be reimbursed as they are incurred). No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold

harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

d. If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the Initial Purchasers on the other from the offering of each tranche of the Series A Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Initial Purchasers on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Initial Purchasers on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of each tranche of the Series A Notes purchased under this Agreement (before deducting expenses) received by the Company, on the one hand, and the total discounts and commissions received by the Initial Purchasers with respect to each tranche of the Series A Notes purchased under this Agreement, on the other hand, bear to the total gross proceeds from the offering of each tranche of the Series A Notes under this Agreement, in each case as set forth in the table on the cover page of the Offering Memorandum. The relative fault shall be determined

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by reference to whether the 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 Initial Purchasers, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Initial Purchasers agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), the Initial Purchasers shall not be required to contribute any amount in excess of the amount by which the total price at which each tranche of the Series A Notes purchased by it was resold to Eligible Purchasers exceeds the amount of any damages which the Initial Purchasers have otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute as provided in this Section 8(d) are several in proportion to their respective underwriting obligations and not joint.

e. Each of the Initial Purchasers confirms and the Company acknowledges that the last paragraph on the cover page, the stabilization legend on page iii and the information contained in the first, fifth, sixth, seventh, ninth, tenth and thirteenth paragraphs of the section entitled "Plan of Distribution" constitute the only information concerning the Initial Purchasers furnished in writing to the Company by or on behalf of the Initial Purchasers specifically for inclusion in the Preliminary Offering Memorandum or the Offering Memorandum.

9. TERMINATION. The obligations of the Initial Purchasers hereunder may be terminated by Lehman Brothers Inc. by notice given to the Company prior to delivery of and payment for each tranche of the Series A Notes if, prior to that time, any of the events described in Sections 7(m), 7(o) or 7(p) shall have occurred or if the Initial Purchasers shall decline to purchase either tranche of the Series A Notes for any reason permitted under this Agreement.

10. REIMBURSEMENT OF INITIAL PURCHASERS' EXPENSES. If the Company shall fail to tender either tranche of the Series A Notes for delivery to the Initial Purchasers by reason of any failure, refusal or inability on the part

of the Company to perform any agreement on its part to be performed, or because any other condition of the Initial Purchasers' obligations hereunder required to be fulfilled by the Company is not fulfilled, the Company will reimburse the Initial Purchasers for all reasonable out-of-pocket expenses (including the reasonable fees

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and disbursements of its counsel) (accompanied by documentation) incurred by the Initial Purchasers in connection with this Agreement and the proposed purchase of each tranche of the Series A Notes, and upon demand the Company shall pay the full amount thereof to the Initial Purchasers.

11. NOTICES, ETC. All statements, requests, notices and agreements hereunder shall be in writing, and:

a. if to the Initial Purchasers, shall be delivered or sent by mail, telex or facsimile transmission to Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (Fax: 212-526-6588), with a copy to Kirkland & Ellis, 200 E. Randolph Drive, Chicago, IL 60601, Attention: H. Kurt von Moltke (Fax: 312-861-2200); and

b. if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to Ball Corporation, Colorado Office Center, 9300 West 108th Circle, Broomfield, CO 80021-3682, Attention: General Counsel (Fax: 303-460-2691), with a copy to Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Suite 2100, Chicago, IL 60606, Attention: Brian W. Duwe (Fax: 312-407-0411).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made by the Initial Purchasers. Any notice of a change of address or facsimile transmission number must be given by the Company or by the Initial Purchasers, as the case may be, in writing, at least three days in advance of such change.

12. PERSONS ENTITLED TO BENEFIT OF AGREEMENT. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (i) the representations, warranties, indemnities and agreements of the Company and the Guarantors contained in this Agreement shall also be deemed to be for the benefit of the persons, if any, who control the Initial Purchasers within the meaning of Section 15 of the Securities Act and (ii) the representations, warranties, indemnities and agreements of the Initial Purchasers contained in this Agreement shall be deemed to be for the benefit of directors, officers and employees of each of the Company and the Guarantors and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 12, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

13. SURVIVAL. The respective indemnities, representations, warranties and agreements of the Initial Purchasers and the Company contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and

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payment for the Notes and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

14. DEFINITION OF THE TERMS "BUSINESS DAY." For purposes of this Agreement, "BUSINESS DAY" means any day on which the New York Stock Exchange, Inc. is open for trading.

15. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

16. COUNTERPARTS. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

17. HEADINGS. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement between the Initial Purchasers and the Company, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

BALL CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Treasurer

BALL AEROSPACE AND TECHNOLOGIES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BALL ASIA PACIFIC LIMITED

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BALL GLASS CONTAINER CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BALL HOLDINGS CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BG HOLDINGS I, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BG HOLDINGS II, INC.,

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BALL METAL BEVERAGE CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling

Title: Vice President

BALL METAL FOOD CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL PACKAGING SALES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PACKAGING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PLASTIC CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGIES HOLDINGS CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGY SERVICES CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

EFRATOM HOLDING, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

Accepted:

LEHMAN BROTHERS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
BANCAMERICA ROBERTSON STEPHENS
FIRST CHICAGO CAPITAL MARKETS, INC.

By: LEHMAN BROTHERS INC.

By: /s/ Christoph E. Hodge

Name: Christoph E. Hodge
Title: Managing Director

EXHIBIT A

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM TO BE DELIVERED AS OF
THE CLOSING DATE

[DRAFT DELIVERED SEPARATELY]

ASSET PURCHASE AGREEMENT
by and among
Ball Corporation,
Ball Metal Beverage Container Corp.
and
Reynolds Metals Company

dated as of April 22, 1998

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of April 22, 1998 (the "AGREEMENT"), is by and among Ball Corporation, an Indiana corporation ("BALL"), Ball Metal Beverage Container Corp., a Colorado corporation and an indirect wholly-owned subsidiary of Ball ("BUYER") and Reynolds Metals Company, a Delaware corporation ("SELLER"). Capitalized terms not otherwise defined in the text of this Agreement are used as defined in Annex A hereto.

W I T N E S S E T H:

WHEREAS, Seller and its majority-owned subsidiaries are engaged on a global basis in the design, manufacture, distribution and sale of aluminum beverage can bodies and ends (such business, as conducted throughout the world directly by Seller and its majority-owned subsidiaries (including licensing, directly or indirectly, of intellectual property and know-how used in the manufacture and sale of aluminum can bodies and ends but excluding (i) Seller's operations engaged in the manufacture and sale of aluminum can, end and tab sheet, the recycling and reclamation of aluminum cans and the design, manufacture and sale of printing cylinders, printing plates and color separations that act as suppliers to, or customers of, Seller's global can business, (ii) Seller's operations engaged in the design, manufacture, distribution and sale of machinery, equipment and components and parts therefor used in the manufacture of metal beverage can bodies and ends and certain can filling operations (the "MACHINERY OPERATIONS") and (iii) "parent company" finance and administration activities conducted at Seller's corporate headquarters at 6601 West Broad Street, Richmond, Virginia) is hereinafter referred to as the "BUSINESS"); and, in connection with the development of the Business on a global basis, Seller and its majority-owned subsidiaries have acquired, directly or indirectly, minority interests in, and entered into technical services and/or management agreements with, Latas de Aluminio, S.A.-LATASA ("LATASA") and its subsidiaries, Superenvases Envalic C.A. ("SVE") and United Arab Can Manufacturing Company, Limited ("UAC");

WHEREAS, Seller's interest in Latasa is held by two indirect subsidiaries, Reynolds International do Brasil Participacoes, Ltda, a Brazilian corporation ("RIB"), and Reynolds International Latin America S.A., a Panamanian corporation ("RILA");

WHEREAS, Seller has reached agreement with Ball and Buyer to sell to them or their Designees the Business (including Seller's interest in Seller's wholly-owned subsidiaries, Latas de Aluminio Reynolds, Inc., a Delaware corporation ("LAR") and RCAL Cans, Inc., a Delaware corporation ("RCAL"), together with RCAL's wholly-owned subsidiary, RIND Cans, Inc., a Delaware corporation ("RIND")) and Seller's interests in RIB and SVE and the equity securities of Latasa held by RILA, all on the terms and conditions set forth in this Agreement; and

WHEREAS, concurrently with the closing of the transactions contemplated hereby, if Ball elects to issue Ball Shares to Seller pursuant to the terms of this Agreement, Ball and Seller will enter into a stockholder's agreement, substantially in the form of Exhibit A (the "STOCKHOLDER'S AGREEMENT").

NOW, THEREFORE, in consideration of the mutual agreements and the representations and warranties contained herein and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS

Section 1.1 PURCHASE AND SALE OF ASSETS. Subject to the terms and conditions of this Agreement, at the closing of the transactions contemplated by this Agreement (the "CLOSING"), Seller shall sell, transfer, convey, assign and deliver, or cause to be sold, transferred, conveyed, assigned and delivered, to Buyer, Ball or their Designees, as provided below, and Buyer, Ball or their Designees shall purchase, acquire and accept from Seller and its majority-owned subsidiaries, either directly or indirectly through the acquisition of all of Seller's interests in LAR and RCAL, all assets, rights and interests in assets,

other than the Excluded Assets, which are held or owned by Seller or its majority-owned subsidiaries as of the Closing and which are used or held for use exclusively or primarily in the conduct of the Business, including, without limitation, the following (collectively, the "BUSINESS ASSETS"):

(a) REAL PROPERTY: The owned real properties described in Annex 1.1(a), together with the plants, buildings, fixtures and improvements thereon and all tenements, hereditaments and appurtenances thereto (the "OWNED REAL PROPERTY"), as well as Seller's leasehold interests (or those of any Affiliate of Seller) as

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lessee under the real property leases described in Annex 1.1(a) (the "REAL PROPERTY LEASES" and the property covered thereby, together with Seller's (or such Affiliate's) interests in all plants, buildings, fixtures and improvements thereon, the "LEASED PREMISES"). The Owned Real Property and the Leased Premises together are sometimes referred to herein as the "BUSINESS LOCATIONS."

(b) PERSONAL PROPERTY OTHER THAN INVENTORY: The furniture, fixtures, machinery, equipment, equipment subassemblies, furnishings, vehicles, tools, dies, jigs, printing plates, physical embodiments of label films and color standards, service, spare and replacement parts, stores, packaging materials, pallets, slip sheets and top frames, office and other supplies and other tangible personal property (other than Inventory) that is either (i) located at the Business Locations, (ii) reflected on the most recent balance sheet included in the Audited Financial Statements (other than Excluded Assets and any assets sold or disposed of in the ordinary course of business and consistent with the terms of this Agreement since the date of such balance sheet) or (iii) otherwise used or held for use exclusively or primarily in the Business, whether or not such property is reflected as an asset on the books and records of Seller (the "EQUIPMENT").

(c) INTELLECTUAL PROPERTY RIGHTS: Except as otherwise specifically identified as excluded in Annex 1.1(c), (i) the Patents, Trademarks, and Copyrights listed or described in Annex 1.1(c), (ii) Technology, and (iii) all agreements (whether or not with related parties) under which Seller or its majority-owned subsidiaries have granted, or have been granted, the right to use Technology or the Patents, Trademarks and Copyrights listed or described in Annex 1.1(c) (the Business Assets described in this Section 1.1(c), collectively, the "INTELLECTUAL PROPERTY RIGHTS").

(d) BUSINESS INFORMATION: All books and records (i) customarily located at the Business Locations (other than those exclusively related to Excluded Assets or Excluded Liabilities) or (ii) customarily located at locations other than the Business Locations which are used exclusively or primarily in the Business, including, without limitation, files, computer disks and tapes, telephone directories, invoices, credit and sales records, personnel records (subject to applicable law), customer lists (including addresses and phone numbers), supplier lists, manuals (including policy manuals), drawings, accounting books and records, detailed fixed-asset ledgers and records, sales literature, current price lists and discounts, promotional signs and literature, marketing and sales programs, manufacturing and quality control records and procedures and compliance policies and procedures; and access

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to and, if requested by Ball or Buyer, copies of such other books and records to the extent relating to the Business or Business Assets or Assumed Liabilities which are customarily located at locations other than the Business Locations; provided that Seller may retain and provide Buyer with copies of any records necessary for Seller's ongoing business or tax purposes or for performance of obligations retained by Seller hereunder (collectively, "BUSINESS INFORMATION").

(e) GOVERNMENTAL PERMITS: To the extent assignable, (i) the Permits and the Environmental Permits that relate exclusively to the Business, as more particularly described in Annex 1.1(e) and (ii) any Business-related portions of any Permits and Environmental Permits that are used in the Business but do not relate exclusively to the Business (the Permits described in this clause (ii), the "NON-EXCLUSIVE PERMITS").

(f) LEASES AND CONTRACTS: The rights of Seller and its Affiliates in, to and under (i) all contracts, leases of personal property, agreements, licenses, commitments and warranties related exclusively or primarily to the Business, (ii) sales orders, purchase orders and quotations and bids generated by the Business, and (iii) all material agreements to which Seller or any of its Affiliates is a party, and which relate to the ownership, management, governance and financing of, as well as technical assistance to, Latasa and its subsidiaries (the "LATASA AGREEMENTS") and the contracts and agreements relating to ownership, management and governance of, and provision of know-how and technical assistance to SVE.

(g) INVENTORY: The inventories of raw materials, work-in-process

and finished products carried on the books of the Business (including any such inventories that have been written off or written down on the books of the Business), located at the Business Locations or related exclusively or primarily to the Business (excluding the inventories described in Section 1.1(m), the "INVENTORY").

(h) ACCOUNTS RECEIVABLE AND PREPAID EXPENSES: All notes and accounts receivable on the books of or generated by the Business as of the Closing (the "ACCOUNTS RECEIVABLE"), including, without limitation, all trade notes and trade accounts receivable and receivables from employees of Seller who are Transferred Employees, and all deposits and prepaid rents, license fees and other expenses to the extent related to the Business or the Business Assets.

(i) COMPUTER SOFTWARE: All computer software related exclusively to the Business, including all documentation and source codes with

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respect to such software (to the extent Seller or any Affiliate of Seller possesses such documents or source codes) and, to the extent they relate exclusively to the Business and they are legally assignable or transferable by Seller, licenses and leases of software.

(j) NON-EXCLUSIVE CONTRACTS: Any Business-related portions of any contract, claim, lease, sales/purchase order, quotation, bid, agreement, license or contractual right to which Seller or any Affiliate of Seller is a party with respect to operations or activities beyond those exclusively or primarily related to the Business (each, a "NON-EXCLUSIVE CONTRACT"), to the extent that such portions are legally assignable or transferable to Buyer.

(k) SINGLE LOCATION PLANS: All assets of any Single Location Plans that are transferred to, or assumed by, Buyer under Section 5.4.

(l) PETTY CASH: All petty cash on hand at the Business Locations.

(m) CONSIGNED INVENTORIES: Seller's rights to inventories of supplies and raw materials at the Business Locations consigned as of the Closing by (x) third parties or (y) other businesses of Seller or any Affiliate of Seller that act as suppliers to the Business (to the extent such inventories have not been included on the Closing Statement); provided that (i) Seller is not hereby conveying to Buyer an ownership interest in such inventories, (ii) such inventories shall not be deemed a part of the Inventory for purposes of Section 1.5 or otherwise and (iii) the rights conveyed under clause (y) are only Seller's rights as owner of the Business and not as owner of such business acting as supplier.

(n) RESTRICTIONS ON COMPETITION AND CONFIDENTIALITY: To the extent assignable, all rights of Seller or any Affiliate of Seller to enforce restrictions on competition and obligations regarding confidentiality or limited use of information imposed on third parties and present and former officers, executives and employees of Seller and its Affiliates to the extent such restrictions and obligations relate to the Business; provided, however, that Seller shall retain the right to seek relief on behalf of itself and its majority-owned subsidiaries for any damages suffered by any of them as a result of any breach of any such restriction or obligation.

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(o) CLAIMS: All claims, causes of action, choses in action, rights of recovery and rights of setoff of any kind (including, without limitation, warranty rights against suppliers to the Business), known or unknown, liquidated or unliquidated, to the extent they relate to or arise out of the Business Assets, or the condition of the Business Assets, existing at the Closing Date or the conduct of the Business prior to the Closing; provided that any of the foregoing that arise from acts, omissions or conditions that gave rise, or shall give rise, to an Excluded Liability shall, to the extent arising from the Excluded Liability and Seller discharges such Excluded Liability, accrue to the benefit of Seller.

(p) GOODWILL AND ASSOCIATED ASSETS: Any and all goodwill, customer lists, going concern value and similar assets related exclusively or primarily to, or used exclusively or primarily in, the Business.

(q) OTHER ASSETS: Such other assets as are specifically identified in Annex 1.1(q).

In addition to the Business Assets, subject to the terms and conditions of this Agreement, at Closing, Seller and its Affiliates shall sell, transfer, convey, assign and deliver, or cause to be sold, transferred, conveyed, assigned and delivered, to Buyer, Ball or its Designees, and Buyer, Ball or its Designees shall purchase, acquire and accept from Seller and its Affiliates, Seller's and its Affiliates' rights, title and interest in (x) any equity securities of or other equity interests in SVE and RIB and (y) the equity

securities of Latasa held by RILA, all as listed in Annex 1.1(aa). Such equity securities, together with the equity securities of LAR and RCAL being transferred to Ball, Buyer or their Designees pursuant hereto, are sometimes referred to herein as the "SHARES."

The parties agree that the Business Assets and Shares shall be purchased by Ball, Buyer or their Designees as directed by Buyer in writing at least five days prior to the Closing.

Section 1.2 EXCLUDED ASSETS. Notwithstanding the provisions of Section 1.1, the following properties, assets and rights used in, or related to, Seller's operation of the Business are excluded from the Business Assets (the "EXCLUDED ASSETS"):

(a) The name "Reynolds" and all variations thereof;

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(b) Except as provided in Section 1.1(h) and (l), cash, financial instruments and marketable securities on hand and in banks, cash deposits with respect to workers' compensation and insurance, cash equivalents, and investments;

(c) Accounts Receivable owed to Seller from any of its employees who are not Transferred Employees;

(d) Aluminum can sheet inventory that is, consistent with past practice and the terms of existing supply agreements, carried on the books of Seller's Mill Products Division and not included on the Closing Statement, whether or not located at a Business Location; provided that Buyer will receive Seller's rights as a consignee of any such inventory that is located at a Business Location as if Seller's Mill Products Division were a third party supplier to the Business;

(e) Seller's checkbooks and canceled checks;

(f) Subject to Sections 1.1(j) and 1.7(e), all Non-Exclusive Contracts and any agreements specifically identified in Annex 1.2(f) (the "RETAINED CONTRACTS");

(g) All claims and litigation against third parties (and benefits to the extent they arise therefrom) to the extent that such claims and litigation relate in whole or in part to Excluded Liabilities or Excluded Assets or are set forth in Annex 1.2(g);

(h) Seller's insurance policies and rights in connection therewith;

(i) Rights arising from any refunds due with respect to insurance premium payments and deposits;

(j) Except for any assets specifically enumerated in Annex 1.2(j), any and all tangible assets located at Seller's corporate headquarters at 6601 West Broad Street in Henrico County, Virginia;

(k) All of Seller's right, title and interest in, to and under trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, brand names, copy

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right rights, trade dress, business and product names, logos, slogans, and all pending applications for and registrations of trademarks and service marks, which (i) are neither used exclusively in the Business nor applicable exclusively to the Business or (ii) include one or more of the following marks: the trademarks REYNOLDS; Knight, Horse and Dragon Design or the names "Reynolds," "Reynolds Metals Company," "Reynolds Aluminum" or any variation thereof or any trademark containing REYNOLDS, REY, REYNO, or a Knight Horse and Dragon design (the trademarks described in this clause (ii) are referred to herein as the "REYNOLDS MARKS");

(l) Except for assets in Single Location Plans assumed by Buyer under Section 5.4, all assets held in or for the Plans;

(m) Any assets identified in Annex 1.2(m);

(n) Books and records exclusively relating to Excluded Assets and Excluded Liabilities;

(o) Any Tax refunds, credits or rights arising therefrom, for all periods or portions of periods ending before the Closing Date; provided that none of Ball, Buyer or their Affiliates has incurred or will incur an increased

Tax burden as a result of such refund;

(p) Except for those assets identified in Annex 1.1(q), Seller's former Houston, Texas, and Fulton, New York, can plants;

(q) Seller's or its Affiliates' interests in, and contracts relating to, UAC;

(r) Seller's rights under this Agreement and under any agreement, instrument or document delivered in connection herewith;

(s) The portion of the Owned Real Property located in Torrance, California which constitutes Seller's extrusion plant as more specifically described in Annex 1.2(s) subject to minor adjustment of the boundary lines thereof in accordance with Section 1.10; and

(t) Except as specifically provided in Section 1.1 (a), (e), (i), and (o), and subject to Section 1.7(e) and the data processing services agreement

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substantially in the form of Exhibit 1.2(t) (the "DATA PROCESSING SERVICES AGREEMENT"), any owned or leased premises, Permits, Environmental Permits, computer software, claims, causes of action, choses in action, rights of recovery and rights of setoff.

Section 1.3 ASSUMPTION OF LIABILITIES.

(a) On the Closing Date, except as otherwise specifically provided in this Agreement or in any agreement, instrument or document delivered in connection herewith, subject to the terms and conditions of this Agreement, Buyer shall assume the following liabilities (the "ASSUMED LIABILITIES") and no others:

(i) Liabilities relating to Transferred Employees and employee benefits to the extent set forth in Sections 5.4, 5.5 and 5.6, including, without limitation, all liabilities and obligations related to the Single Location Plans assumed by Buyer under Section 5.4 and under Collective Bargaining Agreements in accordance with Sections 5.4 and 5.5;

(ii) All trade accounts payable of the Business (including trade payables to other divisions of Seller for aluminum can sheet) to the extent set forth on the Closing Statement and other current liabilities of the Business to the extent set forth on the Closing Statement;

(iii) All liabilities and obligations of Seller and its majority-owned subsidiaries to deliver goods or services to customers of the Business arising from orders placed in the normal course of business of the Business which are assigned to Buyer pursuant hereto;

(iv) All obligations of Seller or any of its majority-owned subsidiaries to be performed from and after the Closing Date under any contract, lease, commitment, license, permit, approval, authorization or other agreement or arrangement constituting part of the Business Assets to the extent assigned to Buyer pursuant hereto including, without limitation, the following:

(A) the liabilities of Seller for certain metal-related financial derivative arrangements contained in certain of Seller's aluminum can sheet purchase contracts which are unmatched

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to similar arrangements contained in Seller's customer contracts being assumed by the Buyer pursuant to this Section 1.3(a) (iv);

(v) Subject to Ball's and Buyer's right to indemnification from Seller set forth in Article VI, liabilities and obligations under Environmental Laws with respect to Environmental Conditions;

(vi) All liabilities that constitute matters of record relating to Seller's ownership of the Owned Real Property to the extent specifically disclosed in Section 4.4(b) of the Disclosure Schedule and subject to the limitations set forth therein or accepted by Ball or Buyer under Section 4.4; and

(vii) All other liabilities to the extent set

forth in or specifically reserved against on the Closing Statement or to the extent specifically described in Annex 1.3(a) (vii).

(b) Except as expressly provided in Section 1.3(a), Buyer will not assume or be liable for the following liabilities and obligations (the "EXCLUDED LIABILITIES"):

(i) Except as otherwise provided in this Agreement (including, without limitation, in Section 1.6, which shall control to the extent of any conflict with this Section 1.3(b)), (x) any federal, state, local or foreign taxes including, without limitation, any net income, alternative or add-on minimum tax, gross income, gross receipts, excise, sales, use, ad valorem, franchise, capital, paid-up capital, profits, greenmail, license, withholding, payroll, environmental, windfall profits tax or other tax or any custom or duty, or any other charges, fees, levies, penalties or other assessments imposed by any Taxing Authority, including, in each case, any interest, penalties or additions thereto ("TAXES"), that are attributable to any period or portion thereof ending on or before the Closing Date imposed on Seller or its Affiliates or related to the Business or the Shares and (y) any liability for Taxes of any other person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise;

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(ii) All liabilities and obligations relating to any employee or any employee benefits which are not to be assumed by Buyer under Section 1.3(a) (i) or Sections 5.4, 5.5 and 5.6;

(iii) All liabilities or obligations to the extent relating to the acquisition, ownership or use of any of the Excluded Assets (including the Retained Contracts);

(iv) Any liabilities listed in Annex 1.3(b) (iv);

(v) All liabilities or obligations arising under Environmental Laws other than those expressly assumed by Buyer pursuant to Section 1.3(a) (v), including, without limitation, all liabilities or obligations arising under Environmental Laws in connection with facts, events, conditions, actions or omissions existing or occurring before Closing at any location other than the Business Locations ("OFFSITE OBLIGATIONS");

(vi) Except as otherwise provided in Section 1.3(a) (vii), any liability or claim for injury to person or property or warranty claim which arises out of the operation of the Business or the sale of any product before the Closing Date; and

(vii) Any other liabilities, debts, commitments or obligations, known or unknown, contingent or otherwise, of Seller or its Affiliates other than those specified in Section 1.3(a).

Section 1.4 PURCHASE PRICE. Subject to the terms and conditions of this Agreement, in reliance on the representations, warranties and agreements contained herein, and in consideration of the sale, assignment, transfer and delivery of the Business Assets and the Shares referred to in Section 1.1 and Seller's other obligations set forth herein (including in Section 5.8), Ball and Buyer agree to pay or cause to be paid to Seller at the Closing, and Seller agrees to accept the sum of \$820 million (the "PURCHASE PRICE") payable as follows: (i) shares of common stock, no par value, of Ball having an aggregate Designated Value, determined as set forth below, of up to \$100 million (the "BALL SHARES") plus (ii) an amount in cash equal to the Purchase Price minus the aggregate Designated Value of the Ball Shares (the "CASH PRICE"), plus or minus the adjustment set forth in Section 1.5. Not later than the close of business on the fourth day prior to the Closing Date, Ball shall notify

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Seller whether it intends to pay a portion of the Purchase Price in Ball Shares and the number of Ball Shares and the per Share and aggregate Designated Value of the Ball Shares to be so issued. If Ball elects to pay a portion of the Purchase Price in Ball Shares, the shares so issued shall have an aggregate Designated Value of no less than \$25 million and no more than \$100 million. The per Share "DESIGNATED VALUE" of Ball Shares shall mean the average of the daily volume weighted average trading price of Ball Shares as reported in the BLOOMBERG FINANCIAL MARKETS for the 20 consecutive trading days ending five days prior to the Closing Date; provided that in no event shall the per Share Designated Value of Ball Shares used to determine the number of Ball Shares to be issued in payment of a portion of the Purchase Price exceed \$42 or be less

than \$25.25.

Section 1.5 CASH PURCHASE PRICE ADJUSTMENT.

(a) As soon as practicable, but in no event later than 60 days following the Closing Date, Seller shall prepare and deliver to Buyer a working capital statement of the Business as of 12:01 a.m. on the Closing Date (the "CLOSING STATEMENT"), setting forth the current assets included in the Business Assets less the current liabilities included in the Assumed Liabilities (such difference being referred to herein as the "WORKING CAPITAL") in conformity with United States Generally Accepted Accounting Principles ("GAAP") determined on a basis consistent with the balance sheet included in the Audited Financial Statements (the "AUDITED BALANCE SHEET") except that a current liability of (i) \$250,000 shall be recorded as a reserve on the Closing Statement for title insurance payments and (ii) \$250,000 shall be recorded as a reserve for SUB liability in accordance with Section 5.4(c). For greater certainty, the parties acknowledge and agree that both the Closing Statement and the Audited Balance Sheet exclude spare or replacement parts from current assets.

(b) After receipt of the Closing Statement, Buyer shall have 30 days to review it. Buyer and its authorized representatives shall have reasonable access to all relevant books and records and employees of Seller and Seller's accountants to the extent required to complete their review of the Closing Statement, including, without limitation, the accountants' work papers used in preparation thereof. Unless Buyer delivers written notice to Seller on or prior to the 30th day after receipt of the Closing Statement specifying in reasonable detail its objections to the Closing Statement on the grounds that the Closing Statement was not prepared in accordance with GAAP, consistently applied with the Audited Balance Sheet or with respect to any arithmetic errors, the parties shall be deemed to have accepted and agreed to the Closing Statement. If Buyer so notifies Seller of such an objection to

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the Closing Statement, the parties shall within 30 days following the date of such notice (the "RESOLUTION PERIOD") attempt to resolve their differences. Any resolution by them as to any disputed amount shall be final, binding, conclusive and nonappealable, provided, however, that agreement by Seller and Buyer as to the Final Closing Statement or a determination pursuant to Section 1.5(c) shall not prevent either party from making any claims under Article VI hereof. The term "FINAL CLOSING STATEMENT" shall mean the definitive Closing Statement agreed to by Seller and Buyer in accordance with this Section 1.5(b) or the definitive Closing Statement resulting from the determination made by the Neutral Auditor in accordance with Section 1.5(c) (in addition to those items theretofore agreed to by Seller and Buyer).

(c) If at the conclusion of the Resolution Period, the parties have not resolved the disputes, then all amounts remaining in dispute shall, at the election of either party, be submitted to an auditor who shall be selected by Ball and Seller (the "NEUTRAL AUDITOR"). The Neutral Auditor shall be engaged no later than three business days after an election by either party to submit its objections to the Neutral Auditor, and each party agrees to execute, if requested by the Neutral Auditor, a reasonable engagement letter. The Neutral Auditor shall be a nationally recognized certified public accounting firm that is not rendering (and during the preceding two-year period has not rendered) audit services to either Seller or Ball in North America. If the parties are unable to agree on such Neutral Auditor, then the respective accounting firms of each of Ball and Seller shall choose the Neutral Auditor. All fees and expenses of the Neutral Auditor shall be borne equally by Seller and Buyer. The Neutral Auditor shall act as an arbitrator to determine, based solely on the presentations by Seller and Buyer, and not by independent review, only those issues still in dispute. The Neutral Auditor's determination shall be made within 30 days of its engagement or as soon thereafter as possible, shall be set forth in a written statement delivered to Seller and Buyer and shall be final, binding, conclusive and nonappealable.

(d) All Inventory reflected on the Closing Statement shall be based upon a physical count of the Inventory taken by Seller (with Buyer and its independent auditors being permitted to observe such count and take additional test counts as Buyer reasonably deems appropriate) as of 12:01 a.m. on the Closing Date. Such physical inventory shall be conducted in accordance with procedures to be mutually agreed and shall be taken immediately prior to the Closing Date. The physical inventory shall include all products of Seller and list the type and quantity of the inventory as of the date the physical count was taken. For purposes of the Closing Statement, the Inventory shall include only finished goods, work-in-process

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and raw materials (which are either currently used in production of products or are products currently offered for sale by Seller). In connection with the physical inventory, no later than 90 days after the Closing Date, Buyer shall prepare, with assistance from Seller, a listing of Inventory deemed to be

potentially obsolete and the book value thereof as reflected on the Closing Statement (the "INVENTORY CARRYING VALUE"). If any Inventory so identified is not sold by Buyer within twelve months after the Closing Date, then Seller shall promptly pay to Buyer an amount equal to the Inventory Carrying Value of such Inventory less the scrap value thereof, provided that such payment, in the aggregate, shall not exceed \$1,000,000. Notwithstanding any other provision hereof to the contrary, no other reserve for obsolete and slow-moving inventory shall be included in the Closing Statement.

(e) The Purchase Price shall be (i) increased dollar-for-dollar to the extent the Working Capital as reflected on the Final Closing Statement is greater than \$78 million and (ii) decreased dollar-for-dollar to the extent the Working Capital as reflected on the Final Closing Statement is less than \$78 million. The amount of any such change in the Purchase Price pursuant to this Section 1.5(e) shall be paid by Buyer to Seller, in the case of an increase, or by Seller to Buyer, in the case of a decrease, in each case in cash plus interest on such amount from the Closing Date through the date of payment at the Prime Rate within five business days after the Final Closing Statement is agreed to by Seller and Buyer or is determined by the Neutral Auditor. The "PRIME RATE" means the prime lending rate as announced by First Chicago-NBD, or its successor, as in effect on the Closing Date.

Section 1.6 ADJUSTMENT FOR PERIODIC ITEMS.

(a) Any sales, transfer, stamp or use Tax or fee applicable to the sale of the Business Assets or Shares to Buyer, Ball or their Designees pursuant to this Agreement shall be borne as follows. Buyer shall bear the first \$150,000 of the aggregate of such Taxes and fees and the remainder of such Taxes and fees shall be borne equally by Buyer and Seller. Any such Taxes or fees applicable to the sale of the Business Assets pursuant to this Agreement shall initially be paid by the party legally liable under the laws applicable to each taxing jurisdiction, and the parties shall from time to time remit payments to one another to effect the sharing arrangements provided in the first sentence of this Section 1.6(a). Under no circumstances shall this article be construed to include, nor shall Ball, Buyer or their Affiliates be liable for, any income, franchise, gross income, gross receipts or excise Tax or any other similar liability of Seller related to the sale of the Business Assets. Buyer shall provide Seller with resale exemption certificates or similar documents, as appropriate. Buyer and Seller shall cooperate in using reasonable efforts of legal means to

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minimize, to the extent permitted by law, the aggregate amount of Taxes, fees and other charges imposed on the transactions contemplated in this Agreement.

(b) On the Closing Date or as promptly thereafter as practicable, the parties shall adjust the other annualized or periodic items related to the Business (to the extent not reserved or accrued for in the Final Closing Statement) as of the Closing Date, with Seller responsible for matters up to and including the Closing Date and Buyer responsible for matters from and after the Closing Date. Such adjustable items shall include, without limitation, electric, gas, telephone and utility charges of the operations of Seller related to the Business Locations, either paid or accrued, and amounts paid under leases and loans; provided, however, that nothing in this Section 1.6 shall increase the liabilities and obligations of Seller assumed by Buyer pursuant to this Agreement. Such adjustable items shall also include customer volume rebates and vendor volume rebates and incentives, which will be attributed to Seller to the extent such rebates and incentives relate to items purchased prior to the Closing and to Buyer to the extent such rebates and incentives relate to items purchased on or after the Closing.

Section 1.7 CLOSING.

(a) The Closing will take place at the offices of Skadden, Arps, Slate, Meagher & Flom (Illinois), 333 West Wacker Drive, Chicago, Illinois 60606, within seven days after all conditions set forth in Articles VII and VIII (other than those requiring only performance by the parties at Closing) have been satisfied or waived or such other time and place as the parties may agree upon but in no event earlier than 7 days after the expiration or termination of the waiting period under the HSR Act (the "CLOSING DATE") and shall be effective as of 12:01 a.m. on the Closing Date.

(b) At the Closing, Seller will deliver to Ball, Buyer or their Designees (i) if any Ball Shares are issued pursuant hereto, an executed copy of the Stockholder's Agreement, (ii) all documents of title necessary to transfer ownership to Buyer of the Business Assets other than the Real Property, including a duly executed bill of sale substantially in the form of Exhibit 1.7(b)(ii) (the "BILL OF SALE"), (iii) executed copies of the consents referred to in Section 2.6 hereof, (iv) certificates representing the Shares, accompanied by appropriate stock powers or other transfer instruments duly executed in blank or such other evidence of ownership and instruments of transfer as are appropriate in the applicable jurisdiction, (v) with respect to Patents, Trademarks and Copyrights included in the Business Assets (the "FILED

INTELLECTUAL PROPERTY"), (A) one "global assignment" of the Filed Intellectual Property

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containing a schedule of all applications therefor and registrations thereof and (B) individual assignments of Filed Intellectual Property, applications therefor and registrations thereof, in recordable form for each jurisdiction in which such Filed Intellectual Property is subsisting, (vi) all assignments of Permits and Environmental Permits to be acquired by Buyer pursuant hereto, (vii) duly executed and acknowledged special warranty deeds conveying title to the Owned Real Property, subject only to the Permitted Exceptions, (viii) any documents required of Seller by the title company to issue the title insurance policies and endorsements in accordance with the provisions of Section 4.4(b) of this Agreement, (ix) duly executed assignment and assumption agreements with respect to the Real Property Leases substantially in the form of Exhibit 1.7(b)(ix) (the "ASSIGNMENT AND ASSUMPTION OF LEASES"), (x) if subdivision of the Torrance, California, parcel of Owned Real Property has not been completed prior to the Closing, a lease and license of the can plant portion of such parcel as provided in Section 1.10, (xi) all such other deeds, consents, endorsements, assignments and other instruments as are necessary to vest in Buyer, Ball or their Designees title to the Business Assets and the Shares to be transferred to Buyer, Ball or their Designees and (xii) all other previously undelivered documents required to be delivered by Seller to Ball, Buyer or their Designees at or prior to the Closing in connection with the transactions contemplated by this Agreement.

(c) At the Closing, Ball and Buyer will deliver to Seller (i) cash in the amount specified in Section 1.4 by wire transfer of immediately available funds to an account designated in writing by Seller, (ii) a duly executed assignment and assumption agreement substantially in the form of Exhibit 1.7(c)(ii) (the "ASSIGNMENT AND ASSUMPTION AGREEMENT") for all Assumed Liabilities, (iii) a duly executed Assignment and Assumption of Leases for the Real Property Leases, (iv) if any Ball Shares are issued pursuant hereto, a duly executed Stockholder's Agreement; (v) if any Ball Shares are issued pursuant hereto, certificates representing the Ball Shares in accordance with Section 1.4, such certificates bearing a legend to the effect set forth in the Stockholder's Agreement, (vi) if requested by Seller, the agreement regarding performance of technical services with respect to UAC in substantially the form of Exhibit 1.7(c)(iii) (the "AGREEMENT REGARDING PERFORMANCE OF TECHNICAL SERVICES") and (vi) all previously undelivered documents required to be delivered by Ball or Buyer to Seller at or prior to the Closing.

(d) At the Closing, Seller, Ball and Buyer shall, or shall cause their respective Affiliates to, execute and deliver (i) the Data Processing Services Agreement, (ii) the transitional trademark license agreement in substantially the form of Exhibit 1.7(d)(ii) (the "TRANSITIONAL TRADEMARK LICENSE AGREEMENT"), (iii) the supply program agreement in substantially the form of Exhibit 1.7(d)(iii) (the "SUPPLY

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PROGRAM AGREEMENT"), (iv) an incentive loan agreement in substantially the form of Exhibit 1.7(d)(iv) (the "INCENTIVE LOAN AGREEMENT"), (v) the transition service agreement in substantially the form of Exhibit 1.7(d)(v) (the "TRANSITION SERVICES AGREEMENT"), (vi) the payroll services agreement in substantially the form of Exhibit 1.7(d)(vi) (the "PAYROLL SERVICES AGREEMENT"), (vii) [intentionally omitted], (viii) the trademark license agreement in substantially the form of Exhibit 1.7(d)(viii) (the "TRADEMARK LICENSE AGREEMENT"), (ix) the cross-license agreement in substantially the form of Exhibit 1.7(d)(ix) (the "CROSS-LICENSE AGREEMENT"), (x) the transportation services agreement in substantially the form of Exhibit 1.7(d)(x) (the "TRANSPORTATION SERVICES AGREEMENT") and (xi) the human resources services agreement in substantially the form of Exhibit 1.7(d)(xi) (the "HUMAN RESOURCES SERVICES AGREEMENT") and, together with the Stockholder's Agreement (if executed), the Data Processing Services Agreement, the Transitional Trademark License Agreement, the Transition Services Agreement, the Payroll Services Agreement, the Agreement Regarding Performance of Technical Services (if executed), the Trademark License Agreement, the Cross-License Agreement, and the Supply Program Agreement, the "ANCILLARY AGREEMENTS").

(e) To the extent that the sale, conveyance, transfer or assignment of any agreement, lease, contract or other document or instrument (including, but not limited to, the Business related portion of any Non-Exclusive Contract or Non-Exclusive Permit) requires the consent of any person other than Buyer, Ball or Seller, this Agreement shall not constitute an agreement to effect such sale, conveyance, transfer or assignment if such action would constitute a breach thereof unless and until such consent or waiver of such person has been obtained; provided that the foregoing shall not limit or affect Seller's representations and warranties in this Agreement or the condition set forth in Section 8.4 hereof. To the extent that any such consent or waiver is not obtained by Seller, Seller shall (i) use all reasonable efforts to provide or cause to be provided to Buyer (or Ball, as the case may be) the

benefits of any such agreement, lease, contract or other document or instrument for which consent or waiver has not been obtained, (ii) cooperate in any arrangement, reasonable and lawful as to both Seller and Ball, Buyer or their Designees designed to provide such benefits to Buyer, Ball or their Designees (in the case of Business Assets and Shares transferred to such party pursuant to Section 1.1) after the Closing and (iii) enforce for the account of Buyer, Ball or their Designees (in the case of Business Assets and Shares transferred to such party pursuant to Section 1.1 (at Ball's or Buyer's expense, as the case may be)), any rights of Seller arising from such agreement, lease, contract or other document or instrument for which consent or waiver has not been obtained against the other party, including, without limitation, the right to elect to terminate in accordance with the terms

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thereof on the advice of Buyer. Subject to Section 6.4(b), Seller shall hold Ball and Buyer harmless from any Loss suffered by Ball or Buyer as a result of any failure of Seller to obtain such consent or waiver. Buyer, Ball or their Designees (in the case of Business Assets and Shares transferred to such party pursuant to Section 1.1) shall use all reasonable efforts to perform the obligations of Seller arising under such agreement, lease, contract or other document or instrument for which consent or waiver has not been obtained, to the extent that by reason of the transactions consummated pursuant to this Agreement, Buyer, Ball or their Designees (in the case of Business Assets and Shares transferred to such party pursuant to Section 1.1) has control over the resources necessary to perform such obligations.

Section 1.8 FURTHER ASSURANCES. After the Closing, each party shall, from time to time, at the request of the other party and without further cost or expense to the other party, execute and deliver such other instruments of conveyance, assignment, transfer and assumption and take such other actions as the other party may reasonably request, to consummate more effectively the transactions contemplated hereby and to vest in Ball, Buyer and their Designees title to the Business Assets and the Shares as contemplated by this Agreement, or to cause Buyer to assume the Assumed Liabilities, as the case may be. As to any of such licenses, registrations and permits which are transferable to Ball, Buyer or their Designees, Seller shall cooperate with Ball, Buyer or their Designees, to effect the transfer of such licenses, registrations and permits. Notwithstanding the foregoing, no party shall be required under this Section 1.8 to make any payment or to incur any economic burden other than customary costs and expenses arising from the performance of such party's obligations under this Section 1.8.

Section 1.9 ALLOCATION OF PURCHASE PRICE. The Purchase Price (plus Assumed Liabilities to the extent properly taken into account under section 1060 of the Code) shall be allocated among the Business Assets, the Shares and the covenant not to compete in Section 5.8 hereof in accordance with Exhibit 1.9. Buyer, Ball and Seller shall use their best efforts to agree, as soon as practical after the Closing, but in no event later than 30 days after the determination of the Cash Purchase Price Adjustment in Section 1.5, on the allocation of the Purchase Price, including any adjustment pursuant to Section 1.5 (or such time as is mutually agreed by Seller and Buyer), among the Business Assets, the Shares, and the covenant not to compete, and prepare and attach a completed Exhibit 1.9 accordingly. Each of Buyer and Seller shall prepare and timely file Internal Revenue Service Form 8594, reasonably cooperate with the other party in the preparation of such forms and furnish the other party with copies of such forms prepared in draft form within a reasonable period before the filing due date. Any disputes resulting from disagreement upon the

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allocation of the Purchase Price shall be resolved by the Neutral Auditor in accordance with procedures outlined in Section 1.5(c). Buyer, Ball and Seller agree to (i) be bound by the allocation in Exhibit 1.9, (ii) act in accordance with such allocation in filing of all Tax Returns (including, without limitation, filing Form 8594 with its federal income Tax Return for the year that includes the Closing Date) and in the course of any Tax audit, Tax review, or Tax litigation relating thereto and (iii) take no position, and cause all Affiliates not to take a position, that is inconsistent with such allocation for federal or state income Tax purposes.

Section 1.10 TORRANCE, CALIFORNIA SITE.

(a) Seller's can plant in the City of Torrance, California is currently a part of an unsubdivided parcel of real estate (the "PARCEL") on which Seller's extrusion plant (which is not part of the Business Assets) (the "EXTRUSION LAND") is also located. Seller, at its sole cost and expense, shall use its best efforts to subdivide the Parcel such that the can plant portion of the site, together with the improvements located thereon depicted as such on Exhibit 1.10(a) (the "PLANT LAND"), is a separate legally subdivided lot (the "SUBDIVISION"). Seller anticipates that such Subdivision may not be completed until after the Closing Date. Accordingly, if the Subdivision has not been completed by the Closing Date, Seller and Buyer shall, at the Closing Date,

enter into a lease and license substantially in the form of Exhibit 1.10(b) (the "TORRANCE LEASE"). Upon completion of the Subdivision process, Seller shall deliver to Buyer, and Buyer shall accept, a special warranty deed to the Plant Land in compliance with the title and survey requirements set forth in Section 4.4. Seller will pay any and all costs associated with the Subdivision, including, without limitation, costs associated with satisfying the conditions of the Subdivision, the separation of utilities and new utility hook-ups, and required site modifications such as drainage, fire protection and access. Buyer shall cooperate with Seller at no out-of-pocket cost to Buyer or Ball (other than such internal and administrative costs as appearing at hearings, providing information and executing documents, such as any declaration of easements, covenants and restrictions required in connection with such Subdivision and Buyer's and Ball's attorneys' fees). Seller shall provide to Buyer copies of all notices and material correspondence between the applicable Authority and Seller regarding the Subdivision, as well as copies of any parcel maps or other documents submitted to such Authority. Buyer and Ball may participate in any and all meetings and hearings with or at the applicable Authority regarding the Subdivision. Seller shall consult with Buyer prior to making official submissions to any Authority in connection with the Subdivision. In no event shall Seller execute any documents which create, or agree with any Authority to impose,

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any conditions, restrictions or easements which affect the Plant Land without first obtaining Buyer's written approval, which approval shall not be unreasonably withheld or delayed. If during the Subdivision process, the applicable Authority requests changes to the description of the Plant Land from that described on Exhibit 1.10(a) as a condition to approval of the Subdivision, the parties shall work cooperatively and in good faith to respond to such changes so as to maintain, to the greatest degree possible, the business deal embodied in this Agreement and the related documents and to provide each party the benefits contemplated herein; provided, that in no event shall Seller modify the legal description of the Plant Land without first obtaining the written approval of Buyer, which approval shall not be unreasonably withheld or delayed.

(b) If the Subdivision is not completed and title to the Plant Land in fee simple has not been transferred to Buyer on or before the second anniversary of the Closing Date, then except to the extent that Seller's failure to complete the Subdivision is directly attributable to Buyer's act or failure to act as required under the Torrance Lease, Seller will indemnify and hold harmless Buyer from all Losses arising: (i) from Buyer's inability to operate the Plant Land in a manner reasonably consistent with Seller's prior operation, where such inability is directly attributable to Buyer's not holding title to the Plant Land in fee simple, including all such Losses incurred after the Closing or (ii) from any bona fide sale or mortgage, or attempt to sell or mortgage, the Leased Premises (as defined in section 1.1 of the Torrance Lease) to an independent third party, attributable to the "Differential." The "DIFFERENTIAL" equals the excess of the fair market value of a fee simple interest in the Plant Land as if the Subdivision had occurred over the fair market value of the Leased Premises as if the Subdivision had not occurred. Buyer will promptly notify Seller of any inability to operate as described in clause (b) (i) above.

(c) Until the first to occur of (i) the fourth anniversary of the Closing Date or (ii) the conveyance of the Plant Land to Buyer, Seller will not sell, transfer or otherwise convey the Parcel to any third party other than (w) to Buyer, (x) to an Affiliate of Seller, (y) in connection with a taking by eminent domain or deed in lieu thereof or (z) as reasonably required to effect the Subdivision and thereafter, Seller may only sell such property subject to the Torrance Lease and the right of first refusal set forth below. If at any time after the fourth anniversary of the Closing Date but before the conveyance of the Plant Land to Buyer, Seller receives a bona fide offer from any Person to purchase the Parcel subject to the Torrance Lease or any interest therein, which offer Seller intends to accept, or Seller intends to execute a contract with respect to such sale, Seller shall notify Buyer of the terms

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and provisions of such offer or contract in reasonable detail and of the intention of Seller to accept such offer or execute such contract. Buyer shall have the right within thirty (30) days after such notice to accept the offer to purchase the Parcel on the same terms and conditions (with appropriate reduction of the purchase price for any part thereof allocated to the Plant Land, if indeed any reduction is appropriate given the observation in Section 1.10(g)) and on the other terms and conditions specified in such offer or contract, subject to the provisions of Section 1.10(f) below. If Buyer shall not so exercise its right or shall reject the terms and conditions of such offer or contract within such thirty (30) day period, Seller may then sell the Parcel, subject to the Torrance Lease, to said third party purchaser, provided that such sale is for the purchase price and on the same terms and conditions set forth in the notification to Buyer. If for any reason, however, such sale to said purchaser is not consummated within 12 months from the initial notification to

Buyer, any subsequent sale shall again be subject to this right of first refusal. Following any such sale to a third party purchaser and the assumption by the third party purchaser of all of the obligations of Seller under the Torrance Lease, Buyer will thereafter look to the third party purchaser for performance of the Torrance Lease, and Seller will thereafter have no further obligations with respect to the Plant Land except for the indemnity obligations of Seller as provided in this Agreement. If Buyer exercises its right of first refusal under this Section 1.10(c) to purchase the Parcel, or its Option under Section 1.10(e) to purchase the Parcel, upon the closing of such sale, the Torrance Lease will terminate, and Seller will have no further obligations with respect to the Plant Land or the Extrusion Land, except as set forth in the purchase agreement for the Parcel and in this Agreement. Buyer's right of first refusal hereunder will not apply to any conveyance described in clauses (w) - (z) above. If Seller makes a conveyance pursuant to clause (x), Seller will remain liable for all of its duties and obligations hereunder, and Buyer may exercise its right of first refusal and its Option vis-a-vis the Affiliate.

(d) Buyer's right of first refusal is personal to Buyer but may be assigned by Buyer to Ball or a Designee of Buyer and, to the extent so assigned, the references in Section 1.10(c) to Buyer shall include references to Ball or the Designee of Buyer, where appropriate.

(e) After the date which is three years and six months after the Closing Date, and before the Plant Land has been conveyed to Buyer, and provided that Seller's failure to complete the Subdivision is not directly attributable to Buyer's act or failure to act as required under the Torrance Lease, Buyer shall have the option to purchase (the "OPTION") the Parcel at the fair market value of the

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Extrusion Land, as determined by an independent M.A.I. appraiser chosen by the parties. In estimating such fair market value, the appraiser will take into account that the Parcel is not subdivided, is being sold "as-is" without environmental indemnification of any kind pursuant to Section 1.10(f) but shall ignore the effect of the Torrance Lease. The Option will be suspended during the 12-month sale period described in Section 1.10(c) unless during such period, (i) such sale is consummated, in which case the Option will expire or (ii) such sale is terminated, in which case the Option will no longer be suspended. At any time after the date which is three years and five months after the Closing Date, and before the Plant Land has been conveyed to Buyer, Buyer shall have the right to enter, or cause its consultants to enter, upon the Extrusion Land to make physical inspections, tests and surveys thereof, including environmental reports and audits, soil, geology, boring, sampling and other tests, for the purpose of determining whether Buyer will elect to exercise its Option. Buyer shall indemnify Seller for any damage to the Extrusion Land and any liability for personal injury or damage to other property of Seller or its tenants directly caused by such inspection and testing and shall require its consultants to leave the Extrusion Land in the same condition it was in prior to such inspection and testing. Buyer shall provide Seller with copies of the written results of all such tests and inspections but shall otherwise keep the results of any such inspection or testing confidential except to the extent that disclosure is required by law, judicial or administrative process or, in the event Buyer elects to exercise its Option, the results of such inspection and testing may be shared with the appraiser (provided the appraiser also agrees to keep such results confidential) to aid in its determination of fair market value of the Extrusion Land.

(f) Any purchase of the Parcel by Buyer, whether pursuant to its right of first refusal or the exercise of the Option, shall, as to the Plant Land only, be governed by and in compliance with the terms of this Agreement, including the title and survey requirements of Section 4.4 and the indemnities of Seller in Article VI. The purchase of the Parcel by Buyer pursuant to the Option shall, as to the Extrusion Land, be "as-is" without environmental or any other indemnities from Seller, provided Seller will deliver to Buyer a special warranty deed, and, at Buyer's expense, an ALTA form owner's title policy (Form B-1992 with extended coverage insuring over the general or standard exceptions) and, at Seller's expense, a survey meeting the requirements of Section 4.4(c) for the Parcel.

(g) The parties intend that Buyer will not have to pay for the value of the Plant Land but once and only at the Closing Date. The parties acknowledge that because the Torrance Lease is for a term of up to 99 years and calls for

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payment of only \$1.00 in rent, no third party purchaser or appraiser is likely to attribute any value to the Plant Land and may, in fact, discount its offer for the Extrusion Land due to the obligations imposed by the Torrance Lease.

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Ball and Buyer as follows:

Section 2.1 DISCLOSURE SCHEDULE. All representations and warranties in this Agreement shall survive the Closing to the extent provided in Section 6.1 (and, except as otherwise provided herein, none shall merge into any instrument of conveyance), regardless of any investigation or lack of investigation by any of the parties to this Agreement. Seller shall have no liability for any breach or alleged breach of any representation or warranty relating to an Excluded Liability to the extent Seller fully and timely discharges such Excluded Liability, without Buyer incurring any cost of investigation or defense with respect thereto. Each representation and warranty of Seller is made subject to the exceptions which are noted in the corresponding section of the Disclosure Schedule. For the purposes of this Agreement, the "DISCLOSURE SCHEDULE" is the schedule delivered by Seller and Ball concurrently herewith and identified by the parties as such. Seller shall number all exceptions noted in the Disclosure Schedule to correspond to the applicable section of Article II to which such exception refers. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES TO BALL, BUYER OR THEIR DESIGNEES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Except as otherwise expressly noted therein, the disclosures in any subsection of the Disclosure Schedule thereof shall not constitute disclosure for purposes of any other subsection.

Section 2.2 CORPORATE ORGANIZATION. Each of Seller, RIB, and LAR is (and at the Closing, each of RCAL and RIND will be) a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power and authority to carry on its business as it is now being conducted and to own or lease and operate its assets. The copies of the charter, bylaws, or corresponding organizational documents of Seller, RIB, RCAL,

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RIND and LAR heretofore delivered to Buyer are true, complete and correct copies of such instruments as in effect as of the date of this Agreement.

Section 2.3 OPERATION OF THE BUSINESS. Except for the license agreements listed in Section 2.3 of the Disclosure Schedule, the Business is conducted only through Seller, RCAL, RIND and LAR. Except for the Business, and for the disposition of certain surplus equipment formerly used in the Business at Seller's Houston can plant, and for interests held by its majority-owned subsidiaries in Latasa, SVE, and UAC, Seller and its Affiliates are not engaged in the design, manufacture, distribution and sale of beverage can bodies and ends. The Business Assets taken as a whole, together with the licenses being granted and the services being provided to Buyer under the Ancillary Agreements, constitute all of the rights, properties and assets (tangible and intangible) necessary for the continued conduct of the Business by Ball and Buyer as such Business has been conducted by Seller.

Section 2.4 AUTHORIZATION. Except as set forth in Section 2.4 of the Disclosure Schedule, Seller has all necessary corporate power and authority to enter into this Agreement and the Ancillary Agreements and to carry out the transactions contemplated hereby and thereby. Seller's Board of Directors has taken all corporate action required by law, Seller's Certificate of Incorporation, its Bylaws or otherwise required to be taken by it to authorize the execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and the Ancillary Agreements to be executed by Seller (when duly executed and delivered by Seller at or before the Closing, assuming this Agreement and the Ancillary Agreements constitute the valid and binding obligation of Ball and Buyer) will constitute, the valid and binding obligation of Seller, each enforceable in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 2.5 NO VIOLATION. Except as set forth in Section 2.5 of the Disclosure Schedule, neither the execution, delivery and performance of this Agreement and the Ancillary Agreements nor the consummation of the transactions contemplated hereby or thereby will (i) violate or be in conflict with any provision of the charter, bylaws or similar organizational document of Seller, RIB, RCAL, RIND or LAR, (ii) be in conflict with, or constitute a default (or an event which, with the

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giving of due notice or lapse of time, or both, would constitute such a default) under, or cause the acceleration of the maturity of, or give rise to any right

of termination, imposition of fees or penalties on Ball, Buyer or their Designees under any debt, lease, mortgage, indenture, license, contract, instrument or other obligation to which Seller, RIB, RCAL, RIND or LAR is a party or by which the Business Assets or the Shares are bound or result in the creation of any Encumbrance upon any Business Assets or the Shares, which would (A) have a Material Adverse Effect or (B) interfere with Seller's ability to consummate the transactions contemplated by this Agreement or any of the Ancillary Agreements, or (iii) violate any law, judgment, order, regulation, rule, ordinance or decree (hereinafter sometimes separately referred to as a "LAW") of any foreign, federal, state or local governmental or quasi-governmental, administrative, regulatory or judicial court, department, commission, agency, board, bureau, instrumentality or other authority (hereinafter sometimes referred to as an "AUTHORITY") which violation would (A) have a Material Adverse Effect or (B) interfere with Seller's ability to consummate the transactions contemplated by this Agreement.

Section 2.6 CONSENTS AND APPROVALS. Except as set forth in Section 2.6 of the Disclosure Schedule, no filing or registration with, notice to, or authorization, consent or approval of, any third party under any Contract or any Authority, or any required filings with, or clearance from, any Authority, is necessary for execution and delivery of this Agreement or the Ancillary Agreements or the consummation by Seller of the transactions contemplated hereby or thereby or to enable Ball or Buyer to conduct the Business at its present locations immediately after the Closing Date in a manner which is consistent with that in which the Business is presently conducted, except for compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR ACT"), and the Administrative Council for Economic Defense in Brazil ("CADE").

Section 2.7 FINANCIAL STATEMENTS.

(a) The unaudited balance sheets of Seller's global can operations (consisting of the Business, Seller's interests in Latasa and SVE, together with certain other Excluded Assets and Excluded Liabilities as described in Section 2.7 of the Disclosure Schedule) as of December 31, 1997 and December 31, 1996, and the related unaudited statements of income and cash flows for the years ended December 31, 1997, 1996 and 1995 (including the notes thereto, the "UNAUDITED FINANCIAL STATEMENTS"), are set forth in Section 2.7 of the Disclosure Schedule; provided that Buyer acknowledges that the footnotes contained in the Unaudited

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Financial Statements are incomplete with respect to disclosures to be included relating to Latasa. Such financial statements (i) have been derived from the books and records of Seller, (ii) have been prepared in conformity with GAAP consistently applied for all periods, and (iii) present fairly the results of operations, cash flows and financial condition of Seller's global can operations as of the dates and for the periods specified therein.

(b) The unaudited quarterly financial statements (balance sheet and statements of income and cash flow) for Seller's global can operations to be prepared and delivered to Buyer for periods after December 31, 1997 (the "INTERIM FINANCIAL STATEMENTS") (x) will be derived from the books and records of Seller, (y), except as indicated below, will be prepared in conformity with GAAP consistently applied for all periods and consistently with the principles applied in preparation of the Audited Financial Statements and (z) will present fairly the results of operations, cash flows and financial condition of Seller's global can operations as of the dates and for the periods specified therein; provided, however, that in the preparation of the Interim Financial Statements.

(i) U.S. federal, state and local and Puerto Rican income Taxes will not be included;

(ii) debt and interest expense will not be included;

(iii) Seller's corporate-level general and administrative expenses will not be allocated to the Business;

(iv) restructuring and environmental reserves and costs will not be included; and

(v) footnotes will not be included, except to the extent that quarterly financial statements on a Quarterly Report on Form 10-Q filed under the Exchange Act in accordance with the rules and regulations thereunder would be required to include footnotes.

Section 2.8 ACCOUNTS RECEIVABLE. All Accounts Receivable reflected on the Closing Statement (a) arose in the ordinary course of business and (b) are collectible in the ordinary course of business and are not subject to counterclaims or setoffs, subject in either case to reserves reflected on the Closing Statement. Except

as set forth in Section 2.8 of the Disclosure Schedule, Seller is not presently a party to and has not entered into any agreement to factor, sell, pledge or otherwise dispose of any Accounts Receivable.

Section 2.9 INVENTORY AND WORKING CAPITAL. Except as set forth in Section 2.9 of the Disclosure Schedule, the Inventory (a) consists of items of a quantity and quality which are usable or saleable in the ordinary course of Seller's business, except for items of obsolete material which have been written down on the Closing Statement to estimated net realizable value and (b) is sufficient but not excessive in kind or amount for the conduct of the Business as it is presently being conducted.

Based on Seller's current operating practices which, to the Knowledge of Seller, may be continued after Closing at the discretion of Ball and Buyer, the aggregate working capital of the Business is sufficient to meet the current operating requirements of the Business and the sales volume of the Business currently anticipated by Seller.

Section 2.10 ABSENCE OF CERTAIN CHANGES. Except as set forth in Section 2.10 of the Disclosure Schedule and as permitted by this Agreement, since December 31, 1997, Seller has not, with respect to the Business,

(a) suffered any adverse change in its business, operations, properties, assets, working capital, liabilities or condition (financial or otherwise) which resulted in or is reasonably likely to result in a Material Adverse Effect, and there has not been any damage, destruction, loss or other event which resulted in, or is reasonably likely to result in, a Material Adverse Effect;

(b) paid, discharged or satisfied any claims, liabilities or obligations (absolute, accrued, contingent or otherwise) involving more than \$100,000 with respect to the Business, other than the payment, discharge or satisfaction in the ordinary course of business and consistent with past practices of liabilities and obligations reflected or reserved against in the Audited Balance Sheet or incurred in the ordinary course of business and consistent with past practice since the date of the Audited Balance Sheet other than payment, discharge and satisfaction of Excluded Liabilities;

(c) permitted or allowed any of the Business Assets to be subject to any Encumbrance other than Permitted Exceptions;

(d) cancelled any debts of more than \$100,000 or waived any claims or rights of the Business having a value in excess of \$100,000;

(e) sold, transferred or otherwise disposed of any of the Business Assets other than sales of Inventory and other items described in Section 4.1(a)(ii) in the ordinary course of business;

(f) granted any general increase in the compensation of officers, senior executives or employees of the Business (including any such increase pursuant to any bonus, pension, profit-sharing or other plan or commitment) other than in the ordinary course of business;

(g) made capital expenditures or commitments for additions to property, plant, equipment or intangible capital assets of the Business totaling more than \$1,000,000;

(h) made any change in any method of financial or Tax accounting or financial or Tax accounting practice;

(i) except for travel advances in the ordinary course of business, loaned or advanced amounts in excess of \$10,000 to, or sold, transferred or leased any Business Assets to, any of the officers or employees of the Business or any affiliate or associate of any of the officers or employees of the Business or entered into any agreement or arrangement with respect to the foregoing or with respect to any payments or acceleration of payments to such parties in connection with the transactions contemplated hereby; or

(j) agreed to take any action described in this Section.

Section 2.11 TITLE TO PROPERTIES; ENCUMBRANCES. Except as set forth in Section 2.11 of the Disclosure Schedule, Seller has (or as of the Closing, RCAL and RIND will have) good, valid and marketable title to the Owned Real Property, and valid title, or, in the case of leased Business Assets (including, without limitation, the Leased Premises), valid and effective leases, to all the Business Assets which it purports to own or lease (real, personal and mixed, tangible and intangible). With respect to the Business Locations used by Seller in the operation of the Business in Puerto Rico, except as set forth in Section

2.11 of the Disclosure Schedule, LAR will, on the Closing Date, have good, valid and marketable title to the Owned Real Property located in Puerto Rico and valid title, or, in the case of leased Business

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Assets (including, without limitation, the Leased Premises), valid and effective leases, to all the Business Assets located in Puerto Rico (real, personal and mixed, tangible and intangible). Except as set forth in Section 2.11 of the Disclosure Schedule, the Owned Real Property and Seller's interests in the remaining Business Assets (including, without limitation, the Shares and Seller's interests in the Leased Premises but limited in the case of the Real Property Leases and the Leased Premises to Seller's acts) are free and clear of all title defects or objections, liens, claims, charges, security interests or other encumbrances, including, without limitation, leases, chattel mortgages, conditional sales contracts, collateral security arrangements and other title or interest retention arrangements (collectively, "ENCUMBRANCES") except for liens for current Taxes that are not yet due or Taxes that are being contested in good faith by appropriate proceeding; provided that Seller shall indemnify Ball and Buyer and hold them harmless from any Encumbrances arising out of any such contests. Seller has not received written notice of any proceedings, claims or disputes affecting any Business Locations that are reasonably likely to curtail or interfere with the present use or adversely affect the value of such Business Locations in any material respect. There is not any action of eminent domain or condemnation pending or, to the Knowledge of Seller, threatened for any portion of any Business Locations.

(a) Seller has not received any written notice in the last three years or which is currently unresolved from any Authority having jurisdiction over any Business Locations threatening a suspension, modification or cancellation of certificates of occupancy or Permits required under applicable Law to occupy and use lawfully any Business Location to conduct business as presently conducted.

(b) To the Knowledge of Seller, Seller's use and operation of the Business Locations in the Business as presently conducted is not dependent on a nonconforming use or other waiver from an Authority, the absence of which would materially limit the use of the Business Locations or the operation of the Business as presently conducted.

(c) To the Knowledge of Seller, no portion of the Business Locations on which any building is located is in any flood plain which requires Seller to obtain federal flood hazard insurance.

(d) There is free and uninterrupted ingress and egress (which in some cases may be via easement which is perpetual or, in the case of Leased Premises, at least of a duration equal to the term of the Real Property Lease, and suitable for the operation of the Business as presently conducted) to the Owned Real

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Property and, to the Knowledge of Seller, Leased Premises from a public street, road or highway.

Section 2.12 EQUIPMENT. Except as set forth in Section 2.12 of the Disclosure Schedule, with respect to each Business Location, the plants, structures, machinery, vehicles, equipment and other tangible personal property included in the Business Assets and located at such Business Location (including, without limitation, any Business Assets used in the operation of the Business at such Business Location and located on any third party's property), taken as a whole, are in good operating condition and repair (ordinary wear and tear excepted) and are adequate for the uses to which they are being put. All water, gas, electrical, steam, compressed air, telecommunications, sanitary and storm sewage lines and systems and other similar systems reasonably necessary to operate the Business as presently operated have been installed and are operating sufficiently to conduct the Business as presently conducted. Except as expressly set forth in this Agreement, Seller expressly disclaims any other representation and warranty of any kind or nature, express or implied, as to the condition, value or quality of the Business Assets and SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE BUSINESS ASSETS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE BUSINESS ASSETS SHALL BE TRANSFERRED TO PURCHASER "AS IS" AND "WHERE IS."

Section 2.13 INTELLECTUAL PROPERTY RIGHTS.

(a) Section 2.13 of the Disclosure Schedule contains a complete and accurate list of the following types of Intellectual Property Rights included in the Business Assets: (i) registrations and applications to register Trademarks; (ii) Patents; (iii) registrations and applications to register Copyrights and (iv) license agreements and other material agreements relating to the development or acquisition of or granting to others the right to use

Intellectual Property Rights. There are no royalties, honoraria, fees or other payments payable by Seller to any Person in connection with the ownership, licensure, use, or sale of any Patents, registered Trademarks, Copyrights or other Intellectual Property Rights which are material to the Business.

(b) (i) Seller, RIB, RCAL, RIND and LAR collectively own or have the right to use all of the Intellectual Property Rights included in the Business Assets, (ii) Seller is the owner of record of the registrations and applications set

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forth in Section 2.13 of the Disclosure Schedule and is listed in the records of the appropriate U.S., state or foreign agency as the owner of record for each such registration and application and (iii) no registration or application listed in Section 2.13 of the Disclosure Schedule is the subject of any existing or, to the Knowledge of Seller, threatened opposition, interference, cancellation or other proceeding before any registration authority in any jurisdiction. The registrations listed in Section 2.13 of the Disclosure Schedule are valid and subsisting, in proper form and enforceable, and have been duly maintained.

(c) To the Knowledge of Seller, use of the Intellectual Property Rights included in the Business Assets by Seller, RIB, RCAL, RIND or LAR does not infringe upon, or misappropriate any intellectual property right of any third party. There are no claims pending or, to the Knowledge of Seller, threatened, and Seller has not received any notice of any claim to such effect. To the Knowledge of Seller, no third party is infringing upon or misappropriating any Intellectual Property Rights. No such claims have been made by or on behalf of Seller to such effect within the past three years.

(d) There is no material default (or event which with the giving of notice and/or passage of time would constitute a material default) by Seller, RIB, RCAL, RIND or LAR, under any of the license agreements set forth in Section 2.13 of the Disclosure Schedule and, to the Knowledge of Seller, by any other party thereto.

(e) Section 2.13(e) of the Disclosure Schedule identifies the general actions taken by Seller to date as part of a program to enable software included in the Technology and related hardware to perform during and after the year 2000 without error relating to date data, including, without limitation, any error which references the wrong century or more than one century. Nothing in this Section 2.13(e) or in Section 2.13(e) of the Disclosure Schedule shall be construed as a guarantee by Seller that such software or hardware will perform without error relating to such year 2000 date data.

(f) Section 2.13(f) of the Disclosure Schedule identifies all Trademarks other than the Reynolds Marks that are used in the Business and not transferred to Ball pursuant to Section 1.2(k).

(g) There are no Patents, Trademarks or Copyrights used exclusively in the Business and not being transferred to Ball, Buyer or their

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Designees hereunder other than those set forth in Section 2.13(g) of the Disclosure Schedule.

Section 2.14 CERTAIN CONTRACTS.

(a) Section 2.14(a) of the Disclosure Schedule lists all (i) employment or other contracts (including, without limitation, consulting, non-competition, severance or indemnification agreements) which are included in the Business Assets with any employee, agent, consultant or current or living former officer or employee of Seller providing service to the Business whose total rate of annual remuneration exceeds \$90,000, except (A) those that are terminable by Seller on 60 days' notice or less without liability, penalty or premium and (B) at-will employment contracts, (ii) union or collective bargaining contracts relating to employees of Seller employed in the Business, (iii) instruments or agreements for money borrowed (including, without limitation, any indentures, guarantees, loan agreements, sale and leaseback agreements, or purchase money obligations incurred in connection with the acquisition of property other than in the ordinary and usual course of business consistent with past practice) in excess of \$100,000 included in the Assumed Liabilities, (iv) leases or subleases for personal property included in the Business Assets which require lease payments in excess of \$100,000 annually (other than those agreements which are terminable on 60 days' notice) and the Real Property Leases, (v) agreements for acquisitions or dispositions, purchase or sale of assets or stock or otherwise of a business unit of the Business entered into within the last five years, (vi) joint venture or partnership agreements included in the Business Assets, (vii) purchase and supply contracts in existence (or under negotiation) with a remaining (or prospective) term of six months or more included in the Business Assets and calling for aggregate future payments exceeding \$250,000, (viii) guarantees, suretyships,

indemnification and contribution agreements included in the Business Assets and (ix) other agreements, contracts, notes, security agreements, understandings or commitments that obligate Seller for an amount in excess of \$250,000 in the Business Assets (the agreements described in clauses (i) through (ix) above are collectively referred to as the "CONTRACTS"). A true and complete copy of each Contract (together with all amendments thereto) has been provided or made available to Buyer. Each Contract is or upon execution will be a valid and binding obligation of Seller. Seller is not in material breach or default under any of the Contracts, and to the Knowledge of Seller, there has not been any material breach or default of any Contract by any party thereto.

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(b) The policy of Seller with respect to entering into confidentiality agreements with its employees is as set forth in Section 2.14(b) of the Disclosure Schedule. Except as set forth in Section 2.14(b) of the Disclosure Schedule, no Contract, Permit or other understanding that would be binding upon Ball or Buyer restricts the ability of Seller to own, possess or use any of the Business Assets or conduct any of Seller's operations related to the Business in any geographic area.

Section 2.15 ORDERS AND COMMITMENTS. Except as set forth in Section 2.15 of the Disclosure Schedule, all outstanding orders and commitments of the Business have been made in the ordinary course of the Business. Returns of product manufactured in the Business as a percentage of sales for the year 1997 are as set forth in Section 2.15 of the Disclosure Schedule. As of the date of this Agreement, there are no claims in excess of \$100,000 per claim pending against Seller to return any merchandise sold by the Business by reason of alleged overshipments, defective merchandise or otherwise, or of merchandise in the hands of customers under an understanding that such merchandise would be returnable. As of the date of this Agreement, such claims in the aggregate do not exceed \$1,000,000.

Section 2.16 TAXES. Except as set forth in Section 2.16 of the Disclosure Schedule,

(a) Each of Seller, RIB, RCAL, RIND and LAR has duly and timely filed (or had filed on its behalf) all Tax Returns required to be filed by it with respect to the Business, and each such Tax Return is true, correct and complete in all material respects;

(b) Seller (with respect to the Business) and each of RIB, RCAL, RIND and LAR has duly paid or made adequate provision for the due and timely payment of all Taxes and other charges, including, without limitation, deposits required with respect to employee withholdings, interest, penalties, assessments and deficiencies, due or claimed to be due from it (other than amounts being contested in good faith, adequate reserves for which have been established);

(c) There are no liens for Taxes (other than statutory liens for property Taxes not yet due and payable) or other such charges upon the Business Assets or the Shares;

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(d) All deficiencies and assessments resulting from examination of the Tax Returns filed by (i) Seller with respect to the Business Assets or (ii) by RIB, RCAL, RIND and LAR, in either case by any Authority and declared by such Authority to be due or ordered to be paid, have been paid (other than amounts being contested in good faith for which adequate reserves have been established);

(e) There are no outstanding agreements or waivers extending the statutory period of limitation applicable to any Tax Return of RIB, RCAL, RIND or LAR for any period;

(f) No federal, state, local or foreign income or other material Tax audits are pending with respect to RIB, RCAL, RIND and LAR;

(g) None of RIB, RCAL, RIND and LAR is a party to any Tax-sharing agreement, arrangement or indemnity relating to Taxes;

(h) None of RIB, RCAL, RIND and LAR has been a member of any affiliated group within the meaning of section 1504(a) of the Code, or any similar affiliated or consolidated group for Tax purposes under state, local or foreign law, or has any liability for the Taxes of any person under Treasury Regulation section 1.1502-6 or any similar provision of state, local or foreign law, as a transferee or successor, by contract or otherwise; and

(i) None of RIB, RCAL, RIND or LAR is a party to any contract, agreement, arrangement or plan (and Seller is not a party to any contract, agreement, arrangement or plan that will be assumed by Buyer, Ball or any of their Affiliates as a result of this Agreement) that has resulted or would result in connection with the transactions contemplated by this Agreement,

separately or in the aggregate, in the payment of (x) any "excess parachute payments" within the meaning of section 280G of the Code (without regard to the exceptions set forth in section 280G(b)(4) and (5) of the Code) or (y) any amount for which a compensation deduction would be disallowed under section 162(m) of the Code.

Section 2.17 LITIGATION. Except as set forth in Section 2.17 of the Disclosure Schedule, no claim, demand, action, suit, inquiry, proceeding or investigation by or before any Authority is pending or, to the Knowledge of Seller, threatened against or involving Seller with respect to the Business, the Business Assets or the Shares, or which questions or challenges the validity of this Agreement or the Ancillary Agreements or any action taken or to be taken by Seller pursuant to this

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Agreement or the Ancillary Agreements or in connection with the transactions contemplated hereby or thereby. Except as set forth in Section 2.17 of the Disclosure Schedule, Seller is not subject to any judgment, court order or decree, or any arbitration order issued within six years prior to the date of this Agreement with respect to the Business or Business Assets.

Section 2.18 COMPLIANCE WITH LAW. Except as set forth in Section 2.18 of the Disclosure Schedule and excluding those matters relating to the representations and warranties contained in Sections 2.19, 2.20 and 2.21, the Business has been conducted in compliance in all material respects with all applicable Laws. Seller has not received any notification from any Authority of any asserted present failure by Seller to comply with Laws in regard to the Business. All material Permits held by Seller in connection with the operation of the Business or the Business Assets are set forth in Section 2.18 of the Disclosure Schedule.

Section 2.19 ENVIRONMENTAL PROTECTION. Except as set forth in Section 2.19 of the Disclosure Schedule,

(a) Seller has obtained (or is in the process of obtaining) all material Environmental Permits which are required under applicable Environmental Laws for the ownership, use and operation of each parcel of Owned Real Property and for the conduct by Seller of its activities on the Leased Premises. All such material Environmental Permits previously obtained by Seller are in effect or in the application process. To the Knowledge of Seller, no action is pending to revoke any such material Environmental Permits. Seller is in material compliance with the terms and conditions of such Environmental Permits. All such material Environmental Permits with respect to the Business are listed in Section 2.19(a) of the Disclosure Schedule. To the extent Seller has not yet obtained any Environmental Permit for which it is applying, it is not in violation of any Environmental Law as a result thereof. All material Environmental Permits for which Seller has applied but has not obtained are listed in Section 2.19(a) of the Disclosure Schedule.

(b) With respect to the Business, Seller, the Owned Real Property and Seller's activities on the Leased Premises are in material compliance with all applicable Environmental Laws.

(c) Seller has made available to Buyer true and complete copies of all material final environmental studies made or prepared by third parties in

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the last five years relating to the Business Locations in Seller's possession, such studies being listed in Section 2.19(c) of the Disclosure Schedule.

(d) There is no civil, criminal or administrative action, claim, investigation, notice or demand letter pending or, to the Knowledge of Seller, threatened, under any Environmental Laws relating to the Owned Real Property and Seller's activities on the Leased Premises on which any substance relating to the Business has been disposed or released.

(e) Since January 1, 1992, to the best Knowledge of Seller,

(i) except for the generation, storage, disposal and transportation to offsite facilities in the ordinary course of business in compliance in all material respects with applicable Environmental Laws, there has been no generation, storage, disposal, treatment or transportation of any Hazardous Substances at the Owned Real Property or arising from Seller's activities at the Leased Premises in violation of, or which could give rise to any material obligation under, any Environmental Laws; and

(ii) there has been no Release requiring Cleanup at the Owned Real Property or arising from Seller's activities at the Leased Premises.

(f) No Release or Cleanup has occurred at any Owned Real Property resulting in the assertion or creation of an Encumbrance on any Owned Real Property by any Authority nor, to the Knowledge of Seller, has any such assertion of an Encumbrance been made in writing by any Authority.

(g) To the Knowledge of Seller, except for matters which are Excluded Liabilities under Section 1.3(b)(v), Seller has not, within three years preceding the date of this Agreement or, to the extent currently unresolved, at any time prior to the date hereof, received any written notice or any order from any Authority advising it that it is, with respect to any Business Location, responsible for or potentially responsible for Cleanup or paying for the cost of Cleanup of Hazardous Substances, and Seller has not entered into any agreements concerning such Cleanup.

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(h) To the Knowledge of Seller, the Business Locations do not contain any (i) underground storage tanks, (ii) friable asbestos, (iii) equipment containing PCBs, (iv) underground injection wells, or (v) septic tanks in which any Hazardous Substances have been disposed.

Section 2.20 LABOR RELATIONS. Except as set forth in Section 2.20 of the Disclosure Schedule,

(a) Section 2.20(a) of the Disclosure Schedule identifies all collective bargaining agreements (including, without limitation, any written amendments or written side agreements thereto) to which Seller, RCAL, RIND or LAR is a party that apply to the employees of the Business (the "COLLECTIVE BARGAINING AGREEMENTS");

(b) each of Seller, RCAL, RIND or LAR is, with respect to the Business, in compliance with all applicable Laws respecting employment and employment practices, terms and conditions of employment, occupational safety and health and wages and hours, except for such noncompliance that could not reasonably be expected to have a Material Adverse Effect, and is not engaged in any unfair labor practice as defined in the National Labor Relations Act or other applicable Law;

(c) there is no unfair labor practice charge or complaint against Seller, RCAL, RIND or LAR with respect to the Business pending or, to the Knowledge of Seller, threatened before the National Labor Relations Board or any similar Authority;

(d) there is no labor strike, dispute, slowdown, lockout or stoppage pending or, to the Knowledge of Seller, threatened against Seller, RCAL, RIND or LAR with respect to the Business, and during the past three years, there has not been any such action;

(e) no written grievance rising to the fourth step of the grievance procedures under the Collective Bargaining Agreements is pending against Seller with respect to the Business;

(f) to the Knowledge of Seller, there are no current union organizing activities among such employees, nor does any question concerning representation exist concerning such employees;

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(g) there are no material written personnel policies, rules or procedures applicable to employees employed by Seller in the Business, other than those listed in Section 2.20(a) of the Disclosure Schedule, true and correct copies of which have been made available to Buyer;

(h) no charges against or involving Seller, RCAL, RIND or LAR with respect to the Business are pending or, to the Knowledge of Seller, threatened before any Authority responsible for the prevention of unlawful employment practices;

(i) there are no lawsuits or other proceedings pending or, to the Knowledge of Seller, threatened by or on behalf of any present or former employee employed by Seller, RCAL, RIND or LAR or alleged to be employed by Seller, RCAL, RIND or LAR in connection with the operation of the Business, any applicant for such employment or classes of the foregoing alleging breach of any express or implied contract of employment, any Law or regulation governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship; and

(j) none of the employees employed by Seller, RCAL, RIND or LAR in the Business has suffered an "employment loss" (as defined in the Worker Adjustment and Retraining Notification Act ("WARN ACT")) since three months before the date of this Agreement.

Section 2.21 EMPLOYEE BENEFIT MATTERS.

(a) Section 2.21(a) of the Disclosure Schedule contains a true and complete list of each pension, retirement, savings, profit-sharing, stock bonus, stock purchase, stock option, restricted stock, deferred compensation, bonus or other incentive compensation, equity compensation plan, program, policy, agreement, contract, arrangement or fund, including each pension plan, fund or program within the meaning of section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), each medical, dental, hospitalization, supplemental unemployment benefits, life insurance or other welfare plan, program, policy, agreement, contract, arrangement or fund, including each welfare plan, fund or program within the meaning of section 3(1) of ERISA, each employment, termination or severance plan, program, policy, agreement, contract or arrangement and each other employee benefit plan, program, policy, agreement, contract, arrangement or fund, in each case, that is sponsored, maintained or contributed to or required to

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be contributed to by Seller, RCAL, RIND or LAR or by any trade or business, whether or not incorporated (an "ERISA AFFILIATE"), that together with Seller would be deemed a single employer within the meaning of section 4001(b) of ERISA, or to which Seller or an ERISA Affiliate is party, that are currently maintained by Seller for the benefit of, or to which Seller contributes on behalf of, any employee of the Business as a result of such employee's employment in the Business (each a "PLAN"). Section 2.21(a) of the Disclosure Schedule identifies each of the Plans that is subject to section 302 or Title IV of ERISA or section 412 of the Code (the "TITLE IV PLANS").

Except as set forth in Section 2.21 of the Disclosure Schedule (with respect to paragraphs (b)-(h)):

(b) With respect to each Plan that covers Represented Employees, Seller has heretofore delivered or made available to Buyer true and complete copies of the current version of the Plan and any amendments thereto, any related trust or other funding vehicle, any summaries required under ERISA or the Code and the most recent determination letter received from the Internal Revenue Service with respect to each Plan intended to qualify under section 401(a) of the Code. To the Knowledge of Seller, no event has occurred since the date of such determination that would affect such determination.

(c) No liability under Title IV or section 302 of ERISA has been incurred by Seller or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a risk to Seller or any ERISA Affiliate of incurring any such liability, other than liability for premiums due the Pension Benefit Guaranty Corporation (which premiums have been paid when due). To the extent this representation applies to section 4064, 4069 or 4204 of Title IV of ERISA, it is made not only with respect to the Title IV Plans but also with respect to any material employee benefit plan, program, agreement or arrangement subject to Title IV of ERISA to which Seller or an ERISA Affiliate made, or was required to make, contributions during the six-year period ending on the Closing.

(d) Neither Seller, any ERISA Affiliate, any Plan, any trust created thereunder, nor any trustee or administrator thereof has engaged in a transaction in connection with which Seller, any ERISA Affiliate, any Plan, any such trust, or any trustee or administrator thereof, or any party dealing with any Plan or any such trust could be subject to either a civil penalty assessed pursuant to section 409 or 502(i) of ERISA or a tax imposed pursuant to section 4975 or 4976 of the Code.

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(e) No Title IV Plan is a "multiemployer pension plan," as defined in section 3(37) of ERISA.

(f) All contributions required to be made with respect to any Plan on or before the Closing Date have been timely made.

(g) Each Plan has been operated and administered in all material respects in accordance with its terms and applicable Law, including, without limitation, ERISA and the Code.

(h) There are no pending or, to the Knowledge of Seller, threatened, claims by or on behalf of any Plan by any employee or beneficiary covered under any such Plan, or otherwise involving any such Plan (other than routine claims for benefits).

(i) The Employee Lists and the Employee Benefits Data provided to Buyer by Seller pursuant to Section 5.5 are true and complete as of the date of such lists.

Section 2.22 CUSTOMERS AND SUPPLIERS. Except as set forth in Section 2.22 of the Disclosure Schedule, since September 30, 1997, (a) there has not

been any material adverse change in the business relationship between Seller and any customer of the Business which customer accounts for annual sales to Seller of \$5,000,000 or more on an annualized basis and (b) to the Knowledge of Seller, no such customer has advised Seller that it intends to terminate its relationship with Seller or significantly reduce its purchases from Seller. Since September 30, 1997, there has not been any material adverse change in the business relationship between Seller and any supplier of the Business accounting for sales to Seller of \$1,000,000 or more on an annualized basis providing supplies to Seller which are not readily obtainable from other sources in the ordinary course of business.

Section 2.23 BROKERS AND FINDERS. Neither Seller nor any of its officers, directors or Affiliates has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

Section 2.24 INVESTMENT. Seller (i) understands that the Ball Shares have not been registered under the Securities Act of 1933, as amended (the "ACT"), or under any state securities laws, and are being offered and sold in reliance upon

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federal and state exemptions for transactions not involving any public offering, and may not be sold except in a transaction registered under the Act or exempt from such registration requirements and (ii) is acquiring the Ball Shares solely for its own account for investment purposes, and not with a view to the distribution thereof, other than a sale or distribution which is registered under the Act or is exempt from such registration or except pursuant to the registration rights provisions contained in the Stockholder's Agreement.

Section 2.25 CAPITALIZATION OF SUBSIDIARIES.

(a) Section 2.25(a) of the Disclosure Schedule lists RCAL's, RIND's and LAR's authorized, issued and outstanding capital stock and all of the owners thereof. Seller's interest in RCAL, RIND or LAR is free and clear of all Encumbrances and free of any limitation or restriction on the right to vote, sell or otherwise dispose of such interests (other than those imposed by foreign, federal and state securities laws), and there are no outstanding (i) securities of RCAL, RIND or LAR convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in RCAL, RIND or LAR or (ii) options or other rights to acquire from RCAL, RIND or LAR any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable for any capital stock, voting securities or ownership interests in RCAL, RIND or LAR (the items in clauses (i) and (ii) being referred to collectively as the "DOMESTIC SUBSIDIARY SECURITIES"). There are no outstanding obligations to repurchase, redeem or otherwise acquire any outstanding Domestic Subsidiary Securities. The issued and outstanding shares of capital stock of RCAL, RIND and LAR are duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of any preemptive rights, including any rights of first refusal.

(b) Section 2.25(b) of the Disclosure Schedule lists the authorized, issued and outstanding capital stock of RIB and the direct and indirect ownership interest of Seller and its Affiliates therein as of the date hereof. The issued and outstanding shares of capital stock of RIB are duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of any preemptive rights, including any rights of first refusal. Seller's interest in RIB is free and clear of all Encumbrances and free of any restriction on the right to vote, sell or otherwise dispose of such interest (other than those imposed by foreign, federal and state securities laws), and there are no outstanding (i) securities of RIB convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in RIB, or (ii) options or other rights to acquire from RIB, any capital

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stock, voting securities or other ownership interest in, or any securities convertible into or exchangeable for any capital stock, voting securities or ownership interest in RIB. There are no outstanding obligations to repurchase, redeem or otherwise acquire any outstanding RIB securities.

(c) Section 2.25(c) of the Disclosure Schedule lists the ownership interests of Seller or its Affiliates in Latasa, each of the subsidiaries of Latasa (the "LATASA SUBSIDIARIES"), the respective authorized, issued and outstanding capital stock of each such entity and all the owners thereof. Except as set forth in Section 2.25(c) of the Disclosure Schedule, the interests of Seller or its Affiliates in Latasa and of Latasa in the Latasa Subsidiaries are free and clear of all Encumbrances and free of any limitation or restriction on the right to vote, sell or otherwise dispose of such interests (other than those imposed by foreign, federal and state securities laws), and

there are no outstanding (i) securities of Latasa or any of the Latasa Subsidiaries owned by Seller or its Affiliates convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in Latasa or the Latasa Subsidiaries and (ii) options or other rights to acquire from Latasa or the Latasa Subsidiaries any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable for any capital stock, voting securities or ownership interests in Latasa or the Latasa Subsidiaries independent of the assets transferred to Buyer. There are no outstanding obligations to repurchase, redeem or otherwise reacquire any outstanding securities of Latasa or the Latasa Subsidiaries. The issued and outstanding shares of capital stock of each of Latasa and the Latasa Subsidiaries are duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of any preemptive rights, including any rights of first refusal.

(d) Section 2.25(d) of the Disclosure Schedule lists all agreements, arrangements or commitments to which Seller or any of its Affiliates is a party relating to the holding, voting or transfer of any of RIB, RCAL, RIND and LAR securities or the governance of any of such subsidiaries.

(e) The execution, delivery and performance of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby will not create an Encumbrance on the Shares.

(f) RIB and RILA own 11,504,994 and 5,159,250 shares, respectively, of capital stock in Latasa, which shares are duly authorized, validly issued, fully paid and nonassessable.

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(g) Reynolds and its Affiliates own 123,840 shares of capital stock of SVE.

Section 2.26 LATASA AGREEMENTS.

(a) Seller has previously delivered to Buyer true and complete copies of all the Latasa Agreements.

(b) Seller is not in material breach of any of the Latasa Agreements.

(c) Other than the transactions contemplated by this Agreement, to the Knowledge of Seller, there is no fact that would allow a party to the Latasa Agreements to terminate any such agreement or that would result in an Encumbrance on the Shares.

(d) Except as set forth in Section 2.26(d) of the Disclosure Schedule, neither the execution, delivery and performance of this Agreement and the Ancillary Agreements nor the consummation of the transactions contemplated hereby or thereby will (i) violate or be in conflict with any provision of the charter, bylaws or similar organizational document of Latasa or any of the Latasa Subsidiaries or (ii) be in conflict with, or constitute a default (or an event which, with the giving of due notice or lapse of time, or both, would constitute such a default) under, or cause the acceleration of the maturity of, or give rise to any right of termination, imposition of fees or penalties on Ball or Buyer under any debt, lease, mortgage, indenture, license, contract, instrument or other obligation to which Latasa or any of the Latasa Subsidiaries is a party or by which the Business Assets or the Shares are bound or result in the creation of any Encumbrance upon any Business Assets or the Shares, which would (A) have a Material Adverse Effect or (B) interfere with Seller's ability to consummate the transactions contemplated by this Agreement or the Ancillary Agreements; or (iii) violate any law, judgment, order, regulation, rule, ordinance or decree of any Authority which violation would (A) have a Material Adverse Effect or (B) interfere with Seller's ability to consummate the transactions contemplated by this Agreement.

Section 2.27 LATASA OFFERING STATEMENT. The Latasa offering statement dated May 14, 1997 (the "LATASA OFFERING STATEMENT"), a copy of which has been previously delivered to Buyer, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein,

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in light of the circumstances in which they were made, not misleading. Except as set forth in Section 2.27 of the Disclosure Schedule, to the Knowledge of Seller, since the date of the Offering Statement, no event has occurred which could reasonably be expected to have a material adverse effect on Latasa.

Section 2.28 LATASA FINANCIAL STATEMENTS. The unaudited balance sheets of Latasa as of December 31, 1997 and 1996 and the related unaudited statements of income and cash flows for the years then ended, including the related notes thereto (in English) are set forth in Section 2.28 of the

Disclosure Schedule (the "UNAUDITED LATASA FINANCIAL STATEMENTS"). Such financial statements (i) have been derived from the books and records of Latasa, (ii) have been prepared in conformity with GAAP consistently applied for all periods and (iii) present fairly the results of operations, cash flows and financial condition of Latasa as of the dates and for the periods specified therein.

Section 2.29 SVE AGREEMENT. Seller has previously delivered to Buyer a true and complete copy of the Continuing Know-How and Technical Services Agreement between Seller or its Affiliate and SVE (the "SVE TECHNICAL SERVICES AGREEMENT"). Seller is not in material breach of the SVE Technical Services Agreement.

Section 2.30 SELLER'S EXPOSURE ESTIMATES. The information contained in Section 2.30 of the Disclosure Schedule is based on Seller's records, Seller's past business experiences and practices and Seller's current business beliefs and expectations. Assuming the continuation of Seller's existing business practices and existing, pending and anticipated contracts related to Seller's existing metals cost programs and can price programs, the information contained in Section 2.30 of the Disclosure Schedule is a reasonable estimate of the exposure limits described therein.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BALL AND BUYER

Ball and Buyer jointly and severally represent and warrant to Seller as follows:

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Section 3.1 CORPORATE ORGANIZATION, ETC. Each of Ball and Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and each has full corporate power and authority to carry on its business as it is now being conducted and to own or lease and operate its assets and, in the case of Buyer, to operate the Business after the Closing. The copies of the charter and bylaws of each of Ball and Buyer delivered to Seller as of the date hereof are true, complete and correct copies of such instruments as in effect on the date of this Agreement.

Section 3.2 AUTHORIZATION, ETC. Each of Ball and Buyer has all necessary corporate power and authority to enter into this Agreement and the Ancillary Agreements and to carry out the transactions contemplated hereby and thereby. The Board of Directors of each of Ball and Buyer has taken all action required by law, and the charter and bylaws of each of Ball and Buyer, and otherwise required to be taken by it to authorize the execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and the Ancillary Agreements to be executed by Ball and Buyer (when duly executed and delivered by Ball and Buyer at or before Closing, assuming this Agreement and the Ancillary Agreements constitute the valid and binding obligations of Seller) will constitute, the valid and binding obligation of Ball and Buyer, each enforceable in accordance with its terms except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 3.3 NO VIOLATION. Neither the execution, delivery and performance of this Agreement and the Ancillary Agreements nor the consummation of the transactions contemplated hereby or thereby will (i) violate or be in conflict with any provision of the charter or bylaws of Ball or Buyer, (ii) as of the Closing, violate, or be in conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or cause the acceleration of the maturity of or give rise to any right of termination, imposition of fees or penalties on Ball or Buyer under any debt, lease, mortgage, indenture, license, contract, instrument or other obligation to which Ball or Buyer is a party or by which the property or assets of Ball or Buyer are bound or result in the creation of any Encumbrance upon any property or assets of Ball or Buyer which violation or Encumbrance would materially (A) adversely affect the business of Ball or Buyer or

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(B) interfere with Buyer's or Ball's ability to consummate the transactions contemplated by this Agreement or the Ancillary Agreements, or (iii) violate any Law, which violation would materially (A) adversely affect the business of Ball or Buyer or (B) interfere with Buyer's or Ball's ability to consummate the transactions contemplated by this Agreement or the Ancillary Agreements.

Section 3.4 LITIGATION. There is no action, suit, inquiry, proceeding or investigation by or before any court or governmental or other regulatory or administrative agency or commission pending, or, to the best knowledge of Ball and Buyer, threatened against or involving Ball or Buyer which questions or challenges the validity of this Agreement or the Ancillary Agreements or any action taken or to be taken by Ball or Buyer pursuant to this Agreement or the Ancillary Agreements or in connection with the transactions contemplated hereby or thereby; nor, to the best knowledge of Ball and Buyer, is there any valid basis for any such action, proceeding or investigation.

Section 3.5 SEC REPORTS. Ball has filed all periodic reports required to be filed by it under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") with the U.S. Securities and Exchange Commission (the "SEC") since January 1, 1996, all of which, as of their respective filing dates, complied in all material respects with all applicable requirements of the Exchange Act (as such documents have been amended since the time of their filing, collectively, the "BALL SEC REPORTS"). None of the Ball SEC Reports, including, without limitation, any financial statements or schedules included therein, as of their respective dates or, if amended, as of the date of the last such amendment, contained any 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, in light of the circumstances under which they were made, not misleading.

Section 3.6 BROKERS AND FINDERS. Except for the fees and expenses of Lehman Brothers (which shall be paid by Ball), neither Ball nor Buyer nor any of their officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

Section 3.7 AUTHORIZATION OF SHARES. The issuance of the Ball Shares has been duly authorized by all requisite corporate action on the part of Ball, and upon issuance in accordance with the terms hereof, the Ball Shares will be validly issued, fully paid, and nonassessable free and clear of all encumbrances (other than

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under applicable federal or state securities laws) and shall not have been issued in violation of any preemptive rights. The authorized, issued and outstanding shares of capital stock of Ball, all of which are validly issued and outstanding, fully paid and non-assessable, are set forth in Section 3.7 of the Disclosure Schedule. Except as disclosed in Section 3.7 of the Disclosure Schedule, there are no (a) options, warrants, conversion privileges or other rights, agreements, arrangements or other commitments obligating Ball to issue, sell, purchase or redeem any shares of its capital stock or (b) any stock appreciation, phantom or similar rights outstanding based upon the book value, earnings or any other attribute of any of the capital stock of Ball. Section 3.7 of the Disclosure Schedule lists all agreements, arrangements or commitments to which Ball or Buyer is a party relating to the holding, voting or transfer of any of the shares in Ball or the operations or governance of Ball. Ball owns all of the outstanding capital stock of each of its subsidiaries, including Buyer, free of Encumbrances other than (i) liens for taxes not yet due or taxes being contested in good faith by appropriate proceedings and (ii) any other encumbrances incurred as a result of the Financing (as defined in Section 3.9).

Section 3.8 CONSENTS AND APPROVALS. Except as set forth in Section 3.8 of the Disclosure Schedule, no filing or registration with, notice to or authorization, consent or approval of, any third party under any material contract to which Ball or Buyer is a party or any Authority, or any required filings with, or clearance from, any Authority, is necessary for execution and delivery of this Agreement or the Ancillary Agreements by Ball or Buyer or the consummation by Ball or Buyer of the transactions contemplated hereby or thereby except for compliance with the HSR Act or Cade.

Section 3.9 FINANCING. Ball has received a commitment letter (the "COMMITMENT LETTER"), dated April 22, 1998, from The First National Bank of Chicago, First Chicago Capital Markets, Inc., Bank of America National Trust and Savings Association, BancAmerica Robertson Stephens, Inc., Lehman Brothers Inc. and Lehman Commercial Paper Inc. to provide \$1.8 billion of debt financing (the "FINANCING") to Ball and Buyer in connection with the transactions contemplated hereby and the refinancing of other indebtedness of Ball on the terms set forth in the Commitment Letter. A true and complete copy of the Commitment Letter has been delivered to Seller.

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ARTICLE IV

COVENANTS OF SELLER

Seller hereby covenants and agrees with Buyer:

Section 4.1 CONDUCT OF THE BUSINESS.

(a) From the date hereof until the Closing Date, Seller shall conduct the Business in the ordinary course consistent with past practice and use all reasonable efforts to preserve intact the present business organization and its relationships with suppliers, dealers, customers and third parties having business relationships with the Business and keep available the services of the present employees of the Business. Without limiting the generality of the foregoing, from the date hereof until the Closing Date, Seller will not, without the prior written consent of the Chairman, Vice Chairman or President of Ball:

(i) acquire assets valued in excess of \$250,000 in the aggregate from any Person other than in the ordinary course consistent with past practice or as provided in the capital expenditure plan included in Section 2.10 of the Disclosure Schedule;

(ii) sell, lease, license or otherwise dispose of any Business Assets except for sales of Inventory and the following other items in the ordinary course consistent with past practice: (A) aluminum scrap generated by the production process; (B) other scrap metal; (C) used beverage cans; (D) waste oil; (E) recyclable paper, chipboards and separators; (F) non-usable pallets; (G) corrugated cardboard; (H) waste water treatment room slurry accumulation; and (I) packing materials and plant process materials sold to other can and end manufacturers who are experiencing emergency shortages;

(iii) enter into any material agreement or contract with respect to the Business or any of the Business Assets which is not assignable (or which requires the consent of a third party to assign which consent has not been obtained) to Ball or Buyer;

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(iv) cancel any debts in excess of \$200,000 individually or \$1,000,000 in the aggregate, or waive any claims or rights of material value related to the Business or the Business Assets;

(v) grant any increase in the rates or terms of compensation payable or to become payable to officers or employees of Seller related to the Business (including any such increase pursuant to any benefit plan), except in the ordinary and usual course of business consistent with past practice or required by any labor or other agreement in effect as of the date hereof or as described in Section 2.10 of the Disclosure Schedule;

(vi) enter into, extend, amend, or renew any material contract, agreement, purchase or supply agreement or commitment or other obligation of the Business to which Seller is a party, except in the ordinary and usual course of business consistent with past practice;

(vii) make any material change in any management, operation, financial, Tax or accounting principles, methods, practices or procedures of the Business;

(viii) enter into any collective bargaining agreement or labor contract of any kind related to the Business; or

(ix) agree or commit to do any of the foregoing.

(b) From the date hereof until Closing, Seller shall not, without the prior written consent of the Chairman, Vice Chairman or President of Ball or Buyer:

(i) vote, or allow any of its subsidiaries to vote, the equity interests in Latasa held by RIB and RILA so as to materially change the nature of the business conducted by Latasa; or

(ii) allow any of its subsidiaries to (A) dispose of, (B) grant any rights, options or warrants with respect to or (C)

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create any Encumbrances on any shares owned directly or indirectly by Seller which represent or hold equity interests in Latasa or SVE.

Section 4.2 ACCESS. Seller shall afford to Buyer, Ball, and their counsel, accountants, other representatives and financing sources, reasonable access during normal business hours and subject to Seller's safety regulations,

as Ball or Buyer may reasonably request, to the plants, offices, warehouses, properties, advisors, auditors, officers, employees and the books and records of Seller related to the Business, the Business Assets and the Shares, and with Seller's consent, material customers, suppliers and joint venture partners, so that Buyer may investigate the Business (including, without limitation, conducting environmental investigations) and obtain information requested by financing sources. Seller will cooperate with Ball and Buyer in their investigation and furnish to Buyer such additional financial, operating and other information related to the Business, Business Assets or the Shares as Buyer shall from time to time reasonably request. If employee consent is required for Buyer to review any personnel file, at Buyer's reasonable request Seller shall use reasonable efforts to obtain such consent. Such investigations shall be conducted so as not to interfere unreasonably with the operation of the Business. Notwithstanding anything contained herein to the contrary, Seller shall not be required to make available to Buyer, Ball or their Affiliates, agents, or representatives any information relating to existing or contemplated pricing, price discount, and customer rebate information or other similar sensitive information relating to the Business. From and after the date hereof, Seller will provide to Buyer, promptly following the end of each month, monthly financial reports consistent with those currently provided to management of the Business and, as available, quarterly financial statements of the Business consistent with the representations set forth in Section 2.7.

Section 4.3 CONSENTS. Seller shall use all reasonable efforts to obtain all consents necessary to consummate the transactions contemplated hereby, including those approvals set forth in Section 2.6 of the Disclosure Schedule. Seller will provide to Buyer copies of each such consent promptly after it is obtained. Ball and Buyer will cooperate with Seller in obtaining such consents and shall use all reasonable efforts to obtain all consents from parties to agreements with Ball or Buyer necessary to consummate the transactions contemplated hereby (including those approvals referred to in Section 3.8).

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Section 4.4 TITLE TO REAL PROPERTY.

(a) Except as contemplated by Section 1.10, Seller shall convey to Buyer, at the Closing, by special warranty deeds, in a form reasonably acceptable to Buyer, title in fee simple to all of the Owned Real Property subject only to (i) liens for real estate taxes and assessments and other governmental charges which are a lien but which are not yet due and payable and (ii) Permitted Exceptions and such additional title and survey matters as are contemplated by Section 4.4(b) and (c) below or, in the case of Torrance, California, as are contemplated herein or in the Torrance Lease.

(b) Seller has previously delivered to Buyer title commitments (the "TITLE COMMITMENTS"), which are described in Section 4.4(b) of the Disclosure Schedule, issued by Lawyers' Title Insurance Company (the "TITLE COMPANY"), along with copies of all documents creating exceptions, as listed in the Title Commitments and surveys of the Owned Real Property and any other document with respect to Real Property reasonably requested by Buyer. Buyer hereby approves the following as "PERMITTED EXCEPTIONS": (i) the matters shown on the Title Commitments and on the surveys heretofore delivered to Buyer which are specifically identified as Permitted Exceptions in Section 4.4(b) of the Disclosure Schedule; (ii) a deed restriction applicable to burden the Fort Worth, Texas parcel substantially as contemplated by the Model Deed Certificate Language set forth as part of Exhibit 4.4(b); (iii) a 20-foot utility easement for electric lines to burden the Moultrie, Georgia parcel substantially in the form contemplated as a part of Exhibit 4.4(b); (iv) a railroad easement to burden the Hayward, California parcel for the benefit of the surplus property to be retained by Seller as shown on the drawing attached as a part of Exhibit 4.4(b); (v) such matters as are to relate to the Torrance, California parcel as are contemplated herein or in the Torrance Lease; and (vi) such matters as to which Buyer does not timely object as set forth in Section 4.4(b) or 4.4(c) or which are otherwise resolved either by affirmative insurance from the Title Company or Seller's indemnity or which are waived by Buyer all as hereinafter provided. No less than 20 days prior to Closing, Seller shall deliver to Buyer date downs of the Title Commitments. At the Closing, Seller, provided that Buyer pays the cost thereof, shall cause the Title Company to furnish to Buyer ALTA form owner's policies of title insurance (Form B-1992 with extended coverage insuring over the general or standard exceptions), or "marked-up" Title Commitments, in amounts equal to the value of the Owned Real Property designated by Buyer. In connection with the issuance of such title insurance, Seller shall furnish such reasonable and customary affidavits or documents requested by the Title Company which do not expand Seller's special

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warranty covenant so as to enable the Title Company to issue to Buyer owner's policies of title insurance. The cost of such title insurance shall be borne by Buyer. Buyer, at its sole expense, may obtain such endorsements as Buyer may desire (including, without limitation, survey endorsement, contiguity

endorsement (if applicable), subdivision endorsement, zoning 3.1 endorsement (or equivalent), access endorsement and tax parcel endorsement); however, the obtaining of such endorsements shall not be a condition of Closing and, in connection therewith, Seller shall furnish such reasonable and customary affidavits requested by the Title Company which do not expand Seller's special warranty covenant. If any such date downs of the Title Commitments reveal any exceptions which are not already Permitted Exceptions and which have an "Adverse Effect" (which term, for purposes of this Section 4.4(b), shall mean having an effect on the applicable parcel of Owned Real Property as a whole that is reasonably expected to be materially adverse to the use of the Owned Real Property for industrial purposes, except that exceptions resulting from the acts of Seller after the date of the Title Commitments and not otherwise specifically permitted by the terms of this Agreement or the Torrance Lease shall be deemed to have an "ADVERSE EFFECT"), then Buyer shall give Seller notice of objection within ten days after receipt of the date downs of the Title Commitments (otherwise the objection shall be deemed waived). If any survey described in Section 4.4(c) reveals any exceptions which are not already Permitted Exceptions and which have an Adverse Effect, then Buyer shall give Seller notice of objection within ten days after receipt of the survey (otherwise the objection shall be deemed waived). If Buyer gives notice of objection to matters shown on the date downs or the surveys and if the Title Company is not willing to provide Buyer with adequate affirmative coverage insuring over the same then Ball and Buyer may either (A) waive the exception, (B) cause Seller to indemnify and hold harmless Buyer for any loss, claim, cause of action or damage arising from such objections having an Adverse Effect or (C) in the event such matters have a Material Adverse Effect, terminate the Agreement in accordance with Article IX, including without limitation, Section 9.2(e) hereof. The cost of affirmative title insurance over such matters shall be paid by Seller to the extent that the cost of the title policies required by this Section 4.4 (b), with extended coverage over general or standard exceptions, but not the cost of additional endorsements Buyer elects to obtain (the "TITLE COSTS"), exceeds \$250,000. Buyer shall pay all costs of affirmative insurance until the cost thereof, when added to the Title Costs, equals \$250,000. In the event Seller is required to pay additional sums for affirmative insurance pursuant to the preceding two sentences, Seller, at its option, may elect to indemnify Buyer for any loss, claim, cause of action or damage arising from such objections in lieu of paying the cost of such affirmative insurance.

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(c) Seller has ordered surveys of the Owned Real Property (other than Torrance, California, which survey shall not be provided until that Owned Real Property has been subdivided) as hereinafter described. The surveys shall (i) be prepared and certified by a Registered Public Surveyor or Registered Professional Engineer, (ii) comply with 1997 ALTA/ACSM minimum detail requirements for Urban Land Title Surveys including Table A, items 1-4, 6-11 and 13, (iii) locate all improvements, building lines, rights-of-way and easements (identified by appropriate recording reference) and other matters of record, evidenced by on-site observation or as determined by the surveyor's examination of Seller's records affecting the Owned Real Property, (iv) contain a legal description of the Owned Real Property and (v) be certified to Buyer and the Title Company and Buyer's lender, if such name is provided prior to Closing. To the extent Seller has not already delivered any such surveys on or before the date of execution of this Agreement, Seller shall do so promptly following receipt and review thereof, but in any event Seller shall deliver the remaining surveys to Buyer at least 20 days before Closing.

Section 4.5 NO SOLICITATION.

(a) Until Closing or the earlier termination or expiration of this Agreement, Seller shall not, directly or indirectly, without the consent of Buyer, through any officer, director, employee, investment banker, attorney or agent, (i) solicit, initiate, or encourage any inquiries or proposals regarding the sale, lease or other disposition of the Business or any substantial part of the Business or Business Assets or the Shares other than the transactions contemplated by or described in this Agreement (any of the foregoing inquiries or proposals being referred to in this Agreement as an "ACQUISITION PROPOSAL"), (ii) engage in negotiations or discussions concerning, or provide any non-public information or data to any person or entity relating to, any Acquisition Proposal or (iii) agree to any Acquisition Proposal or otherwise facilitate any effort to make an Acquisition Proposal. Seller will immediately terminate any existing activities with any parties conducted heretofore with respect to any of the foregoing and secure the return of confidential information regarding the Business provided to any party other than Ball and Buyer in connection therewith.

(b) Seller shall promptly notify Buyer after receipt by Seller of any Acquisition Proposal or any inquiries indicating that any person is considering making or wishes to make an Acquisition Proposal, identifying such person and the details thereof.

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Section 4.6 SUPPLEMENTS TO DISCLOSURE SCHEDULE. From time to time prior to the Closing, Seller will promptly supplement or amend the Disclosure Schedule with respect to any matter hereafter arising which, if existing at the date of this Agreement, would have been required to be set forth in the Disclosure Schedule. Except for supplements and amendments reflecting transactions permitted by this Agreement (including, for example, and not by way of limitation, the execution of contracts permitted by Section 4.1), no such supplement to or amendment shall be deemed to qualify or amend any representation or warranty or cure any breach of any representation or warranty made in this Agreement; provided, that if any such breach arising out of events occurring after the date hereof and prior to the Closing is sufficiently material that Ball and Buyer would not be obligated to close under Section 8.1 as a result thereof, their remedy for such breach, unless the parties otherwise agree, shall be to elect not to close.

Section 4.7 BULK SALES LAWS. Each party hereby waives compliance by Seller with the provisions of the "bulk sales," "bulk transfer" and similar laws of any state. Seller agrees to indemnify and hold Ball, Buyer and their respective Affiliates (including, after the Closing, LAR, RCAL and RIND) harmless against any and all claims, losses, damages, liabilities (including Tax liabilities), costs and expenses incurred by Buyer, Ball or any of their respective Affiliates (including, after the Closing, LAR, RCAL and RIND) as a result of any failure to comply with any such "bulk sales," "bulk transfer" or similar laws.

ARTICLE V

ADDITIONAL COVENANTS AND AGREEMENTS

Section 5.1 REASONABLE EFFORTS. Subject to the terms and conditions of this Agreement, the parties will use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate, as promptly as practicable, the transactions contemplated by this Agreement; provided that Ball may, in its discretion upon written notice to Seller, extend the 7 day time period referred to in Section 1.7(a) by up to 21 days in order to complete its financing arrangements with respect to the transactions contemplated hereby. In addition, subject to the terms and conditions of this Agreement, Ball and Buyer will use their best reasonable efforts to consummate the Financing in accordance with the terms of the Commitment Letter. Each party agrees to cooperate fully with the other parties in assisting them to comply with the provisions of this

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Section 5.1. Each party agrees to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary or desirable to consummate the transactions contemplated by this Agreement.

Section 5.2 WARN ACT. The parties agree to cooperate in good faith to determine whether any notification may be required under the WARN Act as a result of the transactions contemplated by this Agreement. Seller will be responsible for providing any notification that may be required under the WARN Act with respect to any employees of the Business.

Section 5.3 REGULATORY AND OTHER AUTHORIZATIONS; CONSENTS.

(a) Each party will use all reasonable efforts to obtain all authorizations, consents, orders and approvals of Authorities (including from Cade) and all third party consents that may be or become necessary for the execution and delivery of, and the performance of its respective obligations pursuant to, this Agreement and the Ancillary Agreements, provided that neither Ball nor Buyer shall be under any obligation to divest itself of any assets, to hold assets separate or to agree to alter the manner in which Ball operates its business, the Business is operated or the business of Latasa is operated. As soon as practicable and in any event no more than 5 business days after the date hereof, Seller, Ball and Buyer will each file with the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice, pursuant to the HSR Act, Notification and Report Forms (FTC Form C4, Rev. 9/95) with respect to the transactions contemplated by this Agreement and respond as promptly as is practicable to all inquiries received from either agency for additional information or documentation. The parties agree that no filing will be made with Cade until after the Closing.

(b) The parties will consult with one another, and consider in good faith the views of one another, in determining whether any action by or in respect of, or filing with, any Authority is required or in connection with any filings, analyses, appearances, representations, memoranda, briefs, arguments, opinions and proposals made, or required to be made or submitted by or on behalf of any party in connection with proceedings under or relating to the HSR Act or any other federal, state or foreign antitrust or fair trade law. Each party shall promptly notify the other party of any communication to that party from any Authority in connection with any required filing with, or approval or review

by, such Authority in connection with the transactions contemplated by this Agreement.

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(c) Seller, Ball and Buyer shall each use its best efforts to (i) lift, rescind or appeal any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated hereby and (ii) defend any litigation seeking to enjoin, prevent or delay the consummation of the transactions contemplated hereby or seeking material damages as a result thereof; provided, that no party shall be required to take any such action to the extent there is not a reasonable chance of prevailing with respect thereto.

Section 5.4 EMPLOYEE MATTERS FOR REPRESENTED EMPLOYEES.

(a) The term "REPRESENTED EMPLOYEES" means all of the employees of the Business represented in collective bargaining units pursuant to the Collective Bargaining Agreements, including those employees ("ABSENT REPRESENTED EMPLOYEES") on lay-off, disability or leave of absence, whether paid or unpaid, including without limitation under the Family Medical Leave Act of 1993 ("FMLA"), military leaves or workers' compensation, and the term "TRANSFERRED REPRESENTED EMPLOYEES" shall mean all of the Represented Employees (including Absent Represented Employees) employed by Buyer pursuant to this Section 5.4.

(b) Effective at Closing, Buyer shall offer employment to all Represented Employees as of the Closing Date. At Closing, except as otherwise provided in this Section 5.4, Buyer shall also assume Seller's obligations under the Collective Bargaining Agreements, other than with respect to plans maintained by Seller as of the Closing Date (all such plans, collectively, "SELLER'S PLANS"), it being acknowledged and agreed that (i) Seller shall remain liable to all Transferred Represented Employees for benefits under Seller's Plans in which such employees are or will become vested as of the Closing Date and that Buyer shall provide to Transferred Represented Employees the benefits under the Collective Bargaining Agreements from and after the Closing Date under the Replacement Plan (as defined in Section 5.4(f) below), and other plans of Buyer, subject to the remainder of this Section 5.4, and (ii) Seller shall amend Seller's Plans to provide that all Represented Employees shall be 100% vested in their benefits accrued as of the Closing Date under all tax-qualified plans maintained or contributed to by Seller on behalf of Represented Employees. Seller hereby represents that it neither maintains nor contributes to any other employee benefit plan under which Represented Employees may be eligible to receive benefits that have the potential to vest, but not including for purposes of this sentence any vacation pay plan.

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Buyer and Seller shall cooperate and shall use their reasonable efforts to enable all Transferred Represented Employees to commence participation in employee benefit plans maintained by, or on behalf of, Buyer commencing effective as of the Closing Date.

Notwithstanding the foregoing, with respect to (i) any gainsharing plan, (ii) any plan based in whole or in part on either Seller's or Buyer's profits, earnings, returns or revenues, or (iii) any provision of a plan pursuant to which provision benefits or plan assets are distributed or invested (including investments directed by plan participants or beneficiaries) in employer securities or other forms of investment in which it would be impracticable or infeasible for Buyer to distribute or invest (as the case may be), or plan assets that Buyer determines should be invested, in whole or in part, in investments different from the plan investments immediately prior to the Closing Date, such benefits, provisions, investments or any similar modifications or adaptations shall be subject to good faith negotiations between Buyer and the applicable unions. Because it would be inappropriate or impracticable for Buyer to assume the foregoing plans and provisions in their entirety, Buyer, after negotiating with the appropriate unions, shall provide reasonably comparable alternative benefits for Transferred Represented Employees to replicate or substitute for Seller's profit sharing and gainsharing plans and those provisions of the employee benefit plans that are described in clause (iii) of the preceding sentence.

Seller represents that, to the best of its knowledge and belief the interplant transfer provisions in Article XXXV of the Collective Bargaining Agreements at the Bristol, Kansas City, Seattle and Tampa can plants (the "Interplant Transfer Provisions") and, the plans and provisions described in the preceding paragraph represent the only obligations (other than procedural or administrative obligations) under the Collective Bargaining Agreements that would be impracticable or inappropriate for another reasonable party to assume. Buyer shall not assume the Interplant Transfer Provisions.

Notwithstanding anything in this Agreement to the contrary, Seller shall reimburse Buyer for all liabilities and obligations incurred by Buyer with respect to all Absent Represented Employees unless and until such employees

commence active employment with Buyer.

Seller shall retain (i) all liabilities and obligations with respect to severance, termination pay and related liabilities for all Represented Employees who terminate or are terminated by Seller on or prior to the Closing Date, or arising in

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connection with the Closing by reason of any action, omission or failure to take action by, or on behalf of, Seller, (ii) all liabilities and obligations incurred by Buyer relating to the failure of any of Seller's Plans to conform to, or be administered in accordance with, the Collective Bargaining Agreement to which it relates, if applicable.

Buyer, however, shall assume and be solely responsible for any Losses incurred by Seller as a result of any equal employment opportunity claims, disability discrimination claims and/or claims under the Collective Bargaining Agreements alleging a violation arising solely from Buyer's decision not to restore an Absent Represented Employee to active employment.

(c) There will be no transfer of any funds at Closing from Seller to Buyer regarding the contractual supplemental unemployment benefit plans. Buyer shall assume the obligation to pay supplemental unemployment benefits under its own plan or plans (collectively, if more than one, "BUYER'S SUB PLAN") in accordance with the terms of the Collective Bargaining Agreements, with respect to benefits payable from and after the Closing Date.

Seller, however, shall reimburse Buyer for benefits provided by Buyer under Buyer's SUB Plan to, or on behalf of, Absent Represented Employees (i) with respect to any restructuring initiated prior to Closing (E.G., Torrance), for any and all periods prior to the date such employee first becomes actively employed by Buyer (if ever), and (ii) with respect to layoffs in the ordinary course, for any and all payment periods commencing on, or prior to, the 60th day following the Closing Date. Seller shall include on the Closing Statement \$250,000 as an accrued liability for SUB payments pursuant to Section 1.5(a). Seller hereby represents that Seller is not and has not been required to fund (other than on a pay-as-you-go basis) any supplemental unemployment compensation benefits on behalf of Seller Employees (as defined in Section 5.5(a)). Seller shall indemnify and hold Buyer and its Affiliates harmless from and against any and all Losses with respect to (i) Seller's supplemental unemployment compensation benefit plans or their funding arrangements or their summary plan descriptions, (ii) any liability incurred by Buyer as a result of Seller's breach of the foregoing representation, and (iii) any liabilities arising out of Seller's obligation to make cash funding contributions to trusts established pursuant to its supplemental unemployment compensation benefit plans or to disclose such benefits or funding, or any incidents of mistakes or noncompliance by Seller with respect to the supplemental unemployment compensation benefits.

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(d) Buyer acknowledges that certain Collective Bargaining Agreements require Buyer to establish a 401(k) defined contribution plan as of the Closing Date, and Buyer shall use its reasonable efforts to promptly implement any such plan. If Buyer is unable to provide a 401(k) defined contribution plan as of the Closing Date, Buyer shall take such reasonable steps as may be necessary to contribute to the applicable plan or plans the required matching or other employer contributions due for the period between the Closing Date and the date Buyer's plan becomes effective, but not including any wage deferral contributions pursuant to employee elections under section 401(k) of the Code.

(e) Buyer shall recognize Transferred Represented Employees' seniority and service with Seller and any predecessor under Buyer's employee benefit plans (whether or not funded and whether or not subject to ERISA), personnel policies and fringe benefit plans, programs and arrangements established for or offered to Transferred Represented Employees to the same extent and for the same purposes that Seller is required to recognize such service pursuant to the Collective Bargaining Agreements. On and after the Closing Date, Buyer and the applicable unions are free to negotiate from time to time new terms and conditions of employment, including without limitation seniority and benefit plans, consistent with the National Labor Relations Act.

(f) Except as otherwise provided in Section 5.4(g) regarding the possible assumption of certain Single Location Plans (as defined therein), on or as soon as practicable following the Closing Date, but with retroactive effect to the Closing Date, Buyer shall establish a defined benefit pension plan or plans (collectively, if more than one, the "REPLACEMENT PLAN") providing benefits to Transferred Represented Employees required pursuant to the Collective Bargaining Agreements, which Replacement Plan shall (x) be designed to qualify under section 401(a) of the Code, and (y) provide that the Transferred Represented Employees who were participants in a Union Pension Plan immediately before Closing and who become Transferred Represented Employees

shall commence participation in the Replacement Plan as of the Closing Date.

Each Replacement Plan shall provide Transferred Represented Employees with credit for service with Seller for purposes of eligibility to participate, vesting, eligibility to receive benefits, and benefit accruals under the Replacement Plan; provided, however, that the benefit payable to a Transferred Represented Employee under a Replacement Plan shall be offset by the benefit payable to the Transferred Represented Employee under the applicable Seller's Plans (collectively,

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the "UNION PENSION PLANS"). Such offset (the "OFFSET") shall be calculated in accordance with the principles outlined below. The pension benefit examples set forth in Exhibit 5.4(f) are intended to illustrate the calculations of the Offset in accordance with these principles, but are not intended to be exhaustive.

(i) A participant may elect to begin receiving a benefit under the Union Pension Plan as provided under that plan.

(ii) In the event that a Transferred Represented Employee is eligible for a monthly retirement benefit (other than a retirement benefit due to Permanent Shutdown, layoff, accident or sickness, which benefit is hereinafter referred to as a "SPECIAL RETIREMENT BENEFIT") or a deferred vested monthly benefit under the Replacement Plan, the Offset shall be based on the age 65 (or if later, normal retirement date) benefit payable under the Union Pension Plan, and the benefit payable under the Replacement Plan shall be adjusted based on age at benefit commencement under the Replacement Plan, the participant's form of payment under the Replacement Plan, the preretirement survivor coverage, if any, under the Replacement Plan, and preretirement survivor coverage, if any, under the Union Pension Plan that was in force while such participant was employed by Buyer. Notwithstanding the foregoing, this subparagraph (ii) shall not apply for determining the Offset for a Transferred Represented Employee with a deferred vested monthly benefit under a Defined Benefit Single Location Plan (as defined in Section 5.4(g)) that has not been assumed by Buyer, which participant cannot elect to commence receiving such monthly benefit before age 65 due to having earned fewer than 10 years of vesting service with Seller. For such Transferred Represented Employee, the Offset shall be equal to (a) \$0 until the date immediately preceding age 65, and (b) from and after such date, such monthly benefit that is payable under such Defined Benefit Single Location Plan.

(iii) In the event that a Transferred Represented Employee is eligible for a monthly retirement benefit (other than a Special Retirement Benefit) under the Replacement Plan, the Offset shall include the graded minimum supplement under the Union Pension Plan if such Transferred Represented Employee is eligible for such supplement as of the Closing Date.

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(iv) In the event that a Transferred Represented Employee is eligible for a special retirement payment under the Replacement Plan, the Offset shall include the special, ten week, payment, if any, payable under the Union Pension Plan but shall not include weeks of accrued vacation, if any, as of the Closing Date, and if the special retirement payment payable under the Union Pension Plan exceeds \$0, the Transferred Represented Employee shall commence to receive a monthly retirement benefit under the Replacement Plan upon retirement instead of three months following retirement.

(v) In the event that a Transferred Represented Employee is eligible for a disability benefit or a Special Retirement Benefit under the Replacement Plan, the Offset shall be equal to (a) \$0 until the date immediately preceding the earliest date that benefits could commence under the Union Pension Plan, and (b) from and after such earliest date, the benefit that could be paid under the Union Pension Plan assuming that the benefit commences on such earliest date.

(vi) In the event that a Transferred Represented Employee dies while employed by Buyer and the Transferred Represented Employee's surviving spouse is eligible for a death benefit under the Replacement Plan, the Offset shall equal the benefit, if any, which is payable under the Union Pension Plan on account of such death.

(vii) In the event that a Transferred Represented Employee either (A) separates from service with Buyer at a

time when the participant is eligible for a deferred vested monthly benefit under the Replacement Plan and subsequently dies prior to the commencement of benefits under the Replacement Plan, and the Transferred Represented Employee's surviving spouse is eligible for a death benefit under the Replacement Plan due to preretirement survivor coverage under the Replacement Plan, or (B) separates from service with Buyer at a time when the participant is eligible for a monthly retirement benefit under the Replacement Plan and subsequently dies prior to the commencement of benefits under the Replacement Plan, then in either case, the benefit payable under the Replacement Plan

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shall be determined as in (ii) above, and further reduced by 50% on account of payment to the surviving spouse.

(viii) In the event that a Transferred Represented Employee dies subsequent to both separation from service with Buyer and benefit commencement from the Replacement Plan, the death benefit, if any, payable from the Replacement Plan shall be determined solely with regard to the form of payment in effect at death and the monthly benefit under the Replacement Plan.

(ix) Benefits under the Union Pension Plans shall be paid to Transferred Represented Employees based on the plan provisions in effect as of the Closing Date, but taking into account the amendments described below in this Section 5.4(f).

(x) The above principles (i) through (ix) should not be interpreted to entitle a participant in a Defined Benefit Single Location Plan to any benefits, including but not limited to Special Retirement Benefits and special retirement payments under the Replacement Plan or the Union Pension Plans, other than benefits expressly contemplated by the applicable Collective Bargaining Agreement.

Seller shall fund the Union Pension Plans as necessary to ensure that benefits payable thereunder to Transferred Represented Employees will be fully paid when due. In addition, Seller shall amend each Union Pension Plan that is not a Defined Benefit Single Location Plan and that provides an unreduced benefit upon retirement with 30 years of service so that Transferred Represented Employees' service with Buyer will be credited under the Union Pension Plans for purposes of determining a Transferred Represented Employee's eligibility for, and entitlement to, a thirty-year pension under the Union Pension Plan upon a Transferred Represented Employee's termination, resignation, retirement or death from Buyer following the Closing Date. Further, Seller shall amend each Union Pension Plan that is not a Defined Benefit Single Location Plan to provide that (i) a Transferred Represented Employee who retires under a Replacement Plan shall have his or her benefit under such Union Pension Plan converted to a joint and 50% survivor annuity using factors applicable to a participant who retires under such Union Pension Plan irrespective of whether such Transferred Represented Employee was eligible to retire under such Union Pension Plan as of the Closing Date, (ii) if a Transferred Represented Em-

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ployee elects, or does not opt out of, preretirement survivor coverage under a Union Pension Plan, and subsequently dies while employed by Buyer and while such coverage is in effect, the death benefit payable from the Union Pension Plan shall commence at death in a monthly amount equal to 50% of the accrued benefit, including the reduction for preretirement survivor coverage, and (iii) the special retirement payment payable to a Transferred Represented Employee shall be determined without regard to any weeks of accrued vacation.

Notwithstanding the foregoing, in the event that Buyer incurs any additional liabilities or obligations as a result of the failure of the applicable union or any applicable governmental agency or authority, to agree to, or approve, the crediting of service, or the timing or methodology of the Offset, in each case, in the manner and to the extent described in this Section 5.4(f) and Exhibit 5.4(f), thereby resulting in a duplication of pension benefits or additional benefits beyond those contemplated by this Section 5.4(f) and Exhibit 5.4(f), payable to or on behalf of Transferred Represented Employees, Seller shall reimburse Buyer for any additional out-of-pocket costs incurred by Buyer to the extent resulting from such duplication of benefits or additional benefits beyond those contemplated by this Section 5.4(f) and Exhibit 5.4(f). In addition, Seller shall reimburse Buyer for any and all Losses suffered by Buyer by reason of any Permanent Shutdown (as defined in Section 5.4(h)) occurring as a result of Seller's actions on or before the Closing Date or as a result of the execution, delivery or performance of this Agreement, or the consummation of transactions contemplated hereby, provided that Buyer has assumed Seller's obligations under the Collective Bargaining Agreements as required by this Section 5.4.

(g) SINGLE LOCATION PLANS.

(i) With respect to any Business Locations where separate tax-qualified defined benefit and/or defined contribution plans are maintained for Transferred Represented Employees and/or Transferred Nonrepresented Hourly Employees (as defined in Section 5.5(b)) ("SINGLE LOCATION PLANS"), Buyer shall have the right, in its sole discretion, to elect, on or prior to the Closing Date, to assume sponsorship of one or more of the Single Location Plans that are defined contribution plans (the "DEFINED CONTRIBUTION SINGLE LOCATION PLANS"), and to elect, at the time prescribed in clause (vii) below, to assume sponsorship of all (or none) of the Single Location Plans that are defined benefit plans (the "DEFINED BENEFIT SINGLE

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LOCATION PLANS"). In this regard, if Buyer elects to assume sponsorship of any of the Defined Contribution Single Location Plans, Buyer may elect to either assume the trust in which the assets of any such plan are invested, or to receive a transfer of plan assets from the plan's trust in conjunction with the assumption of the liabilities of such plan, and if Buyer elects to assume sponsorship of the Defined Benefit Single Location Plans, Buyer shall receive transfers of plan assets in conjunction with the assumption of the liabilities from each of the respective trusts in which assets of the Defined Benefit Single Location Plans are invested, as described below.

(ii) With respect to each Single Location Plan, Seller has heretofore delivered to Buyer true and complete copies of the current version of the plan and any amendments thereto, any related trust or other funding vehicle, the most recent summary plan descriptions and summaries of economics provided to participants under ERISA or the Code, the most recent determination letter received from the Internal Revenue Service with respect to each such plan and other related documents. To the knowledge of Seller, no event has occurred since the date of such determination that would affect such determination. The plans and related documents provided to Buyer as of the date hereof pursuant to this Section 5.4(g)(ii) are herein referred to as the "INITIAL DOCUMENT PRODUCTION." Commencing as of the date hereof, Seller shall use its reasonable efforts to provide to Buyer updated plans, related trusts, amendments, summaries of economics, summary plan descriptions, summary of material modifications and related information required under ERISA or the Code. In addition, as of the Closing Date, Seller shall identify for Buyer those documents required under ERISA or the Code relating to the Single Location Plans that Seller will not deliver to Buyer as of the Closing Date. To the extent that Seller fails to timely provide Buyer with the documents and information that are reasonably appropriate or needed for Buyer to operate and administer the Single Location Plans, Seller shall indemnify and hold harmless Buyer from any and all losses suffered by Buyer pursuant to Section 5.4(g)(x) related to such failure, and further, to the extent that such failure interferes with Buyer's ability to satisfy its obligations under Section 5.4, 5.5 or 5.6, Buyer shall be relieved of its obligations to the extent that Buyer's inabilities result from Seller's failure, until (A) Seller cures such failure

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and (B) Buyer has had a reasonable period of time thereafter to satisfy its related obligations.

(iii) Seller hereby represents that each of the Single Location Plans is, and has been administered, in compliance with its terms and, to the extent required, with all applicable law, including the applicable provisions of ERISA and the Code ;provided, however, that Seller shall not be deemed to have breached this representation to the extent that plan documents provided to Buyer have not been amended to comply with applicable law, but solely with respect to those amendments that are not required to be made as of the date hereof, or as of the Closing Date, as the case may be. In addition, Seller hereby represents that all documents, financial and census data and reports and other pertinent information provided, or required to be provided to Buyer pursuant to this Agreement, are true and complete as of the date so provided, and that, where applicable, the terms of each Single Location Plans or, if updated by a summary of economics, then the terms of the applicable summary of economics are consistent with the terms of the Collective Bargaining Agreements to which such plan or summary relates as of the date hereof with respect to the documents provided to Buyer as of the date hereof, and as of the date provided to Buyer with respect to the documents provided to Buyer following the date hereof, but prior to the Closing Date.

(iv) With respect to the Defined Contribution Single Location Plans that Buyer may elect to assume, if any, on, or as soon as practicable following, the Closing Date, Buyer shall take all actions necessary and appropriate to assume such plans, and Buyer and Seller shall cooperate to effectuate the foregoing.

(v) With respect to the Defined Benefit Single Location Plans that Buyer may elect to assume, no later than the earlier of (A) June 1, 1998, or (B) 45 days prior to the Closing Date, Seller or Seller's actuary or the trustee or trustees (the "MASTER TRUSTEE") of the master trust or trusts in which the assets of the Defined Benefit Single Location Plans are invested (the "MASTER TRUST") shall provide to Buyer (A) a schedule containing the projected benefit obligations, as of January 1, 1998, or such later date as Seller

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shall determine, for each participant, beneficiary and alternate payee (within the meaning of section 414(p)(8) of the Code) under each of the Defined Benefit Single Location Plans, (B) such additional census data for all plan participants and other pertinent census-related information that Buyer or Buyer's actuary may reasonably request to enable Buyer to calculate the liabilities under such plans, in each case, as of January 1, 1998, or such later date as Seller shall determine, and (C) such other pertinent information that Buyer or Buyer's actuary may reasonably request to evaluate such plans from a financial and legal compliance perspective.

(vi) On the day following the last day of the month coincident with or next following the Closing Date (the "VALUATION DATE"), Seller shall provide to Buyer an estimate of the fair market value of the assets allocable to each of the Defined Benefit Single Location Plans (the "GUARANTEED PENSION ASSET VALUE").

(vii) As soon as practicable, but in no event more than five business days following the Valuation Date, Buyer shall notify Seller whether or not Buyer has elected to assume the Defined Benefit Single Location Plans. If Buyer has elected to assume such plans, then, as soon as practicable, but in no event later than four business days following the date that Buyer has notified Seller that it has elected to assume such plans, Seller shall cause the Master Trustee to transfer to a trustee or trustees designated by Buyer, in cash, assets from the Master Trust equal to 90% of the Guaranteed Pension Asset Value.

(viii) No later than 60 days following the Valuation Date, Seller shall cause the Master Trustee to transfer to a trustee or trustees designated by Buyer, in cash, assets from the Master Trust equal to the greater of (A) 10% of the Guaranteed Pension Asset Value or (B) the fair market value of the assets allocable to each of the Defined Benefit Single Location Plans as of the Valuation Date minus 90% of the Guaranteed Pension Asset Value. At such time, Seller (or Seller's actuary or the Master Trustee) shall also provide to Buyer a report of the fair market value of the assets of each of the Defined Benefit Single Location Plans as of the Valuation Date, financial information relating to the calculation of such assets as of the

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Valuation Date, and such other pertinent information as Buyer may reasonably request to evaluate the report on assets prepared by the Master Trustee, and such other reports, if any, prepared by Seller or Seller's actuary, and (C) such other pertinent information that Buyer or Buyer's actuary may reasonably request to evaluate such plans from a financial and legal compliance perspective, and to evaluate the calculations prepared by the Master Trustee, and Seller or Seller's actuary, if applicable. The report prepared valuing the assets in the Master Trust allocable to the Defined Benefit Single Location Plans as of the Valuation Date shall be prepared by the Master Trustee in accordance with such rules, regulations and procedures governing such preparation.

(ix) Seller hereby represents that the transfer of assets and liabilities contemplated by this Section 5.4(g) shall be in compliance with section 414(l) of the Code, to the extent applicable.

(x) Seller shall indemnify and hold Buyer and its Affiliates harmless from and against any and all Losses with respect to all liabilities and obligations arising under the plans that are assumed by Buyer pursuant to this Section 5.4(g) that result from (A) the acts or omissions of Seller, any trustee or other fiduciary with respect to such plans, which acts or omissions occurred, or should have occurred, on or prior to the date the

applicable assets are transferred, including, without limitation, any acts or omissions relating to any inaccuracies or omissions in the data, documents or other information that Seller (or Seller's actuary or the Master Trustee) were required to provide to Buyer pursuant to this Agreement or that were reasonably appropriate or needed for Buyer to operate and administer the Single Location Plans, or (B) Buyer's reliance on, or taking any actions with respect to, the Initial Document Production, to the extent that the information provided therein differed from, or failed to conform with, any documents or subsequent information received by Buyer from Seller, the terms of any applicable Collective Bargaining Agreement or applicable law.

(xi) Seller and Buyer shall cooperate in the filing of any required forms, applications or communications, and in taking all other actions that are necessary or appropriate relating to

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the Internal Revenue Service, the Pension Benefit Guaranty Corporation, the U.S. Department of Labor, and any other regulatory agency that has jurisdiction over the transfers and assumptions contemplated by this Section 5.4(g) to consummate such transfers and assumptions.

(xii) To the extent that Buyer elects to assume any or all of the Defined Contribution Single Location Plans and all of the Defined Benefit Single Location Plans pursuant to this Section 5.4(g) (each, an "ASSUMED BENEFIT PLAN," and collectively, the "ASSUMED BENEFIT PLANS"), Buyer shall not be required to establish a plan for the employees at the applicable Business Locations pursuant to paragraph (f) above, or Section 5.5 hereof.

(h) The parties to this Agreement intend that this transaction should not be construed as a "permanent shutdown" either under the Collective Bargaining Agreements or for purposes of Article III of Seller's Pension Plans for Hourly Employees or otherwise ("PERMANENT SHUTDOWN").

(i) All reimbursements described in this Section 5.4 shall be made in accordance with the reimbursement procedures set forth in Section 5.5(i) hereof. All references in this Section 5.4 to liabilities or obligations incurred by Buyer, shall be deemed to include all liabilities or obligations incurred by any pension plan maintained or sponsored by Buyer or Ball, or to which Buyer or Ball is obligated to contribute, including the Replacement Plan.

(j) For purposes of Sections 5.4, 5.5 and 5.6 of this Agreement, references to Buyer shall be interpreted to include or be replaced by references to Ball with respect to references to the entity sponsoring or maintaining an employee benefit plan, the entity taking or required to take any action with respect to any such plan, the entity for whom an employee is employed or from whom an employee has terminated employment, and the entity incurring employee benefit related liability, in each case, as the context permits.

Section 5.5 GENERAL EMPLOYEE MATTERS, EMPLOYEE MATTERS FOR NONREPRESENTED EMPLOYEES AND WELFARE BENEFIT PROVISIONS FOR ALL EMPLOYEES.

(a) GENERAL. Seller has previously provided to Buyer the information listed below pertaining to all employees employed by Seller in the Business, including Headquarter Employees (as defined in Section 5.5(c)) as of the

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date indicated (the "EMPLOYEE LISTS"). Each such person is herein referred to individually as a "SELLER EMPLOYEE," and collectively as the "SELLER EMPLOYEES": name, title, work location, wage grade or Hay Grade, date of birth, status as salaried or hourly employee and union code, whether such employee is exempt or non-exempt, monthly salary or hourly wage rate, employee's current status, status date and reason code if employee is inactive, service dates and the date definitions for purposes of vesting and eligibility to participate under any employee benefit plan.

As soon as practicable, but no later than 30 days following the date hereof, Seller shall provide to Buyer certain employee benefits data (the "EMPLOYEE BENEFITS DATA") with respect to all Seller Employees containing the type of information set forth on Section 5.5(a) of the Disclosure Schedule. Seller shall provide updated Employee Benefits Data no later than 14 days following the Closing Date.

No later than 14 days following the Closing Date, Seller shall provide Buyer with (i) the number of remaining 1998 vacation days accrued as of the Closing Date for each Transferred Employee (as defined below), and (ii) Employee Lists updated as of the Closing Date.

In addition, within 180 days following the Closing Date, Seller shall

provide to Buyer (i) for each Transferred Employee, individual pension service information, including the period of continuous service with Seller (and including all service that Seller is required to take into account for purposes of all applicable benefit plans), which information includes credited service for benefit and vesting purposes, and (ii) such other information regarding Transferred Represented Employees and Transferred Nonrepresented Hourly Employees (as defined in Section 5.5(b)) that actuaries would reasonably agree is sufficient and necessary to value the liabilities of, and/or administer, the Replacement Plans and any Defined Benefit Single Location Plans that are assumed by Buyer, pursuant to the terms of such plans, including individual accrued benefits for each Transferred Represented Employee and Transferred Nonrepresented Hourly Employees. In the event, however, that any Transferred Employee terminates, retires, dies or becomes disabled during the 180 day period following the Closing Date, upon notification of the date of separation of service, Seller shall provide to Buyer all pension information for such person within 5 business days of notification.

Commencing as of the date hereof, Seller shall provide to Buyer, upon Buyer's request, such employee benefits data, including dates of hire and breaks in service, pertaining to a specific individual or individuals, reasonably requested by

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Buyer, as soon as practicable, but in no event later than 7 days, following the date of such request. In addition, Seller shall provide to Buyer, within 36 months following the Closing Date, break in service information with respect to each Transferred Employee, by individual.

To the extent that Seller fails to satisfy its obligations to provide Buyer with the information described in the foregoing paragraphs of this Section 5.5(a) in a timely and accurate manner, Seller shall indemnify and hold harmless Buyer from any and all losses related to such failure, and further, to the extent that such failure interferes with Buyer's ability to satisfy its obligations under Section 5.4, 5.5 or 5.6 hereof, Buyer shall be relieved of its obligations to the extent that Buyer's liabilities result from Seller's failure, until (i) Seller cures such failure and (ii) Buyer has had a reasonable period of time thereafter to satisfy its related obligations.

Each Seller Employee (other than any Represented Employee) who becomes actively employed by Buyer within the time prescribed by Section 5.5 or 5.6, is herein referred to individually as a "TRANSFERRED EMPLOYEE" and all such Seller Employees collectively as "TRANSFERRED EMPLOYEES," in each case, as of the date such Transferred Employee commences active employment with Buyer. Each Transferred Represented Employee is herein referred to individually as a Transferred Employee and all such Transferred Represented Employees, collectively as Transferred Employees, as of the Closing Date. Employment of Transferred Employees by Buyer on or after the Closing Date, other than those employees covered by a Collective Bargaining Agreement, shall be employment "at will," and nothing herein shall be construed to be an employment agreement for the benefit of any such employee.

Any Absent Nonrepresented Hourly Employee, as defined Section 5.5(b), or Absent Salaried Employee, as defined in Section 5.5(c), shall not be deemed to be a Transferred Employee until such employee commences active employment with Buyer.

Except for certain obligations relating to Assumed Benefit Plans that are assumed by Buyer as of the Closing Date, as described in Section 5.4(g), and obligations relating to Represented Employees, as described in Sections 5.4 and 5.5, Seller shall retain all liabilities and obligations whatsoever pertaining to (i) all Seller Employees, or any employees of Seller who have retired or terminated, are on lay off, short-term disability, long-term disability, workers' compensation, leave of absence or any other inactive status immediately prior to the Closing Date and, in each case, who do not become Transferred Employees, whether such liabilities and

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obligations are incurred prior to, on or after the Closing Date, and (ii) all Seller Employees, including Transferred Employees, with respect to all liabilities and obligations incurred prior to the Closing Date, and Seller shall reimburse Buyer for any and all liabilities or obligations incurred by Buyer that are described in clauses (i) or (ii), above. Except as otherwise provided in Sections 5.4, 5.5 and 5.6 hereof, Buyer shall be liable for all obligations incurred with respect to Transferred Employees from the date such employees become Transferred Employees.

(b) NONREPRESENTED HOURLY EMPLOYEES. Effective at Closing, Buyer shall offer employment to all hourly employees associated with the Business who are not covered by a Collective Bargaining Agreement ("SELLER NONREPRESENTED HOURLY EMPLOYEES") other than those employees ("ABSENT NONREPRESENTED HOURLY EMPLOYEES") on short- and long-term disability, leaves of

absence, including, without limitation, under FMLA or military leaves, lay off or workers' compensation.

In addition, Buyer shall offer employment to all Absent Nonrepresented Hourly Employees who are available to commence active employment on or prior to the 180th day following the Closing Date or such later date to the extent that Buyer is so required pursuant to applicable law. Those Seller Nonrepresented Hourly Employees who commence active employment with Buyer as of the Closing Date and those Absent Nonrepresented Hourly Employees who commence active employment with Buyer within the time prescribed by this paragraph shall, as of the date such employees commence active employment with Buyer, be considered Transferred Employees and shall herein be referred to as the "TRANSFERRED NONREPRESENTED HOURLY EMPLOYEES."

Buyer shall offer to Transferred Nonrepresented Hourly Employees who commence active employment on the Closing Date the same hourly wage rate in effect with Seller immediately prior to the Closing Date, and benefits substantially comparable to those benefits provided to such employees by Seller immediately prior to the Closing Date. Buyer shall offer to Transferred Nonrepresented Hourly Employees who commence active employment after the Closing Date the same hourly wage rate in effect for similarly situated employees of Buyer at that location, and benefits substantially comparable to those benefits provided to similarly situated employees of Buyer at that location, in each case, as of the date such employees commence active employment with Buyer. Notwithstanding the foregoing, Buyer shall have no obligation to guarantee to continue the hourly wage rate or benefits provided to Transferred Nonrepresented Hourly Employees pursuant to this paragraph.

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Buyer shall recognize Transferred Nonrepresented Hourly Employees' service with Seller to the same extent and for the same purposes (other than for purposes of benefit accrual under defined benefit plans) that Seller is required to recognize such service pursuant to the terms of Seller's plans, in accordance with the provisions governing crediting of service from time to time under Buyer's employee benefit plans (whether or not funded and whether or not subject to ERISA) and personnel policies; provided, however, that Buyer shall be required to credit service with Seller under Buyer's employee benefit plans only if, and to the extent that, Buyer gives credit to similarly situated employees of Buyer for comparable service performed by such employees for Buyer.

Except as provided in Section 5.6(a)(4), Seller shall be solely responsible for, and shall retain all liabilities and obligations for, all Absent Nonrepresented Hourly Employees unless and until such employees become Transferred Employees. Seller shall be solely responsible for, and shall retain all liabilities and obligations with respect to, severance, termination pay and related liabilities for all Seller Nonrepresented Hourly Employees who terminate or are terminated by Seller prior to the date such employees become Transferred Employees, and shall reimburse Buyer for any and all liabilities and obligations incurred by Buyer that are retained by Seller or for which Seller is obligated to reimburse Buyer pursuant to this paragraph.

(c) SALARIED EMPLOYEES INCLUDING HEADQUARTER EMPLOYEES, COMMENCING EMPLOYMENT AS OF THE CLOSING DATE. Effective at Closing, Buyer may offer employment to (i) any salaried employees associated with the Business who are employed at Seller's Can Division headquarters, and (ii) any salaried employees listed on Section 5.5(c)(2) of the Disclosure Schedule hereto located at operating locations but who are not directly associated with plant responsibilities (E.G., regional sales or services employees) (collectively, the "HEADQUARTER EMPLOYEES"), in either case, whom Buyer, in its sole discretion, chooses to employ.

Effective at Closing, Buyer shall also offer employment to all salaried employees located at operating locations and directly associated with plant responsibilities of the Business (collectively, the "PLANT SALARIED EMPLOYEES") other than those employees ("ABSENT SALARIED EMPLOYEES") on short- and long-term disability, leaves of absence, including, without limitation, under FMLA or military leaves, layoff or workers' compensation. The definition of Absent Salaried Employees shall not include any Headquarter Employees.

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In addition, Buyer shall offer employment to all Absent Salaried Employees who are available to commence active employment on or prior to the 180th day following the Closing Date or such later date to the extent that Buyer is so required pursuant to applicable law.

Those salaried employees of Seller described in this Section 5.5(c), including Headquarter Employees ("SELLER SALARIED EMPLOYEES") who commence active employment with Buyer within the time prescribed by this Section 5.5(c) or Section 5.6 shall, as of the date such employees commence active employment with Buyer, be herein referred to as "TRANSFERRED SALARIED EMPLOYEES."

Buyer shall offer to Transferred Salaried Employees who commence active employment with Buyer as of the Closing Date the same salary levels in effect with Seller immediately prior to the Closing Date, and benefits consistent with benefits provided to similarly situated employees of Buyer as of the Closing Date. Buyer shall offer to Transferred Salaried Employees who commence active employment with Buyer after the Closing Date salary levels consistent with salary levels in effect for similarly situated employees of Buyer and benefits consistent with benefits provided to similarly situated employees of Buyer, in either case, as of the date such employees commence active employment with Buyer. Notwithstanding the foregoing, (i) Buyer shall have no obligation to guarantee to continue the salary levels or benefits provided to such Transferred Salaried Employees pursuant to this paragraph, (ii) Buyer shall have no obligation to provide Transferred Salaried Employees who are not participants as of the Closing Date in an incentive plan maintained by Seller with incentive compensation or bonuses, or to include such employees as participants in any incentive compensation or bonus plans, and (iii) with respect to Transferred Salaried Employees who were participants in Seller's Performance Incentive Plan for 1997 during the 1997 calendar year, Buyer shall permit such employees to participate in the annual cash incentive compensation plan, if any, maintained by Buyer from and after the Closing Date at such levels as shall be determined by Buyer in its sole discretion, from time to time, pursuant to the terms of Buyer's plans. Prior to the date hereof, Seller shall have provided Buyer with a true and complete list of the Transferred Salaried Employees described in clause (iii) above.

Buyer shall recognize Transferred Salaried Employees service with Seller to the same extent and for the same purposes (other than for purposes of benefit accrual under defined benefit plans) that Seller is required to recognize such service pursuant to the terms of Seller's plans, in accordance with the provisions governing crediting of service from time to time under Buyer's employee benefit

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plans (whether or not funded and whether or not subject to ERISA) and personnel policies; provided, however, that Buyer shall be required to credit service with Seller under Buyer's employee benefit plans only if, and to the extent that, Buyer gives credit to similarly situated employees of Buyer for comparable service performed by such employees for Buyer.

Except as provided in Section 5.6(a)(4), Seller shall be solely responsible for, and shall retain all liabilities and obligations for, all Absent Salaried Employees unless and until such employees become Transferred Employees. Seller shall be solely responsible for, and shall retain all liabilities and obligations with respect to, severance, termination pay and related liabilities for all Seller Salaried Employees who terminate or are terminated by Seller prior to the date such employees become Transferred Employees, and shall reimburse Buyer for any and all liabilities and obligations incurred by Buyer that are retained by Seller or for which Seller is obligated to reimburse Buyer pursuant to this paragraph.

(d) EMPLOYEE DEFINED BENEFIT PENSION BENEFITS.

(i) TRANSFERRED NONREPRESENTED HOURLY EMPLOYEES. Buyer shall provide Transferred Nonrepresented Hourly Employees with pension benefits substantially comparable in the aggregate to those benefits provided to them immediately prior to the Closing Date by Seller pursuant to the terms of Seller's pension plans that are intended to qualify under section 401(a) of the Code; PROVIDED, HOWEVER, that Buyer shall have no obligation to provide any gainsharing plan, any plan based in whole or in part on either Seller's or Buyer's profits, earnings, returns or revenues, any plan pursuant to which benefits or plan assets are distributed or invested in employer securities or other form of investment in which it would be impracticable or infeasible for Buyer to distribute or invest, as the case may be, or any plan the assets of which Buyer determines should be invested, in whole or in part, in investments different from the plan investments immediately prior to the Closing Date (including participant directed investments).

Effective on, or as soon as practicable following, the Closing Date, Seller shall timely amend Seller's tax-qualified pension plans that cover Transferred Nonrepresented Hourly Employees to provide that all

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Nonrepresented Hourly Employees participating in such plans shall be 100% vested in their benefits accrued under such plans as of the Closing Date.

(ii) TRANSFERRED SALARIED EMPLOYEES. With respect to Transferred Salaried Employees, effective as of the Closing Date or, if later, the date such employees become Transferred Salaried Employees, Buyer shall provide or cause to be provided coverage under

a tax-qualified defined benefit plan maintained by Buyer, which is intended to provide benefits consistent with the benefits provided to similarly situated employees of Buyer, and that provides benefits for periods of service of such employees occurring on or after the Closing Date, or if later, the date such employees become Transferred Salaried Employees. Buyer shall recognize, for purposes of vesting and eligibility for participation, ancillary benefits or early retirement or disability subsidies, but not for purposes of benefit accrual or final average compensation, under such plan, all service credited to such Transferred Salaried Employees for such purposes under the tax-qualified defined benefit plans maintained by Seller for such employees immediately prior to the Closing Date, or if later the date such employees become Transferred Employees. Buyer shall have no liability or obligation whatsoever with respect to the defined benefit plans retained by Seller pursuant to this Section 5.5.

Effective on, or as soon as practicable following, the Closing Date, Seller shall timely amend Seller's tax-qualified pension plans that cover Transferred Salaried Employees to provide that all Transferred Salaried Employees participating in such plans shall be 100% vested in their benefits accrued under such plans as of the Closing Date.

(e) DEFINED CONTRIBUTION PLANS. Effective on, or as soon as practicable following, the Closing Date, Buyer shall adopt a tax-qualified defined contribution plan or plans, or amend an existing defined contribution plan or plans, as necessary or appropriate, to permit Transferred Employees to direct that distributions from Seller's defined contribution plans that satisfy the requirements of an "eligible rollover distribution" within the meaning of section 402(c)(4) of the Code be rolled over into Buyer's plan or plans. Notwithstanding the foregoing, the parties agree that Buyer shall have no obligation to accept (directly or indirectly) participant loans as rollovers into Buyer's plans, and in no event shall Buyer's failure to accept participant loans be deemed to be a breach of, or failure by Buyer to satisfy its

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obligations under, Section 5.4. Buyer and Seller shall cooperate as necessary to effectuate the foregoing. In addition, Seller shall use reasonable efforts to take all actions necessary or appropriate to enable Buyer, at Buyer's election, to accept direct rollovers of participant loans from Seller's defined contribution plans.

(f) WELFARE BENEFITS.

(i) POST-RETIREMENT MEDICAL AND LIFE INSURANCE BENEFIT LIABILITY FOR ALL EMPLOYEES. Seller shall retain all liabilities and obligations for all post-retirement medical and life insurance liabilities payable under the terms of Seller's post-retirement plans for employees ("POST-RETIREMENT ELIGIBLE EMPLOYEES") receiving or eligible to receive post-retirement medical and life insurance benefits as of the Closing Date, including those who are eligible for post-retirement medical and life insurance benefits upon termination of employment or commencement of pension benefits as of the Closing Date, or if later, the date such employees become Transferred Employees.

Post-Retirement Eligible Employees shall be primarily covered by Buyer's active medical plans and shall be covered secondarily, using a "carve-out" method of claims payment, by Seller's post-retirement medical plans while actively employed by Buyer. Once such employees terminate employment with Buyer, such employees shall be covered primarily by the post-retirement medical plans maintained by Seller as of the Closing Date, and shall be covered secondarily, using a "carve-out" method of claims payment, by the post-retirement medical plans, if any, maintained by Buyer as of the date of retirement for similarly situated employees. For purposes of the foregoing sentence, a "carve-out" method of claims payment shall mean that for the same covered health care expense, the benefits payable by the secondary claims payor are reduced by the benefits payable by the primary claims payor.

With respect to Transferred Employees who are not Post-Retirement Eligible Employees, when such employees terminate employment with Buyer, Buyer shall provide such employees post-retirement medical and life insurance benefits in accordance with the terms of Buyer's plan or plans, if any (including requirements for eligibility and participation), then in effect for such employees.

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With respect to those employees who have not satisfied the age and service requirements for "Rule of 90" post-retirement benefits as of the Closing Date pursuant to the terms of Seller's post-retirement welfare

plans, and consequently are required to contribute toward their coverage, Seller shall not be required to give such employees credit for service with Buyer for purposes of reducing such employees' required contributions for such coverage.

Each of Seller and Buyer retains the right to change at any time, and from time to time, any and all of its employee benefit plans, including those plans providing medical and other welfare benefits to its retired employees, including those who may become Transferred Employees, provided that no change may be made that would single out the Transferred Employees for special adverse treatment or that would adversely affect Transferred Employees differently than other similarly situated employees of Seller or Buyer. Notwithstanding the foregoing, if in accordance with the foregoing sentence, Seller changes the kind and/or level of the benefits covered by its retiree medical benefit plans from those in effect as of the Closing Date, Seller shall reimburse Buyer for any additional out-of-pocket costs incurred by Buyer as a result of such change. In like manner, if Buyer changes the kind and/or level of the medical benefits covered by the plans it maintains for its active employees from those in effect as of the Closing Date, Buyer shall reimburse Seller for any additional out-of-pocket costs incurred by Seller under its retiree medical plans as a result of such change.

(ii) ACTIVE WELFARE BENEFITS. Effective as of the Closing Date (or such later date as a Seller Employee becomes a Transferred Employee), Buyer shall provide, or cause to be provided, without any waiting period, where applicable, medical, life insurance, accident, sickness and other group insurance benefits and short-term and long-term disability benefits ("WELFARE BENEFITS") to all Transferred Employees and, to the extent applicable, their respective eligible dependents, in plans maintained by, or for the benefit of, Buyer ("BUYER'S WELFARE PLANS"). Benefits under Buyer's Welfare Plans, (A) shall be, with respect to Transferred Nonrepresented Hourly Employees who commence active employment with Buyer on the Closing Date, substantially comparable to those benefits provided to such employees by Seller immediately prior to the Closing Date, and with respect to Transferred Nonrepresented Hourly Employees who

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commence active employment with Buyer after the Closing Date, substantially comparable to those benefits provided to similarly situated employees of Buyer as of the date such employee commences active employment with Buyer, and (B) with respect to Transferred Salaried Employees, shall be consistent with benefits provided to similarly situated employees of Buyer. With respect to Transferred Represented Employees, Buyer's Welfare Plans shall conform to the terms of the applicable collective bargaining agreements.

Buyer shall be responsible for medical expenses covered under the terms of the applicable Buyer's Welfare Plans incurred by a Transferred Employee and/or his or her covered dependents who are enrolled in such plans on and after the later of (A) the Closing Date or (B) the date such employee becomes a Transferred Employee. Seller shall be responsible for medical expenses covered under the terms of Seller's welfare plans (the "SELLER'S WELFARE PLANS") incurred prior to the Closing Date or the date the employee becomes a Transferred Employee, if later, by a Transferred Employee or a covered dependent. If a Transferred Employee or a covered dependent of a Transferred Employee is hospitalized immediately prior to the Closing Date, Seller's Welfare Plans shall pay the covered medical expenses of such person until he or she is discharged from the hospital, to the extent coverage is provided under the terms of Seller's Welfare Plans.

Buyer shall be responsible for claims for Welfare Benefits other than medical claims covered under Buyer's Welfare Plans that are incurred by a Transferred Employee and/or his or her covered dependents who are enrolled in such plans on and after the later of (A) the Closing Date or (B) the date such employee becomes a Transferred Employee.

For purposes of this Section 5.5(f), a claim will be deemed "incurred" on the date that the event that gives rise to the claim occurs (for purposes of life insurance, severance and sickness, accident and disability programs), or on the date that treatment or services are provided (for purposes of healthcare programs).

Seller shall be responsible for, and shall reimburse Buyer for claims for Welfare Benefits other than medical claims, in each case with respect to Seller Employees and their covered dependents, whether covered under Seller's Welfare Plans, Buyer's Welfare Plans, or otherwise, that are incurred prior to the later of the Closing Date and the date the affected Seller Employee becomes a Transferred Employee.

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(g) WORKERS' COMPENSATION CLAIMS. Seller shall be responsible for and shall pay any and all workers' compensation and other similar statutory claims asserted by or with respect to Seller Employees in respect of any injury or other compensable event or occupational illness or disease that occurred or is attributable to any event, state of facts or condition that existed or occurred in whole before the later of the Closing Date and the date the applicable Seller Employee becomes a Transferred Employee. Buyer shall be responsible for and shall pay any and all workers' compensation and other similar statutory claims asserted by or with respect to any Transferred Employees in respect of any injury or any other compensable event or occupational illness or disease that occurred or is attributable to any event, state of facts or condition that existed or occurred in whole after the later of the Closing Date and the date the applicable Transferred Employee becomes a Transferred Employee.

If the liabilities for any claims for injuries or other compensable events or occupational illnesses or diseases of any Transferred Employee who was employed by Seller before the Closing Date and was actively employed by Buyer on or after the Closing Date is attributable in part to causes occurring before the Closing Date and in part to causes occurring on or subsequent to the Closing Date and is the basis of a workers' compensation or other similar statutory claim, the liability for any such claims shall be shared by Seller and Buyer in the proportion of the period of employment of such Transferred Employee with Seller and the period of active employment with Buyer, if any. In the event that one party hereto is required by an applicable state workers' compensation law to pay workers' compensation otherwise allocated to the other party pursuant to this Section 5.5(g), the party obligated to pay such amount pursuant to this Section shall reimburse the paying party.

(h) ALTERNATE ARRANGEMENTS; PARTIES' COOPERATION.

Notwithstanding anything in Section 5.4, 5.5 or 5.6 to the contrary, to the extent that Buyer, in its sole discretion, deems it necessary or appropriate in order to implement Section 5.4, 5.5 or 5.6, or otherwise to fulfill its obligations hereunder during a transition period from and following the Closing Date, Buyer may cause the benefits and coverage described in Section 5.4, 5.5 or 5.6, to be provided under separate arrangements that are not maintained by Buyer, including leased or contracted plans or arrangements.

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Buyer and Seller shall cooperate and shall use reasonable efforts (i) to enable Buyer to satisfy its obligations under Sections 5.4, 5.5 and 5.6, (ii) to facilitate Buyer's relationships with the applicable unions, and (iii) to facilitate the administration of Buyer's and Seller's employee benefit plans.

(i) REIMBURSEMENT. The parties to this Agreement agree that the provisions of Sections 5.4, 5.5 and 5.6 set forth the intent of the parties with regard to the allocation of liabilities, responsibilities and costs relating to employees of the Business and the payment of benefits to such employees before, on, and after the Closing Date. If one party makes a payment that under the terms of Section 5.4, 5.5 or 5.6 should have been made by or on behalf of the other party, whether by mistake or in accordance with a ruling, regulation, or order of an Authority, or as a payment where a reimbursement is expressly contemplated pursuant to Section 5.4, 5.5 or 5.6, then the party that is obligated under the provisions of Section 5.4, 5.5 or 5.6, to make such payment or reimbursement, as the case may be, shall reimburse the party that actually made the payment or who is entitled to the reimbursement (or for whose benefit the payment was made). Anything in this Agreement to the contrary notwithstanding, the reimbursement obligations under Section 5.4, 5.5 or 5.6 shall remain in force and effect so long as either party is making payments to which these provisions apply; provided however, that a specific request for a reimbursement must be made no later than two years following the date that the related reimbursement obligation arose.

All reimbursements under this Section 5.5(i) shall be paid to the party to be reimbursed once each month for the first two years following the Closing Date and once each calendar quarter thereafter, in either case, within thirty (30) days after receipt of a bill from the party to be reimbursed (which bill shall not be submitted more frequently than monthly, or quarterly, as the case may be) describing each element of reimbursement claimed and shall be subject to reasonable timely audit and verification by the other party, and their accountants, actuaries and/or consultants.

(j) COBRA. With respect to each (i) current and former employee of Seller who does not become a Transferred Employee, (ii) each Transferred Employee for any period prior to the date any such employee becomes a Transferred Employee, and (iii) each other individual who is a "qualified beneficiary" with respect to such current or former employee, in connection with a "group health plan" maintained by Seller or an Affiliate (as such terms are defined in Code section 4980B), Seller shall be responsible for providing "group health plan" continuation coverage with regard to any event that occurs before the employee becomes a Transferred

Employee. Seller shall indemnify and hold Buyer and its Affiliates harmless from and against any and all Losses with respect to such individual arising in connection with group health plan continuation required under Code section 4980B or Part 6 of Subtitle B of ERISA.

Section 5.6 SPECIAL EMPLOYMENT AND TRANSITION RULES FOR SALARIED EMPLOYEES.

(a) EMPLOYMENT OF SALARIED EMPLOYEES.

(i) No later than 14 days before the Closing Date, Buyer shall provide Seller with a list identifying those Headquarter Employees whom Buyer desires to remain employed by Seller on and after the Closing Date, but who shall on and after the Closing Date perform services for Buyer, at the direction of Buyer (the "SECONDED EMPLOYEES"). It is not intended that Seconded Employees will perform services covered by the transition agreements described in Section 1.7(d). Once identified, except with respect to the "Extended Seconded Employees," as defined below, a Seconded Employee shall remain employed by Seller in this capacity for 180 days from the Closing Date (the "SELECTION PERIOD") or for such shorter period as Buyer may determine if it so notifies Seller at least 14 days in advance with regard to a particular Seconded Employee. Prior to the expiration of the Selection Period, Buyer may extend the Selection Period for up to an additional 60 days with respect to no more than 35 Seconded Employees (the "EXTENDED SECONDED EMPLOYEES"), who shall be selected by Buyer in its sole discretion. Buyer shall provide Seller at least 14 days before the end of the original Selection Period with a list identifying the Extended Seconded Employees. For purposes of the Extended Seconded Employees, if any, the Selection Period shall mean the period commencing on the Closing Date and terminating 240 days following the Closing Date, or for such shorter period as Buyer may determine if it so notifies Seller at least 14 days in advance with regard to a particular Extended Seconded Employee. Buyer shall reimburse Seller monthly in arrears in accordance with Section 5.6(a)(1) of the Disclosure Schedule for the costs incurred by Seller with respect to the salary and benefits provided by Seller to the Seconded Employees during the Selection Period.

(ii) At any time during the Selection Period, Buyer in its sole discretion may offer employment to any or all of the Seconded Employees. A Seconded Employee who becomes employed by Buyer by the end of the Selection Period shall be treated as a Transferred Salaried Employee for purposes of this Agreement as of the date such employee commences active employment with Buyer.

(iii) A Seconded Employee who has not been employed by Buyer by the end of the Selection Period (or by the end of such shorter period as Buyer may determine if it so notifies Seller at least 14 days in advance with regard to a particular Seconded Employee) shall be either retained or terminated by Seller in Seller's sole discretion, but in either case Buyer shall have no further reimbursement or other obligation with regard to such Seconded Employee after the end of the Selection Period (or after such shorter period as Buyer may determine with regard to a particular Seconded Employee). Buyer shall give Seller at least 14 days advance notice with regard to any Seconded Employee to whom Buyer does not intend to offer employment by the end of the Selection Period.

(iv) Buyer shall indemnify Seller against, and shall hold it harmless from, any and all Losses incurred or suffered as a result of any claim by (A) a Seconded Employee (during the period such employee was seconded to Buyer, but in no event after the Selection Period), (B) an Absent Nonrepresented Hourly Employee or an Absent Salaried Employee (in each case, during the period from the Closing Date to the 180th day thereafter), in each case, that arises out of or in any way relates to the acts or omissions of Buyer, including, without limitation, claims arising under federal, state or local statute(s) (including, without limitation, Title VII of the Civil Rights Act, as amended, the Age Discrimination in Employment Act, as amended, the Equal Pay Act, as amended, the Americans with Disabilities Act, as amended, and all other statutes regarding the terms and conditions of employment), regulation(s) or ordinance(s), under the common law or equity (including any claims for wrongful discharge or otherwise).

(v) Seller shall indemnify Buyer against, and shall hold it harmless from, any and all Losses incurred or suffered as

a result of any claim by a Seconded Employee, an Absent Nonrepresented Hourly Employee or an Absent Salaried Employee that arises out of or in any way relates to the acts or omissions of Seller, including, without limitation, claims arising under federal, state or local statute(s) (including, without limitation, Title VII of the Civil Rights Act, as amended, the Age Discrimination in Employment Act, as amended, the Equal Pay Act, as amended, the Americans with Disabilities Act, as amended, and all other statutes regarding the terms and conditions of employment), regulation(s) or ordinance(s), under the common law or equity (including any claims for wrongful discharge or otherwise).

(b) SEVERANCE OBLIGATION.

(i) Notwithstanding anything in this Agreement to the contrary except for Buyer's reimbursement obligations as set forth in Section 5.6(a)(i) and (iv), Seller shall retain all liabilities and obligations, including but not limited to severance obligations, pertaining to Headquarter Employees and Plant Salaried Employees who do not become Transferred Salaried Employees pursuant to this Agreement, including, without limitation, Seconded Employees who terminate employment on or prior to the end of the Selection Period without becoming Transferred Salaried Employees. Seller shall reimburse Buyer for any and all liabilities and obligations incurred by Buyer that are retained by Seller pursuant to this paragraph.

(ii) If a Seller Nonrepresented Hourly Employee becomes a Transferred Nonrepresented Hourly Employee, or a Salaried Employee becomes a Transferred Salaried Employee, and in either case, Buyer terminates such employee's employment other than for cause, then Buyer shall be obligated to pay such employee severance benefits, if any, determined pursuant to the terms of Buyer's severance plan or policy, if any, in effect at such time, based on combined service with Buyer plus service credited with Seller, to the extent and for the same purposes that such service was required to have been taken into account for purposes of Seller's severance plan in effect as of the Closing Date, or if later, the date the individual becomes a Transferred Employee.

(c) NONSOLICITATION AGREEMENT. Except for the four individuals listed on Section 5.6(c) of the Disclosure Schedule of this Agreement, Seller shall refrain, and shall use its best efforts to cause its Affiliates to refrain, from (i) interfering with Buyer's efforts to hire any of the employees employed by Seller in the Business, including its Headquarter Employees and (ii) without obtaining prior written consent from Buyer, offering employment to any Transferred Employees from the date of this Agreement until the end of 24 months following the Closing Date, unless such employee has been terminated from Buyer for at least six continuous months. Notwithstanding the foregoing, Seller may offer employment (i) to any Plant Salaried Employee who does not become a Transferred Salaried Employee as of the Closing Date, or such later date as an Absent Salaried Employee is available to commence employment with Buyer, if applicable; (ii) to any Headquarter Employee who does not become a Seconded Employee or a Transferred Salaried Employee as of the Closing Date; and (iii) to any Seconded Employee who does not become a Transferred Employee by the end of the Selection Period. Seller agrees that (x) if it retains a Seconded Employee to whom Buyer has offered employment and such employee has rejected Buyer's offer, then Seller shall reimburse Buyer for any and all amounts paid by Buyer to Seller to cover the costs of benefits for such Seconded Employee during the Selection Period (but not for the direct cost of compensation or FICA or FUTA (as defined in Section 5.6(d) hereof)), and (y) if Seller hires any Transferred Employee prior to the earlier of 24 months following the Closing Date and six months following such employee's termination of employment from Buyer, Seller shall reimburse Buyer for all relocation, severance and related costs and expenses paid by or on behalf of Buyer for such Transferred Employee.

(d) EMPLOYMENT TAXES. Seller, Buyer and Ball shall (i) treat Buyer and Ball each as a "successor employer" and Seller as a "predecessor," within the meaning of section 3121(a)(1) of the Code and for purposes of Taxes imposed under the United States Federal Unemployment Tax Act ("FUTA") or the United States Federal Insurance Contributions Act ("FICA") and (ii) cooperate with each other to avoid, to the extent possible, the filing of more than one Internal Revenue Service Form W-2 with respect to each Transferred Employee for the calendar year within which the Closing Date occurs. At the request of Buyer with respect to any particular applicable Tax Law relating to employment, unemployment insurance, social security, disability, workers' compensation, payroll, healthcare or other similar Tax other than Taxes imposed under FICA and FUTA, Seller, Buyer and Ball shall (i) treat Buyer and Ball each as a successor employer and Seller as predecessor employer, within the meaning of the relevant provisions of such Tax Law, with respect to Transferred Employees who are

employed by Buyer, to the extent

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permitted by applicable state and local laws and (ii) cooperate with each other to avoid, to the extent possible, the filing of more than one individual information reporting form pursuant to each such Tax Law with respect to each such Transferred Employee for the calendar year within which the Closing Date occurs.

(e) REIMBURSEMENT. All reimbursements described in this Section 5.6, including Section 5.6(a)(1) of the Disclosure Schedule, shall be made in accordance with the reimbursement procedures set forth in Section 5.5(i) hereof.

(f) INDEMNIFICATION PROCEDURES. Any claim for indemnification made under Sections 5.4, 5.5 or 5.6 hereunder shall be made according to, and shall be governed by, the procedures contained in Section 6.4(c)-(h) of this Agreement.

Section 5.7 TAX MATTERS.

(a) CONSOLIDATED SUBSIDIARIES. Seller represents and warrants that each of LAR, RCAL and RIND is a fully consolidated subsidiary of Seller for federal income Tax purposes at Closing. Each of LAR, RCAL and RIND will be included in the consolidated Tax Return of Seller for federal income Tax purposes for the taxable period of each of LAR, RCAL and RIND that includes the date of Closing.

(b) SECTION 338 ELECTIONS AND FORMS. With respect to the acquisition of the stock of LAR, RCAL and RIND hereunder, Seller, Ball and Buyer shall jointly make all available Section 338(h)(10) Elections, and with respect to the acquisition of the stock of RIB hereunder, Buyer or Ball shall make a Section 338(g) Election, in each case in accordance with applicable Tax Laws on a timely basis and as set forth herein. Seller, Ball and Buyer will supply in advance to one another copies of all correspondence, filings or communications (or memoranda setting forth the substance thereof) to be sent or made by Ball, Buyer or Seller or their respective representatives to or with the IRS relating to any Section 338 Elections. Buyer, Ball and Seller agree to report the transfers under this Agreement consistent with any Section 338 Elections and the allocations provided by Section 5.7(d), and shall take no position contrary thereto unless required to do so by applicable Tax Laws pursuant to a "determination" (as described in section 1313 of the Code).

(c) PREPARATION OF FORMS. Buyer shall be responsible for the preparation and filing of all Section 338 Forms in accordance with applicable Tax

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Laws and the terms of this Agreement; provided that Seller shall be responsible for filing any form related to a Section 338 Election that must be filed with a Tax Return of Seller or one of its Affiliates. Buyer shall deliver such forms and related documents to Seller at least 20 days prior to the date such Section 338 Forms are required to be filed under applicable Tax Laws. Seller shall provide all information reasonably requested by Buyer and shall execute and deliver to Buyer such documents or forms as are reasonably requested by Buyer and are required by any Tax Laws to properly complete the Section 338 Forms, no more than 10 days after the date such documents or forms are requested by Buyer. Seller shall be responsible for the preparation and filing of the Tax Returns of LAR, RCAL and RIND for all taxable years ending on or before the Closing Date (including, without limitation, any consolidated, combined or unitary group return of which LAR, RCAL or RIND is a member which includes the gain or loss on the deemed sale of assets of LAR, RCAL and RIND under section 338 of the Code or similar state or local statute).

(d) ALLOCATION. Seller and Buyer will allocate the "AGGREGATE DEEMED SALES PRICE" arising from the Section 338(g) Elections and the "MODIFIED AGGREGATE DEEMED SALE PRICE" arising from the Section 338(h)(10) Elections, as computed under applicable Treasury Regulations (or similar state law provisions) with respect to the acquisition of shares of stock of RIB, LAR, RCAL and RIND among the assets of RIB, LAR, RCAL and RIND, respectively, for tax purposes in accordance with the provisions of Section 1.9.

(e) TAXABLE PERIODS ENDING ON OR BEFORE THE CLOSING DATE. Except as set forth in Section 1.6, Seller shall be liable for, shall pay and shall indemnify and hold Buyer, Ball, RIB, LAR, RCAL and RIND harmless against, all Taxes of Seller, RIB, LAR, RCAL, RIND and their Affiliates for any taxable year or taxable period ending on or before the Closing Date due or payable with respect to the Business or the operations, assets or business of Seller, LAR, RCAL, RIND and their Affiliates on or before the Closing Date, including any Taxes resulting from the making of the Section 338 Elections and any liability for Taxes pursuant to Treasury Regulations Sections 1.1502-6, 1.338-5(b)(3) or 1.338(h)(10)-1(e)(5) (or any similar provision of Law). All liabilities and

obligations between RIB, LAR, RCAL or RIND on the one hand, and Seller or its Affiliates on the other hand, under any tax allocation agreement or arrangement in effect prior to Closing (other than this Agreement or as set forth herein) shall cease to apply to RIB, LAR, RCAL and RIND as of the Closing.

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(f) TAXABLE PERIODS COMMENCING AFTER THE CLOSING DATE. Buyer shall be liable for, shall pay and shall indemnify and hold Seller and its Affiliates harmless against, any and all Taxes of RIB, LAR, RCAL and RIND for any taxable year or taxable period commencing after the Closing Date other than Taxes resulting from Section 338 Elections.

(g) TAXABLE PERIODS COMMENCING ON OR BEFORE THE CLOSING DATE AND ENDING AFTER THE CLOSING DATE. Except as set forth in Section 1.6, any Taxes for a taxable period beginning on or before the Closing Date and ending after the Closing Date (the "CLOSING PERIOD") with respect to RIB, LAR, RCAL or RIND shall be apportioned between Seller and Buyer as if the Closing Period had ended at the Closing but with Seller bearing the effect of all Section 338 Elections. For purposes of Section 5.7(e), (f) and (g), the portion of the Closing Period deemed to end on the Closing Date shall be deemed to be a taxable period (the "PRE-CLOSING PERIOD"). All real property Taxes, personal property Taxes, intangible Taxes and similar ad valorem obligations levied with respect to the Business Assets or assets held by RIB, LAR, RCAL or RIND for the Closing Period shall be apportioned between Seller and Buyer as of the Closing Date based on the number of days of such taxable period included in the Pre-Closing Period and the number of days of such taxable period after the Closing Date. Upon receipt of any bill for Taxes relating to the Closing Period, Seller, Buyer or their respective Affiliates, as the case may be, shall present to the other a statement setting forth amounts of any reimbursement due under this Section 5.7(g) together with such supporting evidence as is reasonably necessary to calculate the apportioned amount. The apportioned amount shall be paid by the party owing the reimbursement to the other party as soon as possible but no later than 30 days after delivery of such statement.

(h) REFUNDS OR CREDITS. Except as otherwise set forth in this Agreement, any refunds or credits of Taxes, to the extent that such refunds or credits are attributable to taxable periods ending on or before the Closing Date shall be for the account of Seller, and, to the extent that such refunds or credits are attributable to taxable periods beginning after the Closing Date, such refunds or credits shall be for the account of Buyer. To the extent that such refunds or credits are attributable to Taxes for the Closing Period that are described in Section 5.7(g), such refunds and credits shall be for the account of the party who bears responsibility for such Taxes pursuant to Section 5.7(g). Buyer shall, or shall cause RIB, LAR, RCAL or RIND to, forward to Seller or to reimburse Seller for any such refunds or credits due Seller pursuant to this Section 5.7(h) within 15 days after receipt thereof by any of Buyer, Ball, RIB, LAR, RCAL or RIND that are for the account of Seller hereunder, and

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Seller shall forward to Buyer or reimburse Buyer for any refunds or credits that are for the account of Buyer within 15 days after receipt thereof by Seller or its Affiliates that are for the account of Buyer hereunder; provided, however, that the refunding party shall be entitled to deduct from the amount to be refunded a proportionate share of reasonable costs and expenses incurred by such refunding party in obtaining such refund and provided further that the amount of costs and expenses deducted by the refunding party from the amount to be paid to the other party shall not exceed such other party's share of such refund.

(i) CERTIFICATES. Seller shall, on the Closing Date, provide Buyer with any clearance certificates or similar documents which may be required by any foreign or domestic Taxing Authority to relieve Buyer of any obligation to withhold any portion of the Purchase Price or to hold Buyer harmless for any sales or use or other Tax liability, including, without limitation, an affidavit described in section 1445(b)(2) of the Code.

(j) MUTUAL COOPERATION. Seller and Buyer shall each (i) provide the other with such assistance as may reasonably be requested by either of them in connection with the preparation of any Tax Return, audit or other examination by any Taxing Authority relating to liability for Taxes, (ii) retain and provide the other, at the other's expense, with any records or other information which may be relevant to such Tax Return, audit or examination, proceeding or determination and (iii) provide the other, at the other's expense, with any requested information relating to final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any Tax Return of the other for any period. Without limiting the foregoing, Buyer and Ball on the one hand, and Seller on the other hand, shall cooperate in taking all reasonable actions to obtain and provide each other with information necessary to allow either party to determine and claim United States foreign Tax credits with respect to foreign income Taxes paid by LAR, RIB and Latasa (including the Latasa Subsidiaries) attributable to any Closing Period.

Specifically and without limitation, the parties shall provide to each other, as applicable, official receipts (or other evidence acceptable to the United States Internal Revenue Service) showing the amount of foreign income Tax paid by each of LAR, RIB and Latasa (including the Latasa Subsidiaries) with respect to its applicable Closing Period, copies of the foreign income Tax Returns filed by each of LAR, RIB and Latasa (including the Latasa Subsidiaries) for its applicable Closing Period and schedules prorating the taxable income of LAR, RIB and Latasa (including the Latasa Subsidiaries) for its applicable Closing Period between the Pre-Closing Period and the portion of such Closing Period after the Closing Date.

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(k) CONTESTS. Whenever any Taxing Authority asserts a claim, makes an assessment, or otherwise disputes the amount of Taxes owed by RIB, LAR, RCAL or RIND for which Seller is or may be liable under this Agreement, Buyer shall promptly inform Seller, and Seller shall have the right to control any resulting proceedings and to determine whether and when to settle any such claim, assessment or dispute to the extent such proceedings or determinations would affect the amount of Taxes for which Seller is liable under this Agreement; provided, however, that Seller shall not enter into any such settlement without the consent of Buyer (which consent shall not be unreasonably withheld) if such settlement could reasonably be expected to affect the amount of Taxes for which Buyer or Ball is liable under this Agreement. Whenever any Taxing Authority asserts a claim, makes an assessment or otherwise disputes the amount of Taxes for which Buyer or Ball is liable under this Agreement, Seller shall promptly inform Buyer, and Buyer shall have the right to control any resulting proceedings and to determine whether and when to settle any such claim, assessment or dispute to the extent such proceedings would affect the amount of Taxes for which Buyer or Ball is liable under this Agreement; provided, however, that Buyer shall not enter into any such settlement without the consent of Seller (which consent shall not be unreasonably withheld) if such settlement could reasonably be expected to affect the amount of Taxes for which Seller is liable under this Agreement.

(l) RESOLUTION OF DISAGREEMENTS BETWEEN SELLER AND BUYER. If Seller, on the one hand, and Buyer or Ball, on the other hand, disagree as to the amount of Taxes for which each is liable under this Agreement or are unable to agree on any matter relating to the Section 338 Elections, Seller and Buyer shall promptly consult each other in an effort to resolve such dispute. If any such point of disagreement cannot be resolved within 15 days of the date of consultation (which period may be extended by mutual agreement of Buyer and Seller), Seller and Buyer shall within 10 days after such 15-day period jointly engage the Neutral Auditor to act as an arbitrator to resolve all points of disagreement concerning tax accounting matters with respect to this Agreement. All fees and expenses relating to the work performed by the Neutral Auditor in accordance with this Section 5.7(l) shall be borne equally by Seller and Buyer, unless otherwise ordered by the Neutral Auditor.

(m) PUERTO RICO TAX EXEMPTION. Seller will use all reasonable efforts to assist Ball, Buyer and LAR in obtaining such approvals and consents as are necessary so that from and after the Closing Ball, Buyer and LAR will have the full benefit of the partial Puerto Rico Tax exemptions that are currently enjoyed by LAR with respect to the operation of the Business in Puerto Rico.

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Section 5.8 NON-COMPETITION.

(a) Seller agrees that, to assure Ball and Buyer that Buyer will retain the value of the Business as a "going concern," for a period of six years beginning on the Closing Date, Seller shall not, directly or indirectly, itself or through one or more Affiliates, engage or have an interest, anywhere in the world, alone or in association with others, as partner or shareholder or through the investment of capital, lending of money or property, provision of management or engineering services, technology or know-how, or otherwise, in the development, manufacture, distribution, sale or marketing of products or services that are competitive with the products or services provided by the Business, consisting of metal beverage cans and ends and PET beverage containers. Notwithstanding the foregoing, Seller and its Affiliates may, after the Closing, engage or continue to engage in the following business activities related to metal beverage can bodies and ends: the development, manufacture, distribution, sale and marketing of can, end and tab sheet; the recycling and reclamation of metal beverage can bodies and ends; Machinery Operations; the design, manufacture and sale of printing cylinders, printing plates and color separations used by Persons other than Seller and its Affiliates in the manufacture of metal beverage can bodies and ends; and ancillary services customarily provided to manufacturers of metal beverage can bodies and ends by persons engaged in the foregoing businesses, provided that such services are directly related to such businesses and do not use any Intellectual Property Rights. In addition, notwithstanding the foregoing, Seller may:

(i) from and after the Closing Date, own an equity interest of not greater than 50% in the Russian company or group of companies which owns the Sayansk aluminum smelter and/or the Samara rolling mill (such company or group, "SIBERIAN ALUMINUM"), even though Siberian Aluminum in turn owns a significant interest in the Rostar-Dmitrov aluminum can and end manufacturing plant near Moscow; provided that Seller shall use all reasonable efforts as an equity holder in Siberian Aluminum, if Siberian Aluminum includes can, end and tab sheet operations, to facilitate the supply of can, end and tab sheet to the can and end plant near Moscow established by PLM Beverage Can Manufacturing ZAO on mutually acceptable terms;

(ii) from and after the third anniversary of the Closing Date, own an equity interest of not greater than 50% in any

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Person which, in addition to its primary business or businesses, is engaged in the development, manufacture, distribution, sale or marketing of metal beverage cans and ends provided that the portion of such Person's consolidated revenues attributable to activities related to metal beverage cans and ends does not exceed 20% of its total consolidated revenues and such Person's manufacturing activities are conducted solely in Russia, China or India; provided further that (x) subject to other obligations such Person may have, Seller shall use all reasonable efforts as an equity holder in such Person to cause such Person to offer to Ball the opportunity to invest in such metal beverage can and end business and/or to provide management and engineering services, technology and know-how to such business on mutually acceptable terms, and (y) Seller shall, if such Person's operations include can, end and tab sheet operations, use all reasonable efforts as an equity holder to facilitate the supply of can, end and tab sheet on mutually acceptable terms to any can and/or end manufacturing ventures in Russia, China and India in which Ball or any of its Affiliates has an equity interest; and

(iii) from and after the Closing Date, continue to own its current 27.5% equity interest in UAC and continue activities directly related to the current operations of UAC pursuant to its current agreements with UAC;

and for greater certainty, Seller and its Affiliates shall not, as a consequence of clauses (i), (ii) or (iii) hereof, be permitted, in respect of any Person, to provide management or engineering services, technology or know-how to any operations engaged in the development, manufacture, distribution, sale or marketing of metal beverage cans and ends and PET beverage containers.

(b) Seller shall not at any time on or after the Closing Date, directly or indirectly, through one or more Affiliates, use or purport to authorize any person to use any name, mark, logo, trade dress or other identifying words or images which are the same as or confusingly similar to any of those included in the Intellectual Property Rights, whether or not such use would be in a business in which Seller is prohibited from engaging pursuant to Section 5.8(a) provided, that this Section 5.8(b) shall not apply to any registered trademark which Ball, its successors or assigns has allowed to expire commencing one year after such expiration.

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(c) The provisions of this Section 5.8 shall not be deemed to prohibit Seller from acquiring not more than 5% of any class of securities of any company with a class of securities registered under the Exchange Act (or any similar foreign statute) or otherwise publicly traded, provided that Seller does not have control over or does not attempt to control or influence such company.

(d) If, at the time of enforcement of this Section 5.8, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under the circumstances then existing, the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area. Seller acknowledges and agrees that Ball and Buyer would be damaged irreparably if any of the provisions of this Section 5.8 are not performed in accordance with their specific terms or otherwise are breached. Accordingly, Seller and Buyer each agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Section 5.8 and to enforce specifically the terms and provisions of this Section 5.8 in any action instituted in any court having jurisdiction over the parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

Section 5.9 CONFIDENTIALITY.

(a) Prior to the Closing, each party will hold and will cause its consultants and advisors to hold in confidence, all documents and

information concerning the other party furnished it by such other party or its representatives in connection with the transactions contemplated by this Agreement pursuant to the terms of the Confidentiality Agreement, dated May 28, 1997 between Seller and Buyer, as amended (the "CONFIDENTIALITY AGREEMENT").

(b) Prior to and after the Closing, Seller, Ball and Buyer will hold, and will use their best efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors, agents and Affiliates to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information (x) concerning the Business, the Business Assets, the Shares and Seller and provided to Ball or Buyer or (y) concerning Ball or Buyer and provided to Seller, except to the extent that such information can be shown to have been or to have become (i) generally available to the public other than as a result of disclosure by the officers, directors, employees, representatives, consultants or advisors of Seller, Ball or Buyer, (ii) disclosed to the other party from a source other than the officers, directors, employ-

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ees, representatives, consultants or advisors of Seller, Ball or Buyer from a source that was permitted to disclose it or (iii) known to the other party before the date of the disclosure of such information. However, nothing contained in this Section 5.9(b) shall (i) prevent any party from using or disclosing information to (A) perform its obligations or enforce its rights hereunder or (B) to defend or prosecute any claim or (ii) preclude the disclosure of such information on the condition that it remain confidential to auditors, attorneys, lenders, financial advisors and other consultants and advisors in connection with the performance of their duties in preparation for consummation of the transactions contemplated hereby.

Section 5.10 MATERIALS RECEIVED AFTER CLOSING. Following the Closing, Buyer may receive and open all mail, telecopies or telexes addressed to Seller and deal with the contents thereof in its discretion to the extent that such mail, telecopies or telexes and the contents thereof relate to the Business, Business Assets or the Shares. Ball and Buyer shall promptly deliver to Seller all material they receive (including mail, checks, money, telecopies, telefaxes and the contents thereof) which is addressed to Seller or its Affiliates to the extent it does not relate to the Business, the Business Assets or the Shares or to the extent it deals with Excluded Assets or Excluded Liabilities. Seller shall promptly deliver to Ball or Buyer, as the case may be, all of the mail, checks, money, telecopies, telexes and the contents thereof with respect to the Business, the Business Assets or the Shares received by Seller following the Closing.

Section 5.11 ACCESS TO BOOKS AND RECORDS.

(a) Each party agrees that from and after the Closing Date to the seventh anniversary thereof, during normal business hours, it will permit (at no charge, cost or expense to such party and without unreasonable disruption of such party's business) the other party and its auditors, through their authorized representatives, to have reasonable access to and to examine and take copies of all books and records (including, without limitation, correspondence, memoranda, books of account, tax reports and returns and the like) included in the Business Information or otherwise reasonably relating to the Business or the Business Assets (including, without limitation, records with respect to Tax, pension, severance and litigation matters) and reasonably relating to events occurring prior to the Closing Date and to events occurring subsequent to the Closing Date which are related to or arise out of events occurring prior to the Closing Date, in any case, subject to the confidentiality provisions of Section 5.9.

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(b) Each party will direct its employees to render any assistance which the other party may reasonably request in examining or using such books and records. Until the seventh anniversary of the Closing Date, neither party will destroy any files or records which are subject to this Section 5.11 without giving reasonable notice to the other party, and within 30 days of receipt of such notice, the other party may cause to be delivered to it the records intended to be destroyed; provided, however, that books or records relating to Tax matters may not in any event be destroyed for seven years after the Closing Date (and, if at the expiration thereof, any Tax audit or judicial proceeding is in progress or the applicable statute of limitations has been extended, for such longer period as such audit or judicial proceeding is in progress or such statutory period is extended).

(c) Seller shall request that records of the type described in Section 5.11(a) in possession of its independent accountants be retained by them for the customary retention period established by the firm (but not less than the applicable statute of limitations period) and that such records be made available to Buyer on request.

(d) Seller is currently engaged in a study to establish Seller's right to research and experimentation tax credits for the years 1990 through 1997. In connection with this study, Seller may require information pertaining to the Business or the Business Assets, including, without limitation, interviews with persons employed in the Business prior to the Closing Date. Ball or Buyer shall permit Seller reasonable access (solely for purposes of the study) to any such persons and/or information in the employ or possession of Ball, Buyer or any Affiliate of either, at Seller's expense but without any charge for any interviewee's time.

Section 5.12 ACTIONS BY BALL. Ball shall be jointly and severally liable with Buyer for all obligations of Buyer (or any assignee or Designee of Ball or Buyer) hereunder or under the Ancillary Agreements. Ball hereby guarantees Buyer's (or any assignee's or Designee's) performance of all obligations required of Buyer by this Agreement or the Ancillary Agreements.

Section 5.13 DELIVERY OF FINANCIAL STATEMENTS.

(a) Within 30 days after the date hereof, Seller shall deliver to Buyer the financial statements of Seller's global can operations referred to in Section 2.7(a), except that such financial statements shall be audited and shall be delivered with the report thereon of Ernst and Young LLP, independent certified public

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accountants (the "AUDITED FINANCIAL STATEMENTS"). Insofar as the Audited Financial Statements pertain to the U.S. domestic operations of the Business, they shall not differ in any respect from the Unaudited Financial Statements previously delivered to Buyer. The amounts included in the balance sheets, results of operations and cash flows included in the Audited Financial Statements which relate to Latasa shall not differ in any material respect from those contained in the Unaudited Financial Statements previously delivered to Buyer.

(b) Within 30 days after the date hereof, Seller shall deliver to Buyer the financial statements of Latasa referred to in Section 2.28, except that such statements shall be audited and shall be delivered with the report thereon of Price Waterhouse, independent certified public accountants (the "AUDITED LATASA FINANCIAL STATEMENTS"). The Audited Latasa Financial Statements shall not differ in any material respect from the Unaudited Latasa Financial Statements previously delivered to Buyer.

Section 5.14 LITIGATION SUPPORT. With respect to any litigation being conducted by Seller, Buyer, Ball or their Affiliates, not the subject of indemnification under Article VI hereof, but relating to the Business, the Business Assets, the Shares, the Assumed Liabilities or the Excluded Liabilities, the other party shall cooperate with the litigating party and its counsel in such action, make available personnel and provide such testimony and access to books and records as shall be reasonably necessary in connection with such action, provided that the litigating party shall reimburse the other party for reasonable out-of-pocket costs and expenses (including reimbursement for employees' time) for furnishing such cooperation.

Section 5.15 RETURNS. At Seller's request and expense, Ball and Buyer shall use reasonable efforts to assist Seller in the processing of any returns by, and the provision of any replacement products to, customers of the Business for product sales as to which Seller remains liable.

Section 5.16 ACCOUNTS RECEIVABLE. If any Accounts Receivable reflected in the Final Closing Statement remain uncollected six months after the Closing Date, Seller shall purchase such Accounts Receivable from Buyer at the amounts reflected in the Final Closing Statement therefor less (i) amounts previously paid to Ball or Buyer with respect thereto and (ii) any reserve for uncollectible amounts included in the Final Closing Statement. Such purchase shall be completed within seven days of receipt by Seller of a written request from Buyer to such effect.

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If no such notice has been received by Seller within nine months after Closing, Seller's obligations under this paragraph shall expire.

Section 5.17 INADVERTENTLY RETAINED INFORMATION. Ball, Buyer and Seller acknowledge that the Business and certain other portions of Seller's operations (including, without limitation, the Machinery Operations) have been run on an integrated basis. Accordingly, Seller may have in its possession after Closing documents (whether in paper, mylar, microfilm or electronically stored form) containing or embodying Business Information or Intellectual Property Rights, and Buyer or Ball may have in its possession after Closing documents (whether in paper, mylar, microfilm or electronically stored form) containing or embodying confidential business information or intellectual

property of Seller which are Excluded Assets (in either case, "INADVERTENTLY RETAINED INFORMATION"). Each of Ball, Buyer and their Designees and Seller shall (i) use Inadvertently Retained Information only to the extent expressly permitted by this Agreement or the Ancillary Agreements and (ii) as the existence of Inadvertently Retained Information comes to its attention, use reasonable efforts to destroy or expunge it or return it to Ball, Buyer and their Designees or Seller, as the case may be; provided, however, Ball, Buyer, their Designees and Latasa and its subsidiaries shall not be required to destroy, expunge or return documents which Seller or its Affiliates make available to third party purchasers of goods and services from Seller or its Affiliates or would make available if the Business were a third party purchaser of goods and services from Seller or its Affiliates.

ARTICLE VI

SURVIVAL AND INDEMNIFICATION

Section 6.1 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS.

All representations and warranties of each party contained in this Agreement shall survive the Closing, regardless of any investigation made by the other party, for a period ending on the second anniversary of the Closing Date, except that: (i) the representations and warranties set forth in Sections 2.4, 2.23, 3.2 and 3.6 shall survive indefinitely and (ii) the representations and warranties set forth in Section 2.16 shall survive until the expiration of the applicable statutes of limitation plus 90 days. The covenants and agreements contained herein shall survive the Closing without limitation as to time unless the covenant or agreement specifies a term, in which case such covenant or agreement shall survive for such specified term. The

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respective expiration dates for the survival of the representations and warranties and the covenants shall be referred to herein as the relevant "EXPIRATION DATE." All representations with respect to title to Owned Real Property shall be merged into the respective special warranty deeds and shall not survive the Closing.

Section 6.2 INDEMNIFICATION BY BALL AND BUYER. Ball and Buyer agree to indemnify, defend and hold Seller, its officers, directors, employees, agents, Affiliates and representatives harmless, from and against any and all cost, expense, loss, liability or damage (except punitive damages attributable to an Indemnified Party's acts or omissions) and actions and claims in respect thereof (including, without limitation, amounts paid in settlement and herein referred to as "LOSSES" suffered or incurred by reason of (i) the representations and warranties of Ball and Buyer in Article III hereof or the Article V Representations of Ball and Buyer being untrue (without giving effect to any qualification contained therein as to materiality, Material Adverse Effect or knowledge of any party) as of the date hereof and as of the Closing Date, notice of which is given to Ball and Buyer on or prior to the relevant Expiration Date, (ii) any nonfulfillment of any covenant or agreement of Ball and Buyer in this Agreement, notice of which is given to Buyer on or prior to the relevant Expiration Date, (iii) subject to Section 6.5 with respect to the Assumed Liabilities referred to in Section 1.3(a)(v), any failure to pay and discharge the Assumed Liabilities, (iv) claims arising out of conduct of the Business by Buyer, Ball or their Designees after the Closing Date to the extent Seller is not obligated to indemnify Ball or Buyer with respect thereto pursuant to Section 6.3, and (v) all reasonable costs and expenses, including, without limitation, legal fees and expenses, incurred in connection with enforcing the indemnification rights of Seller pursuant to this Section 6.2.

Section 6.3 INDEMNIFICATION BY SELLER. Seller agrees to indemnify, defend and hold Ball and Buyer, their officers, directors, employees, agents, Affiliates and representatives harmless from and against all Losses suffered or incurred by reason of (i) the representations and warranties of Seller in Article II hereof or the Article V Representations of Seller being untrue (without giving effect to any qualification contained therein as to materiality, Material Adverse Effect or knowledge of any party in Sections 2.5, 2.11(b), 2.11(c), 2.13(a) (last sentence), 2.13(c) (first two sentences), 2.13(d) (with respect to defaults by Seller), 2.14 (with respect to defaults by Seller), 2.16, 2.18, 2.20(b), 2.20(c), 2.21(b), 2.21(g), 2.26(b) and 2.29) as of the date hereof and as of the Closing Date, notice of which is given to Seller on or prior to the relevant Expiration Date; (ii) any nonfulfillment of any covenant or agreement of Seller in this Agreement, notice of which is given to Seller

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on or prior to the relevant Expiration Date; (iii) any liability, obligation or contract of Seller not specifically assumed by Ball or Buyer hereunder (including, but not limited to, the Excluded Liabilities); (iv) any Losses arising out of or in connection with Seller's or Buyer's non-compliance with any so-called bulk transfer laws set forth in Section 4.7; (v) any Tax liability caused by the recapture of any deferred intercompany gains or excess loss

accounts or by any consolidated return liability arising under Treasury Regulation Section 1.1502-6 or similar provision of state, local or foreign law; and (vi) all reasonable costs and expenses, including, without limitation, legal fees and expenses, incurred in connection with enforcing the indemnification rights of Ball and Buyer pursuant to this Section 6.3. Notwithstanding anything contained herein to the contrary, any claims for which indemnification is provided under Section 6.5 shall not be subject to this Section 6.3, and notwithstanding anything herein to the contrary, if Seller shall be required to indemnify both Ball and Buyer with respect to the same matter, the satisfaction of such indemnity to one of them shall discharge its obligation to the other to the extent of the amount paid.

Section 6.4 CLAIMS FOR INDEMNIFICATION.

(a) LIMITS ON INDEMNIFICATION. Notwithstanding the provisions of Sections 6.2 and 6.3, to the extent that (x) Seller incurs a Loss under Section 6.2(i) or (y) Ball or Buyer incurs a Loss under Section 6.3(i) (other than with respect to a breach of the representation set forth in Section 2.13(g) for which Ball and Buyer shall be entitled to indemnification without such limits), the other party shall be required to indemnify and hold harmless the party incurring the Loss with respect to such Loss only if the aggregate of all such Losses to that party exceeds \$3.75 million and then only with respect to Losses in excess of that amount, provided that the foregoing limit does not apply to Seller's breach of any representation or warranty relating to Taxes. Notwithstanding anything contained in this Agreement, Seller's indemnification obligations shall not, in the aggregate, exceed the Purchase Price.

(b) Notwithstanding any provision hereof to the contrary, (i) Seller's obligations with respect to any breach of the representations and warranties set forth in the first sentence of Section 2.8 shall be solely as provided in Section 5.16 (ii) Seller's obligations with respect to any breach of the representations and warranties set forth in Section 2.9(a) insofar as any such breach relates to obsolete or slow-moving Inventory shall be solely as provided in Section 1.5(d) and (iii) Seller's indemnification obligations under Section 1.7(e) shall be limited to \$1,000,000.00 in the aggregate.

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(c) GENERAL. The parties intend that all indemnification claims be made as promptly as practicable by the party seeking indemnification (the "INDEMNIFIED PARTY"). Whenever any claim shall arise for indemnification, the Indemnified Party shall promptly notify the party from whom indemnification is sought (the "INDEMNIFYING PARTY") of the claim, and the facts constituting the basis for such claim. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to the Indemnified Party, except to the extent the Indemnifying Party demonstrates that the defense of such action is prejudiced thereby.

(d) CLAIMS BY THIRD PARTIES. With respect to claims made by third parties, the Indemnifying Party, upon acknowledgment of its liability for the claim, shall be entitled to assume control of the defense of such action or claim with counsel reasonably satisfactory to the Indemnified Party, provided, however, that:

(i) the Indemnified Party shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim;

(ii) no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement if such judgment or settlement (A) does not include as an unconditional term thereof the giving by each claimant or plaintiff to each Indemnified Party of a release from all liability in respect to such claim or (B) if as a result of such consent or settlement injunctive or other equitable relief would be imposed against the Indemnified Party or such judgment or settlement could materially interfere with the business, operations or assets of the Indemnified Party;

(iii) if the Indemnifying Party does not assume control of the defense of such claim in accordance with the foregoing provisions within 10 days after receipt of notice of the claim, the Indemnified Party shall have the right to defend such claim in such manner as it may deem appropriate at the cost and expense of the Indemnifying Party, and the Indemnifying Party will promptly reimburse the Indemnified Party therefor in accordance with this Article VI, provided that without the prior written consent of the Indemnifying Party the Indemnified Party shall not be entitled to consent to the entry of any judgment or enter into any settlement (A) if such consent

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or settlement does not include as an unconditional term thereof the giving

by each claimant or plaintiff to each Indemnifying Party of a release from all liability in respect of such claim or (B) if as a result of such consent or settlement injunctive or other equitable relief would be imposed against the Indemnifying Party or such judgment or settlement could materially interfere with the business operations or assets of the Indemnifying Party; and

(iv) the Indemnified Party shall make available to the Indemnifying Party and its attorneys, accountants and other representatives all books and records in its possession relating to such claim and the parties shall otherwise render each other assistance as may be reasonably requested to ensure the proper and adequate defense to the claim.

(e) REMEDIES CUMULATIVE. Subject to Section 10.12, the remedies provided herein shall be cumulative and shall not preclude assertion by any party of any rights or the seeking of any other remedies against any other party.

(f) DISCLOSURE. Except as otherwise provided herein, no action by an Indemnified Party to determine the extent of indemnified liability, including, without limitation, voluntary disclosure to Authorities or potential claimants, shall in any way affect such Indemnified Party's right to indemnification from the Indemnifying Party.

(g) SUBROGATION. In connection with any indemnity payment hereunder, an Indemnifying Party shall not be entitled to require that any action be brought against any third party before an action is brought against the Indemnifying Party hereunder by an Indemnified Party but, to the extent of such payment, the Indemnifying Party shall be subrogated to any such right of action of the Indemnified Party against any third party (other than any third party insurer) in respect of the Loss to which such payment relates; provided, however, that until the Indemnified Party recovers full payment of such Loss, any claims of the Indemnifying Party against any such third party are hereby made expressly subordinated and subject, in right of payment, to the Indemnified Party's rights against such third party.

(h) NO DUPLICATION OF REMEDIES. If a party is entitled to indemnification under more than one provision of this Agreement for the same Loss, it shall be entitled to only a single recovery for such Loss, or, if applicable, such Loss

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shall only be taken into account once in the calculation of the \$3.75 million threshold amount set forth in Section 6.4(a).

(i) CERTAIN EMPLOYEE BENEFITS REPRESENTATIONS. Statements in Sections 5.4, 5.5 and 5.6 hereof which use the word "represent" and derivations thereof (the "ARTICLE V REPRESENTATIONS") shall be deemed "representations" for purposes of Section 6.3(i) hereof (if made by Seller) and Section 6.2(i) hereof (if made by Ball or Buyer). Notwithstanding the foregoing, any provision of Sections 5.4, 5.5 and 5.6 that expressly provides for indemnification or reimbursement of any party shall not be subject to the limitations contained in Section 6.4(a) hereof.

Section 6.5 ENVIRONMENTAL INDEMNIFICATION.

(a) Without regard to whether any breach of a representation or warranty is involved, subject to the limits set forth in Section 6.5(b) and the provisions of Exhibit 6.5, Seller shall indemnify and hold harmless Ball and Buyer against Losses (as calculated herein) arising out of any Environmental Condition existing at the Business Locations, to the extent attributable to any condition existing at or before the Closing or event occurring at or before the Closing, (i) that, as of the Closing, constitutes a violation of applicable Environmental Law or (ii) with respect to which there is liability for Cleanup before or after the Closing under applicable Environmental Law in effect as of the Closing, any such Loss being referred to herein as an "ENVIRONMENTAL LOSS."

(b) With respect to Environmental Losses relating to matters that are initially asserted:

(i) on or before the third anniversary of Closing, Seller shall be responsible for 100% of the Loss;

(ii) on or before the fourth anniversary of Closing, Seller shall be responsible for 80% of the Loss;

(iii) on or before the fifth anniversary of Closing, Seller shall be responsible for 60% of the Loss; and

(iv) on or before the date five years and six months after the Closing, Seller shall be responsible for 40% of the Loss.

Notwithstanding any provision hereof to the contrary, with regard to matters initially asserted after the date five years and six months after the Closing, Seller shall have no responsibility pursuant to this Agreement for any Loss under any Environmental Law other than for any Offsite Obligations.

(c) All claims for indemnification under either Section 6.3 (i) (with respect to a breach of Section 2.19 relating to matters located on the Business Locations) or this Section 6.5 with respect to Environmental Laws shall be subject to the provisions of this Section 6.5 and the provisions of Exhibit 6.5.

ARTICLE VII

CONDITIONS TO SELLER'S OBLIGATION

The obligation of Seller to consummate the sale of the Business, the Business Assets and the Shares pursuant to this Agreement shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, unless waived in writing by Seller:

Section 7.1 REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties contained in Article III and in all certificates and other documents delivered by Ball or Buyer to Seller pursuant to this Agreement shall be true, complete and correct in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of another date) as of the Closing Date as though such representations and warranties were made on and as of such date, except for changes expressly contemplated by the terms of this Agreement.

Section 7.2 PERFORMANCE. Ball and Buyer shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by Ball and Buyer or both, as the case may be, at or before the Closing.

Section 7.3 NO INJUNCTION, LITIGATION, ETC. On the Closing Date, there shall be no injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction directing that the transactions provided for in this Agreement or any of them not be consummated as so provided. No order of any Authority shall be in effect which restrains or prohibits the consum-

mation of the transactions contemplated by this Agreement, and there shall not have been threatened, nor shall there be pending, any action or proceeding in any such court or before any such governmental agency seeking to prohibit or delay, or challenging the validity of, the transactions contemplated by this Agreement.

Section 7.4 STOCKHOLDER'S AGREEMENT. If any Ball Shares are issued pursuant hereto, Ball shall have executed and delivered the Stockholder's Agreement.

Section 7.5 LEGAL OPINION. Ball shall have furnished Seller with a legal opinion from its general counsel substantially in the form set forth in Exhibit 7.5.

Section 7.6 HSR ACT WAITING PERIODS. All waiting periods applicable to this Agreement and the transactions contemplated hereby under the HSR Act shall have expired or been terminated.

Section 7.7 CERTIFICATES. Ball and Buyer shall have furnished Seller with such certificates of their officers to evidence compliance with the conditions set forth in this Article VII as may be reasonably requested by Seller, including, without limitation, a certificate as to the effectiveness of attached resolutions authorizing execution by Ball and Buyer of this Agreement and the Stockholder's Agreement and the consummation by Ball and Buyer of the transactions contemplated hereby.

Section 7.8 CONSENTS. Those consents of third parties identified in Section 7.8 of the Disclosure Schedule shall have been obtained.

ARTICLE VIII

CONDITIONS TO BUYER'S OBLIGATION

The obligation of Ball and Buyer to consummate the purchase of the Business, the Business Assets and the Shares pursuant to this Agreement shall be

subject to the satisfaction, at or prior to the Closing, of each of the following conditions, unless waived in writing by Ball and Buyer:

Section 8.1 REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties contained in Article II hereof, the Disclosure Schedule and in all certificates and other documents delivered by Seller to Ball or Buyer pursuant to this

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Agreement shall be true, complete and correct in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of another date) as of the Closing Date as though such representations and warranties were made on and as of such date, except for changes expressly contemplated by the terms of this Agreement.

Section 8.2 PERFORMANCE. Seller shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by Seller at or before the Closing.

Section 8.3 NO INJUNCTION, LITIGATION, ETC. On the Closing Date, there shall be no injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction directing that the transactions provided for in this Agreement or any of them not be consummated as so provided. No order of any Authority shall be in effect which restrains or prohibits the consummation of the transactions contemplated by this Agreement, and there shall not have been threatened, nor shall there be pending, any action or proceeding in any such court or before any such governmental agency seeking to prohibit or delay, or challenging the validity of, the transactions contemplated by this Agreement.

Section 8.4 GOVERNMENTAL FILINGS AND CONSENTS; THIRD PARTY CONSENTS. All governmental filings or consents required to be made or obtained prior to the Closing Date by Seller in connection with the execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby shall have been made or obtained. All authorizations, consents and approvals of any third party (other than an Authority) required in connection with the execution and delivery of this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby which are material to the operation of the Business or the consummation by Seller of the transactions contemplated hereby (including those expressly set forth in Section 8.4 of the Disclosure Schedule) shall have been obtained.

Section 8.5 STOCKHOLDER'S AGREEMENT. If any Ball Shares are issued pursuant hereto, Seller shall have executed and delivered the Stockholder's Agreement.

Section 8.6 HSR ACT WAITING PERIODS. All waiting periods applicable to this Agreement and the transactions contemplated hereby under the HSR Act shall have expired or been terminated.

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Section 8.7 NO MATERIAL ADVERSE CHANGE. Since December 31, 1997, no condition, event, change or occurrence, or any series of the foregoing, shall exist or shall have occurred which, individually or in the aggregate, has had, or is reasonably likely to have, a Material Adverse Effect.

Section 8.8 CERTIFICATES. Seller shall have furnished Buyer with such certificates of its officers and others to evidence compliance with the conditions set forth in this Article VIII as may be reasonably requested by Buyer, including, without limitation, certificates as to the effectiveness of attached resolutions authorizing execution by Seller of this Agreement and the Stockholder's Agreement and the consummation by Seller of the transactions contemplated hereby.

Section 8.9 FINANCING CONDITIONS. The conditions set forth in clauses (i), (ii) and (iii) of the fourth paragraph of the Commitment (commencing at the end of page two thereof and continuing on the top of page three thereof) Letter and under the heading "Conditions Precedent - Due Diligence" on the Term Sheet attached thereto (the "DUE DILIGENCE CONDITION") shall have been satisfied; provided that, only with respect to the condition set forth in clause (i) of the fourth paragraph of the Commitment Letter (the "DOCUMENTATION CONDITION") and the Due Diligence Condition, the condition set forth in this Section 8 shall expire and be of no further effect at the close of business on the 45th day after the date hereof.

Section 8.10 ACTIONS BY SELLER. Seller shall have completed all of the actions described in Annex 8.10.

ARTICLE IX

TERMINATION AND ABANDONMENT

Section 9.1 METHODS OF TERMINATION. This Agreement and the transactions contemplated herein may be terminated and abandoned at any time prior to the Closing:

(a) by mutual written consent of Buyer and Seller;

(b) by either Buyer or Seller if the Closing shall not have occurred on or before December 31, 1998;

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(c) by either Seller or Buyer if any court of competent jurisdiction in the United States or other Authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated hereby, and such order, decree or ruling or other action shall have become final and nonappealable after the affected party or parties have made all reasonable efforts to contest and appeal the issuance of such order, decree, ruling or other action;

(d) by either Buyer or Seller (provided that the terminating party is not then in material breach of any representation, warranty or covenant in this Agreement) if there shall have been a material breach of any of the representations, warranties or covenants in this Agreement on the part of the other party, which breach is not cured within 30 days following written notice to the party committing such breach, or which breach, by its nature, cannot be cured prior to Closing; and

(e) by Buyer on the next business day following the 45th day after the date hereof if either the Documentation Condition or the Due Diligence Condition has not been satisfied on or before such 45th day.

Section 9.2 PROCEDURE UPON TERMINATION. In the event of termination and abandonment of this Agreement pursuant to Section 9.1 hereof, written notice thereof shall forthwith be given to the other party, and the transactions contemplated by this Agreement shall be terminated and abandoned. If the transactions contemplated by this Agreement are so terminated and abandoned:

(a) each party, if requested, will redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same;

(b) all confidential information received by Seller with respect to Ball or Buyer or their Affiliates shall be treated in accordance with the Confidentiality Agreement and Section 5.9 hereof;

(c) all confidential information received by Ball or Buyer with respect to Seller or its Affiliates shall be treated in accordance with the Confidentiality Agreement and Section 5.9 hereof;

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(d) notwithstanding any such termination, Sections 5.9, 9.2, 10.3 and 10.12 shall remain in full force and effect; and

(e) no party and none of its respective directors, officers, Affiliates or agents shall have any liability to the other parties to this Agreement or the Ancillary Agreements as a result of the transactions contemplated hereby or thereby, except for the willful breach of this Agreement or any breach of the provisions of this Agreement that survive such termination pursuant to Section 9.2(d).

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1 AMENDMENT AND MODIFICATION. This Agreement may be amended, modified and supplemented only by written agreement of Seller, Ball and Buyer.

Section 10.2 WAIVER OF COMPLIANCE. Any failure of Seller on the one hand, or Ball and Buyer on the other, to comply with any obligation, covenant, agreement or condition herein may be expressly waived in writing by an authorized representative of Buyer or Seller, respectively, but such waiver or failure to insist upon compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 10.3 EXPENSES, ETC. Except as otherwise set forth herein, whether or not the transactions contemplated by this Agreement shall be consummated, the fees and expenses incurred by a party in connection with this Agreement shall be borne by such party.

Section 10.4 NOTICES. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or sent by overnight courier or telecopy (and promptly confirmed by certified mail, return receipt requested):

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(a) if to Seller, to:

Reynolds Metals Company
6601 West Broad Street
Richmond, Virginia 23230
Attention: General Counsel
Telecopier: (804) 281-3740

and a copy to:

McGuire, Woods, Battle & Boothe, LLP
One James Center
901 E. Cary Street
Richmond, Virginia 23219-4030
Attention: Marshall H. Earl, Jr., Esq.
Telecopier: (804) 698-2044

or to such other person or address as Seller shall furnish to Ball and Buyer in writing.

(b) if to Ball or Buyer, to:

Ball Corporation
Ball Metal Beverage Container Corp.
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Attention: General Counsel
Telecopier: (303) 460-2691

and a copy to:

Skadden, Arps, Slate, Meagher &
Flom (Illinois)
333 West Wacker Drive
Chicago, Illinois 60606
Attention: Charles W. Mulaney, Jr.
Telecopier: (312) 407-0411

or to such other person or address as Ball or Buyer shall furnish to Seller in writing.

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Section 10.5 ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party without the prior written consent of the other party, except by operation of law and except that Buyer may assign its rights under this Agreement, in whole or in part, to Ball or any direct or indirect wholly-owned subsidiary or subsidiaries of Ball.

Section 10.6 PUBLICITY. Neither Seller nor Ball and Buyer shall make any announcement or statement concerning this Agreement or the transactions contemplated hereby to the general public or Seller's Employees without the prior consent of the other party. This provision shall not apply, however, to any announcement or written statement required to be made by law or the regulations of any federal or state governmental agency, except that the party required to make such announcement shall, whenever practicable, consult with the other party concerning the timing and content of such announcement before such announcement is made.

Section 10.7 GOVERNING LAW. This Agreement and the legal relations among the parties shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of law doctrine.

Section 10.8 COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.9 HEADINGS. The headings of the Sections and Articles of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

Section 10.10 ENTIRE AGREEMENT. This Agreement, including the Annexes and Exhibits hereto, the Disclosure Schedule, the Ancillary Agreements, the other documents and certificates delivered pursuant to this Agreement and the Confidentiality Agreement set forth the entire agreement and understanding of the parties in respect of the subject matter hereof and supersede all prior agreements, representations or warranties, whether oral or written, by any party unless a contrary intention is indicated by a specific reference to this clause in any such written agreement.

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Section 10.11 THIRD PARTIES. Except as specifically referred to herein, nothing herein shall be construed to give to any Person other than the parties and their successors or assigns, any rights or remedies under or by reason of this Agreement.

Section 10.12 DISPUTE RESOLUTION.

(a) Except as otherwise provided in this Agreement or any Ancillary Agreement, including by way of example Exhibit 6.5, all disputes, controversies or claims (a "DISPUTE") arising between Seller on the one hand, and Buyer, Ball or their Designees, on the other hand, arising out of or relating to this Agreement and the subject matter hereof, will be settled as provided herein. The parties may by written agreement modify the specified time limitations and procedures.

(b) The parties shall promptly attempt to resolve any Dispute by negotiation. If a Dispute is not resolved by negotiations in the normal course of business, and a party wishes to pursue the matter further, it shall give the other party written notice requesting "HIGHER LEVEL EXECUTIVE NEGOTIATIONS." Specifically, Executives of both parties at levels one step above the personnel who have previously been involved in the Dispute shall meet at a mutually acceptable time and place in Chicago, Illinois (or such other place as the parties mutually agree), within 15 calendar days after giving such notice, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute.

(c) If a Dispute has not been resolved by Higher Level Executive Negotiations within 30 calendar days of the claiming party's giving notice, and the claiming party wishes to pursue the matter further, it shall give the responding party written notice requesting a "SENIOR EXECUTIVE ABBREVIATED MINI-TRIAL," as described in this Section 10.12(c). The Dispute shall be referred to senior executives of the parties who have authority to settle the dispute. The senior executives shall meet at a time and place in Chicago, Illinois (or such other place as the parties mutually agree), mutually agreed upon within 15 calendar days after such notice requesting a Senior Executive Abbreviated Mini-Trial. The claiming party will make a presentation of its position to the senior executives. The presentation will not exceed one hour in length. The responding party will then make its presentation, not to exceed one hour in length. The claiming party may make a rebuttal not to exceed 20 minutes in length. The responding party may make an answer to the rebuttal not to exceed 20 minutes in length. The presentations of the parties may be made by counsel or other persons designated by the senior executives. When the presenta-

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tions have been concluded, the senior executives will discuss the matter privately. In preparation for the meeting, a senior executive may make a non-binding request to the other party to provide limited information believed to be important and significant in achieving a resolution. The senior executives may also involve a mediator if they mutually agree. Unless the parties otherwise agree, any such mediator will be appointed by the Center for Public Resources, New York, New York, a not-for-profit dispute resolution organization.

(d) If any Dispute is not resolved by the foregoing dispute resolution processes, the parties shall resolve such Dispute exclusively by litigation; provided, however, that neither party shall commence litigation until (i) Higher Level Executive Negotiations and the Senior Executive Abbreviated Mini-Trial have been conducted in accordance with this dispute resolution provision, (ii) the time specified for such (together with any additional time the parties have agreed upon) has expired or (iii) a party has breached its obligation to participate in the pre-litigation dispute resolution process. The parties agree to use all reasonable efforts to expedite any such litigation with respect to a Dispute.

(e) For all claims that are resolved by litigation, the

prevailing party, to the extent it prevails on its claims, will be entitled to its attorneys' and experts' fees and disbursements incurred in resolving the dispute (including those of in-house counsel and experts) and any other expense directly related to the dispute.

(f) For all claims that are resolved by litigation, interest on any claim that is determined to be payable will accrue from the time the claim is originally made at an interest rate per annum equal to the Prime Rate in effect from time to time.

(g) For all claims that are resolved by litigation, the parties consent to the exclusive jurisdiction of any state or federal court located in Delaware and irrevocably agree that all such actions or proceedings arising out of or related to this Agreement shall be litigated in such courts. Each party accepts for itself and in connection with its respective properties, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any nonappealable judgement rendered in connection with this Agreement. THE PARTIES EXPRESSLY WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

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(h) Notwithstanding anything to the contrary contained herein, and in addition to any other remedy available to such party, Seller, Ball or Buyer may seek provisional or permanent equitable relief to enforce the provisions of this Agreement and remedy any breach hereof, including, without limitation, temporary restraining orders and preliminary or permanent injunctions, in addition to the other remedies set forth herein.

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

BALL CORPORATION

By: /s/ R. David Hoover

Name: R. David Hoover
Title: Vice Chairman and Chief Financial
Officer

BALL METAL BEVERAGE CONTAINER CORP.

By: /s/ George A. Matsik

Name: George A. Matsik
Title: Chairman and Chief Executive
Officer

REYNOLDS METALS COMPANY

By: /s/ D. Michael Jones

Name: D. Michael Jones
Title: Senior Vice President and General
Counsel

ANNEX A
DEFINED TERMS

"AFFILIATE(S)" means, with respect to any Person, (i) an entity of which such Person is a direct or indirect subsidiary, (ii) a direct or indirect subsidiary of such Person or (iii) a Person that controls, is controlled by or is under common control with such Person, provided that Latasa shall not be deemed to be an Affiliate of Seller.

"CLEANUP" means all actions required by any Authority or under any Environmental Law to contain or otherwise ameliorate an Environmental Condition, including preventing a Release and performing preremedial studies and investigations and postremedial monitoring and care.

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

"COPYRIGHTS" means all registered and unregistered copyrights (including, without limitation, copyrights in software and databases) and registrations and applications for copyright registration, all rights of authorship therein, and all rights to sue for past infringement thereof.

"DESIGNEE" means a direct or indirect wholly-owned subsidiary of Ball or Buyer whose specific obligations Ball guarantees in accordance with Section 5.12.

"ENVIRONMENT" means ambient air, surface water, groundwater, land surface or land subsurface.

"ENVIRONMENTAL CONDITION" means any condition existing at any Business Location (or at any nearby property as a result of migration through the air, soil, groundwater or stormwater run-off from a Business Location) to the extent (i) resulting from a Release of any Hazardous Substance into the Environment or (ii) resulting from the violation of or noncompliance with any Environmental Law.

"ENVIRONMENTAL LAWS" means all Laws and standards applicable to Seller or the Business Locations relating to pollution or protection of the Environment, including, without limitation, Laws relating to Releases or threatened Releases of Hazardous Substances into the Environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport or handling of

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Hazardous Substances and all Laws with regard to record keeping, notification, disclosure and reporting requirements respecting Hazardous Substances.

"ENVIRONMENTAL PERMITS" means licenses, permits, approvals, applications and authorizations from any Authority, whether federal, state or local, domestic or foreign, which are required under or issued under Environmental Laws.

"HAZARDOUS SUBSTANCES" means pollutants, contaminants, pesticides, petroleum and petroleum products, polychlorinated biphenyl ("PCBS"), asbestos, any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 41 U.S.C. Section 9601, ET SEQ., as amended and reauthorized ("CERCLA"), any "hazardous waste" as defined in the Resource Conservation and Recovery Act ("RCRA").

"KNOWLEDGE OF SELLER" means the knowledge, both actual knowledge and knowledge that should be known in the ordinary course of their duties, of the following persons employed by Seller or its Affiliates:

William E. Leahey, Jr.*	Senior Vice President, Global Cans
D. Michael Jones	Senior Vice President and General Counsel
Edmund H. Polonitza	Vice President, Planning & Development
F. Robert Newman	Vice President, Human Resources
Chuck D. McLane, Jr.	Director, Financial Reporting & Analysis
C. S. Weidman	Director, Employee Relations
Homer M. Cole	Director, Health and Safety
Cathy C. Taylor	Director, Environmental Quality
F. R. Ellsworth	Director, Real Estate & Administrative Services
Lucile J. Anutta	Senior Employee Benefits Counsel
Donna C. Dabney	Secretary and Assistant General Counsel
Edwin A. Harper	Senior Division Counsel
Patrick R. Laden	Chief Labor Counsel
Robert C. Lyne, Jr.	Senior Patent Counsel
James E. McKinnon	Chief Environmental Counsel
E. Michael Lewandowski*	Director, Finance & Administration
C. Griffin Jones*	Director, Manufacturing
Roger H. Donaldson*	Director, Technology
Cornell D. Ward*	Director, Human Resources
Paul G. Cobbledick*	Director, Sales and Marketing

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Paulo R. Rochet*	Director, Business Development
Thomas P. Mackell*	Director, Materials Management
Managers, Can and End Plants*	

"MACHINERY TECHNOLOGY" means all technical information and know-how, confidential or non-confidential, inventions, whether patented or unpatented, and trade secrets, including, without limitation, all information and know-how related to increasing manufacturing efficiency and profitability, patterns, plans, designs, research data, formulae, manufacturing, sales, service or other processes, operating manuals, drawings, equipment and parts lists (with related descriptions and instructions), manuals, data, records, procedures, packaging instructions, product specifications, analytical methods, sources and specifications for raw materials, manufacturing and quality control procedures, toxicity and health and safety information, environmental compliance and regulatory information, research and development records and reports and other documents relating to the foregoing including the contents of any invention disclosures and open invention dockets for which no patent application has been filed, in each case to the extent the foregoing relates exclusively or primarily to the Machinery Operations.

"MATERIAL ADVERSE EFFECT" means an individual or cumulative adverse change in, or effect on, the business, customers, operations, properties, condition (financial or otherwise), assets or liabilities of the Business taken as a whole that is reasonably expected to be materially adverse to the business, customers, operations, properties, condition (financial or otherwise), assets or liabilities of the Business taken as a whole.

"PATENTS" means all patents, patent applications and related patent rights, including all reissues, divisionals, continuations and continuations-in-part, extensions, all improvements thereon and all rights to sue for past infringement thereof.

"PERMITS" means licenses, permits, consents, approvals, applications, product registrations and authorizations from any Authority, whether federal, state or local, domestic or foreign, other than Environmental Permits, including, without limitation, licenses, permits or approvals from, and registrations with, U.S. Equal Employment Opportunity Commission ("EEOC"), U.S. Occupational Safety and Health Administra-

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tion, U.S. Federal Trade Commission, U.S. Department of Justice, U.S. Department of Commerce, U.S. Department of Transportation, U.S. Food and Drug Administration, U.S. Department of Agriculture or Authorities responsible for the administration of workers' compensation laws.

"PERSON" means an individual, corporation, partnership, association, trust, limited liability company or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"RELEASE" means any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the Environment of any Hazardous Substances not including any such action which results in exposure to employees solely within a work place or omissions from the engine or exhaust of a motor vehicle, rolling stock or vessel.

"SECTION 338 ELECTIONS" means both a Section 338(g) Election and a Section 338(h)(10) Election.

"SECTION 338(g) ELECTION" means an election described in section 338(g) of the Code or deemed election described in section 338(e) of the Code. The Term "Section 338(g) Election" shall also include any substantially similar elections under a state or local statute corresponding to federal Laws.

"SECTION 338(h)(10) ELECTION" means an election described in section 338(h)(10) of the Code. The Term "Section 338(h)(10) Election" shall also include any substantially similar election under a state or local statute corresponding to federal Laws.

"SECTION 338 FORMS" shall mean all returns, documents, statements, and other forms that are required to be submitted to any federal, state, county, or other local Taxing Authority in connection with a Section 338(g) Election or a Section 338(h)(10) Election. Section 338 Forms shall include, without limitation, any "statement of section 338 election" and United States Internal Revenue Service Form 8023 (together with any schedules or attachments thereto) that are required pursuant to Treas. Reg. Section 1.338-1 or Treas. Section 1.338(h)(10)-1.

"TAX LAWS" means the Code and any other Laws relating to Taxes and any official administrative pronouncements released thereunder.

"TAX RETURN(S)" means any return, report, information return or other document (including any related or supporting information and any amendment to any of the foregoing) filed or required to be filed with any Taxing Authority with respect to Taxes.

"TAXING AUTHORITY" means any domestic or foreign governmental authority responsible for the imposition, collection or administration of any Tax.

"TECHNOLOGY" means all technical information and know-how, confidential or non-confidential, inventions, whether patented or unpatented, and trade secrets, including, without limitation, all information and know-how related to increasing manufacturing efficiency and profitability, patterns, plans, designs, research data, formulae, manufacturing, sales, service or other processes, operating manuals, drawings, equipment and parts lists (with related descriptions and instructions), manuals, data, records, procedures, packaging instructions, product specifications, analytical methods, sources and specifications for raw materials, manufacturing and quality control procedures, toxicity and health and safety information, environmental compliance and regulatory information, research and development records and reports and other documents relating to the foregoing including the contents of any invention disclosures and open invention dockets for which no patent application has been filed, in each case to the extent the foregoing relates exclusively or primarily to the Business.

"TRADEMARKS" means all common law and registered trademarks, service marks, logos, trade dress and trade names, the goodwill of the business symbolized thereby, other business, product or service identifiers and all registrations and applications for registration of the foregoing and all rights to sue for past infringement or dilution thereof.

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The following terms shall have the definitions contained in the sections of the Asset Purchase Agreement identified below:

<TABLE>
<CAPTION>

DEFINED TERM -----	SECTION -----
<S>	<C>
Absent Nonrepresented Hourly Employees	5.5 (b)
Absent Represented Employees	5.4 (a)
Absent Salaried Employees	5.5 (c)
Accounts Receivable	1.1 (h)
Acquisition Proposal	4.5 (a) (i)
Act	2.24 (i)
Adverse Effect	4.4 (b)
Affiliate(s)	Annex A
Aggregate Deemed Sales Price	5.7 (d)
Agreement	Preamble
Agreement Regarding Performance of Technical Services	1.7 (c) (viii)
Ancillary Agreements	1.7 (d)
Article V Representations	6.4 (i)
Assignment and Assumption Agreement	1.7 (c) (ii)
Assignment and Assumption of Leases	1.7 (b) (ix)
Assumed Benefit Plan(s)	5.4 (g) (xii)
Assumed Liabilities	1.3 (a)
Audited Balance Sheet	1.5 (a)
Audited Financial Statements	5.13 (a)
Audited Latasa 1997 Financial Statements	5.13 (b)
Authority	2.5
Ball	Preamble
Ball SEC Reports	3.5
Ball Shares	1.4
Bill of Sale	1.7 (b) (ii)
Business	Preamble
Business Assets	1.1
Business Information	1.1 (d)
Business Locations	1.1 (a)
Buyer	Preamble
Buyer's SUB Plan	5.4 (c)
Buyer's Welfare Plans	5.5 (f) (ii)
Cade	2.6
Cash Price	1.4
CERCLA	Annex A

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<CAPTION>

DEFINED TERM -----	SECTION -----
Cleanup	Annex A
Closing	1.1
Closing Date	1.7 (a)
Closing Period	5.7 (g)
Closing Statement	1.5 (a)
Code	Annex A
Collective Bargaining Agreements	2.20 (a)
Commitment Letter	3.9
Confidentiality Agreement	5.9 (a)
Contracts	2.14 (a)
Copyrights	Annex A
Cross-License Agreement	1.7 (d) (ix)
Data Processing Services Agreement	1.2 (t)
Defined Benefit Single Location Plans	5.4 (g) (i)
Defined Contribution Single Location Plans	5.4 (g) (i)
Designated Value	1.4
Designee	Annex A
Differential	1.10 (b)
Disclosure Schedule	2.1
Dispute	10.12 (a)
Documentation Condition	8.9
Domestic Subsidiary Securities	2.25 (a)
Due Diligence Condition	8.9
EEOC	Annex A
Employee Benefits Data	5.5 (a)
Employee Lists	5.5 (a)
employment loss	2.20 (j)
Encumbrances	2.11
Environment	Annex A
Environmental Condition	Annex A
Environmental Laws	Annex A
Environmental Loss	6.5 (a)
Environmental Permits	Annex A
Equipment	1.1 (b)
ERISA	2.21 (a)

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<CAPTION>

DEFINED TERM -----	SECTION -----
ERISA Affiliate	2.21 (a)
Exchange Act	3.5
Excluded Assets	1.2
Excluded Liabilities	1.3 (b)
Extended Seconded Employees	5.6 (a) (i)
Extrusion Land	1.10 (a)
Expiration Date	6.1
FICA	5.6 (d)
Filed Intellectual Property	1.7 (b)
Final Closing Statement	1.5 (b)
Financing	3.9
FMLA	5.4 (a)
FUTA	5.6 (d)
GAAP	1.5 (a)
Guaranteed Pension Asset Value	5.4 (g) (vi)
Hazardous Substances	Annex A
Headquarter Employees	5.5 (c)
Higher Level Executive Negotiations	10.12 (b)
HSR Act	2.6
Human Resources Services Agreement	1.7 (d) (xi)
Inadvertently Retained Information	5.17
Incentive Loan Agreement	1.7 (d) (iv)
Indemnified Party	6.4 (c)
Indemnifying Party	6.4 (c)
Initial Document Production	5.4 (g) (ii)
Intellectual Property Rights	1.1 (c)
Interim Financial Statements	2.7 (b)
Interplant Transfer Provisions	5.4 (b)
Inventory	1.1 (g)
Inventory Carrying Value	1.5 (d)
Knowledge of Seller	Annex A
LAR	Preamble
Latasa	Preamble
Latasa Agreements	1.1 (f)

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<CAPTION>

DEFINED TERM -----	SECTION -----
Latasa Subsidiaries	2.25 (c)
Law(s)	2.5
Leased Premises	1.1 (a)
Loss(es)	6.2
Machinery Operations	Preamble
Machinery Technology	Annex A
Master Trust	5.4 (g) (v)
Master Trustee	5.4 (g) (v)
Material Adverse Effect	Annex A
Modified Aggregate Deemed Sale Price	5.7 (d)
Neutral Auditor	1.5 (c)
Non-Exclusive Contract(s)	1.1 (j)
Non-Exclusive Permit(s)	1.1 (e)
Offset	5.4 (f)
Offsite Obligations	1.3 (b) (v)
Option	1.10 (e)
Owned Real Property	1.1 (a)
Parcel	1.10 (a)
Patents	Annex A
Payroll Services Agreement	1.7 (d) (vi)
PCBs	Annex A
Permanent Shutdown	5.4 (h)
Permits	Annex A
Permitted Exceptions	4.4 (b)
Person	Annex A
Plan(s)	2.21 (a)
Plant Land	1.10 (a)
Plant Salaried Employees	5.5 (c)
Post-Retirement Eligible Employees	5.5 (f) (i)
Pre-Closing Period	5.7 (g)
Prime Rate	1.5 (e)
Purchase Price	1.4
RCAL	Preamble
RCRA	Annex A
Real Property Leases	1.1 (a)

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<CAPTION>

DEFINED TERM -----	SECTION -----
Release	Annex A
Replacement Plan	5.4 (f)
Represented Employees	5.4 (a)
Resolution Period	1.5 (b)
Retained Contracts	1.2 (f)
Reynolds Marks	1.2 (k)
RIB	Preamble
RILA	Preamble
RIND	Preamble
SEC	3.5
Seconded Employees	5.6 (a) (i)
Section 338 Elections	Annex A
Section 338(g) Election	Annex A
Section 338(h) (10) Election	Annex A
Section 338 Forms	Annex A
Selection Period	5.6 (a) (i)
Seller	Preamble
Seller Employee(s)	5.5 (a)
Seller Nonrepresented Hourly Employees	5.5 (b)
Seller Salaried Employees	5.5 (c)
Seller's Plans	5.4 (b)
Seller's Welfare Plans	5.5 (f)
Senior Executive Abbreviated Mini-Trial	10.12 (c)
Shares	1.1
Siberian Aluminum	5.8 (a) (i)
Single Location Plans	5.4 (g) (i)
Special Retirement Benefit	5.4 (f) (ii)
Stockholder's Agreement	Preamble
Subdivision	1.10 (a)

Supply Program Agreement	1.7(d) (iii)
SVE	Preamble
SVE Technical Services Agreement	2.29
Tax Laws	Annex A
Tax Return(s)	Annex A
Taxes	1.3(b) (i)

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<CAPTION>

DEFINED TERM -----	SECTION -----
Taxing Authority	Annex A
Technology	Annex A
Title Commitments	4.4 (b)
Title Company	4.4 (b)
Title Costs	4.4 (b)
Title IV Plans	2.21 (a)
Torrance Lease	1.10 (a)
Trademarks	Annex A
Trademark License Agreement	1.7 (d) (viii)
Transferred Employee(s)	5.5 (a)
Transferred Nonrepresented Hourly Employees	5.5 (b)
Transferred Represented Employees	5.4 (a)
Transferred Salaried Employees	5.5 (c)
Transition Services Agreement	1.7 (d) (v)
Transitional Trademark License Agreement	1.7 (d) (ii)
Transportation Services Agreement	1.7 (d) (x)
UAC	Preamble
Unaudited Financial Statements	2.7 (a)
Unaudited Latasa Financial Statements	2.28
Union Pension Plans	5.4 (f)
Valuation Date	5.4 (g) (vi)
WARN Act	2.20 (j)
Welfare Benefits	5.5 (f) (ii)
Working Capital	1.5 (a)

</TABLE>

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REGISTRATION RIGHTS AGREEMENT

Dated as of August 10, 1998

by and among

Ball Corporation

Subsidiary Guarantors Parties Hereto

and

Lehman Brothers Inc.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

BancAmerica Robertson Stephens

First Chicago Capital Markets, Inc.

This Registration Rights Agreement (this "AGREEMENT") is made and entered into as of August 10, 1998, by and among Ball Corporation, an Indiana corporation (the "COMPANY"), Ball Aerospace and Technologies Corp., a Delaware corporation, Ball Asia Pacific Limited, a Colorado corporation, Ball Glass Container Corporation, a Delaware corporation, Ball Holdings Corp., a Delaware corporation, Ball Metal Beverage Container Corp., a Colorado corporation, Ball Metal Food Container Corp., a Delaware corporation, Ball Metal Packaging Sales Corp., a Colorado corporation, Ball Packaging Corp., a Colorado corporation, Ball Plastic Container Corp., a Colorado corporation, Ball Technologies Holdings Corp., a Colorado corporation, Ball Technology Services Corporation, a California corporation, BG Holdings I, Inc., a Delaware corporation, BG Holdings II, Inc., a Delaware corporation, Efratom Holding, Inc., a Colorado corporation, Latas de Aluminio Reynolds, Inc., a Delaware corporation, RCAL Cans, Inc., a Delaware corporation and RIND Cans, Inc., a Delaware corporation (collectively, the "SUBSIDIARY GUARANTORS") and Lehman Brothers Inc. ("LEHMAN BROTHERS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MERRILL LYNCH"), BancAmerica Robertson Stephens ("BANCAMERICA") and First Chicago Capital Markets, Inc. ("FIRST CHICAGO" and, together with Lehman Brothers, Merrill Lynch and BancAmerica, the "INITIAL PURCHASERS"), each of whom has agreed to purchase the Company's 7 3/4% Senior Notes due 2006 (the "SENIOR NOTES") pursuant to the Purchase Agreement (as defined below).

This Agreement is made pursuant to the Purchase Agreement, dated August 5, 1998, (the "PURCHASE AGREEMENT"), by and among the Company, the Subsidiary Guarantors and the Initial Purchasers. In order to induce the Initial Purchasers to purchase each tranche of the Series A Notes, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 2 of the Purchase Agreement.

The parties hereby agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

ACT: The Securities Act of 1933, as amended.

BUSINESS DAY: Any day except a Saturday, Sunday or other day in the City of New York, or in the city of the corporate trust office of the Trustee, on which banks are authorized to close.

BROKER-DEALER: Any broker or dealer registered under the Exchange Act.

BROKER-DEALER TRANSFER RESTRICTED SECURITIES: New Senior Notes that are acquired by a Broker-Dealer in the Exchange Offer in exchange for Senior Notes that such Broker-Dealer acquired for its own account as a result of market making activities or other trading activities (other than Senior Notes acquired directly from the Company or any of its affiliates).

CERTIFICATED SECURITIES: As defined in the Indenture.

CLOSING DATE: The date hereof.

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COMMISSION: The Securities and Exchange Commission.

CONSUMMATE: An Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (a) the filing and effectiveness under the Act of the Exchange Offer Registration Statement relating to the New Senior Notes to be issued in the Exchange Offer, (b) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof and (c) the delivery by the Company to the Registrar under the Indenture of New Senior Notes in the same aggregate principal amount as the aggregate principal amount of Senior Notes tendered by Holders thereof pursuant to the Exchange Offer.

DAMAGES PAYMENT DATE: With respect to the Senior Notes, each Interest Payment Date.

EXCHANGE ACT: The Securities Exchange Act of 1934, as amended.

EXCHANGE OFFER: The registration by the Company under the Act of the New Senior Notes pursuant to the Exchange Offer Registration Statement pursuant to which the Company shall offer the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Transfer Restricted Securities for New Senior Notes in an aggregate principal amount equal to the aggregate principal amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders.

EXCHANGE OFFER REGISTRATION STATEMENT: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

EXEMPT RESALES: The transactions in which the Initial Purchasers propose to sell the Senior Notes to certain "qualified institutional buyers," as such term is defined in Rule 144A under the Act.

GLOBAL NOTEHOLDER: As defined in the Indenture.

HOLDERS: As defined in Section 2 hereof.

INDEMNIFIED HOLDER: As defined in Section 8(a) hereof.

INDENTURE: The Indenture, dated the Closing Date, among the Company, the Subsidiary Guarantors and The Bank of New York, as trustee (the "TRUSTEE"), pursuant to which the Notes are to be issued, as such Indenture is amended or supplemented from time to time in accordance with the terms thereof.

INTEREST PAYMENT DATE: As defined in the Indenture and the Notes.

NASD: National Association of Securities Dealers, Inc.

NEW SENIOR NOTES: The Company's 7 3/4% Senior Notes due 2006, Series B, to be issued pursuant to the Indenture (i) in the Exchange Offer or (ii) upon the request of any Holder of Senior Notes covered by a Shelf Registration Statement, in exchange for such Senior Notes.

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NOTES: The Senior Notes and the New Senior Notes.

PERSON: An individual, partnership, corporation, trust, unincorporated organization, or a government or agency or political subdivision thereof.

PROSPECTUS: The prospectus prepared pursuant to this Agreement and

included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

RECORD HOLDER: With respect to any Damages Payment Date, each Person who is a Holder of Notes on the record date with respect to the Interest Payment Date on which such Damages Payment Date shall occur.

REGISTRATION DEFAULT: As defined in Section 5 hereof.

REGISTRATION STATEMENT: Any registration statement of the Company and the Subsidiary Guarantors relating to (a) an offering of New Senior Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, in each case, (i) which is filed pursuant to the provisions of this Agreement and (ii) including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

RESTRICTED BROKER-DEALER: Any Broker-Dealer which holds Broker-Dealer Transfer Restricted Securities.

SHELF REGISTRATION STATEMENT: As defined in Section 4 hereof.

TIA: The Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbbb) as in effect on the date of the Indenture.

TRANSFER RESTRICTED SECURITIES: Each Note, until the earliest to occur of (a) the date on which such Note is exchanged in the Exchange Offer and entitled to be resold to the public by the Holder thereof without complying with the prospectus delivery requirements of the Act, (b) the date on which such Note has been disposed of in accordance with a Shelf Registration Statement, (c) the date on which such Note is disposed of by a Broker-Dealer pursuant to the "Plan of Distribution" contemplated by the Exchange Offer Registration Statement (including delivery of the Prospectus contained therein) or (d) the date on which such Note is distributed to the public pursuant to Rule 144 under the Act.

UNDERWRITTEN REGISTRATION or UNDERWRITTEN OFFERING: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

SECTION 2. HOLDERS

A Person is deemed to be a holder of Transfer Restricted Securities (each, a "HOLDER") whenever such Person owns Transfer Restricted Securities.

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SECTION 3. REGISTERED EXCHANGE OFFER

(a) Unless the Exchange Offer shall not be permitted by applicable federal law (after the procedures set forth in Section 6(a)(i) below have been complied with), the Company and the Subsidiary Guarantors shall (i) cause to be filed with the Commission no later than 90 days after the Closing Date, the Exchange Offer Registration Statement, (ii) use its reasonable best efforts to cause such Exchange Offer Registration Statement to become effective no later than 150 days after the Closing Date, (iii) in connection with the foregoing, (A) file all pre-effective amendments to such Exchange Offer Registration Statement as may be reasonably necessary in order to cause such Exchange Offer Registration Statement to become effective, (B) file, if applicable, a post-effective amendment to such Exchange Offer Registration Statement pursuant to Rule 430A under the Act and (C) cause all filings which to the knowledge of the Company are necessary, if any, in connection with the registration and qualification of the New Senior Notes to be made under the Blue Sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer, and (iv) upon the effectiveness of such Exchange Offer Registration Statement, commence and Consummate the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting registration of the New Senior Notes to be offered in exchange for the Senior Notes that are Transfer Restricted Securities and to permit sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers as contemplated by Section 3(c) below.

(b) The Company and the Subsidiary Guarantors shall use their respective best efforts to cause the Exchange Offer Registration Statement to be effective continuously, and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to Consummate the Exchange Offer; PROVIDED, HOWEVER, that in no event shall such period be less than 20 Business Days. The Company and the Subsidiary Guarantors shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than the Notes shall be included in the Exchange Offer Registration

Statement. The Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to cause the Exchange Offer to be Consummated on or prior to 30 Business Days after the Exchange Offer Registration Statement has become effective.

(c) The Company shall include a "Plan of Distribution" section in the Prospectus contained in the Exchange Offer Registration Statement and indicate therein that any Restricted Broker-Dealer who holds Senior Notes that are Transfer Restricted Securities and that were acquired for the account of such Broker-Dealer as a result of market-making activities or other trading activities, may exchange such Senior Notes (other than Transfer Restricted Securities acquired directly from the Company or any affiliate of the Company) pursuant to the Exchange Offer; however, such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Act and must, therefore, deliver a prospectus meeting the requirements of the Act in connection with its initial sale of each New Senior Subordinated Note received by such Broker-Dealer in the Exchange Offer, which prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Such "Plan of Distribution" section shall also contain all other information with respect to such sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers that the Commission may require in order to permit such sales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Notes held by any such Broker-Dealer, except to the extent required by the Commission as a result of a change in policy after the date of this Agreement.

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The Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) below to the extent necessary to ensure that it is available for sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers, and to ensure that such Registration Statement conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of 180 days from the date on which the Exchange Offer is Consummated.

The Company and the Subsidiary Guarantors shall promptly provide sufficient copies of the latest version of such Prospectus to such Restricted Broker-Dealers promptly upon request, at any time during such 180-day period in order to facilitate such sales.

SECTION 4. SHELF REGISTRATION

(a) SHELF REGISTRATION. If (i) the Company is not required to file an Exchange Offer Registration Statement with respect to the New Senior Notes because the Exchange Offer is not permitted by applicable law (after the procedures set forth in Section 6(a)(i) below have been complied with) or (ii) if any Holder of Transfer Restricted Securities shall notify the Company within 20 Business Days following the Consummation of the Exchange Offer that (A) such Holder was prohibited by law or Commission policy from participating in the Exchange Offer or (B) such Holder may not resell the New Senior Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (C) such Holder is a Broker-Dealer and holds Senior Notes acquired directly from the Company or one of its affiliates, then the Company and the Subsidiary Guarantors shall (x) cause to be filed on or prior to 90 days after the date on which the Company determines that it is not required to file the Exchange Offer Registration Statement pursuant to clause (i) above or 90 days after the date on which the Company receives the notice specified in clause (ii) above a shelf registration statement pursuant to Rule 415 under the Act (which may be an amendment to the Exchange Offer Registration Statement (in either event, the "SHELF REGISTRATION STATEMENT")), relating to all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof, and shall (y) use their respective commercially reasonable best efforts to cause such Shelf Registration Statement to become effective on or prior to 150 days after the date on which the Company becomes obligated to file such Shelf Registration Statement. If, after the Company has filed an Exchange Offer Registration Statement which satisfies the requirements of Section 3(a) above, the Company is required to file and make effective a Shelf Registration Statement solely because the Exchange Offer shall not be permitted under applicable federal law, then the filing of the Exchange Offer Registration Statement shall be deemed to satisfy the requirements of clause (x) above. Such an event shall have no effect on the requirements of clause (y) above. The Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to keep the Shelf Registration Statement discussed in this Section 4(a) continuously effective, supplemented and amended as required by and subject to the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for sales of Transfer Restricted Securities by the Holders thereof entitled to the benefit of this Section 4(a), and to ensure that it conforms with the requirements of this Agreement, the Act and

the policies, rules and regulations of the Commission as announced from time to time, for a period of at least two years (as extended pursuant to Section 6(c)(i)) following the date on which such Shelf Registration Statement first becomes effective under the Act.

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(b) PROVISION BY HOLDERS OF CERTAIN INFORMATION IN CONNECTION WITH THE SHELF REGISTRATION STATEMENT. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 10 Business Days after receipt of a request therefor, such information specified in Item 507 of Regulation S-K under the Act for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. Each Holder as to which any Shelf Registration Statement is being effected 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.

SECTION 5. LIQUIDATED DAMAGES

If (i) any Registration Statement required by this Agreement is not filed with the Commission on or prior to the date specified for such filing in this Agreement, (ii) any such Registration Statement has not been declared effective by the Commission on or prior to the date specified for such effectiveness in this Agreement, (iii) the Exchange Offer has not been Consummated within 30 Business Days after the Exchange Offer Registration Statement is first declared effective by the Commission or (iv) any Registration Statement required by this Agreement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded immediately by a post-effective amendment to such Registration Statement that cures such failure and that is itself declared effective immediately (each such event referred to in clauses (i) through (iv), a "REGISTRATION DEFAULT"), then the Company and the Subsidiary Guarantors hereby jointly and severally agree to pay liquidated damages to each Holder of Transfer Restricted Securities with respect to the first 90-day period immediately following the occurrence of such Registration Default, in an amount equal to \$.05 per week per \$1,000 principal amount of Transfer Restricted Securities held by such Holder for each week or portion thereof that the Registration Default continues. The amount of the liquidated damages shall increase by an additional \$.05 per week per \$1,000 in principal amount of Transfer Restricted Securities with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of liquidated damages of \$.50 per week per \$1,000 principal amount of Transfer Restricted Securities. Notwithstanding anything to the contrary set forth herein, (1) upon filing of the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement), in the case of (i) above, (2) upon the effectiveness of the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement), in the case of (ii) above, (3) upon Consummation of the Exchange Offer, in the case of (iii) above, or (4) upon the filing of a post-effective amendment to the Registration Statement or an additional Registration Statement that causes the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement) to again be declared effective or made usable in the case of (iv) above, the liquidated damages payable with respect to the Transfer Restricted Securities as a result of such clause (i), (ii), (iii) or (iv), as applicable, shall immediately cease.

All accrued liquidated damages shall be paid to the Global Note Holder by wire transfer of immediately available funds or by federal funds check and to Holders of Certificated Securities by wire transfer to the accounts specified by them or by mailing checks to their registered addresses, if no such accounts have been specified, on each Damages Payment Date. All obligations of the Company and the Subsidiary Guarantors set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall

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survive until such time as all such obligations with respect to such security shall have been satisfied in full.

SECTION 6. REGISTRATION PROCEDURES

(a) EXCHANGE OFFER REGISTRATION STATEMENT. In connection with the Exchange Offer, the Company and the Subsidiary Guarantors shall comply with all applicable provisions of Section 6(c) below, shall use their respective reasonable best efforts to effect such exchange and to permit the sale of Broker-Dealer Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If, following the date hereof there has been published a change in Commission policy with respect to exchange offers such as the Exchange Offer, such that in the reasonable opinion of counsel to the Company there is a substantial question as to whether the Exchange Offer is permitted by applicable federal law, the Company and the Subsidiary Guarantors hereby agree to seek a no-action letter or other favorable decision from the Commission allowing the Company and the Subsidiary Guarantors to consummate an Exchange Offer for such Senior Notes. The Company and the Subsidiary Guarantors hereby agree to pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company and the Subsidiary Guarantors hereby agree to take all such other actions as are requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (A) participating in telephonic conferences with the Commission, (B) delivering to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursuing a resolution (which need not be favorable) by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the consummation of the Exchange Offer, a written representation to the Company and the Subsidiary Guarantors (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the New Senior Notes to be issued in the Exchange Offer and (C) it is acquiring the New Senior Notes in its ordinary course of business. Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer (1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in MORGAN STANLEY AND CO., INC. (available June 5, 1991) and EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters (including, if applicable, any no-action letter obtained pursuant to clause (i) above), and (2) must comply with the registration and prospectus delivery requirements of the Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of New Senior Notes obtained by such

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Holder in exchange for Senior Notes acquired by such Holder directly from the Company or an affiliate thereof.

(iii) Prior to effectiveness of the Exchange Offer Registration Statement, the Company and the Subsidiary Guarantors shall, if requested by the Commission, provide a supplemental letter to the Commission (A) stating that the Company and the Subsidiary Guarantors are registering the Exchange Offer in reliance on the position of the Commission enunciated in EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), MORGAN STANLEY AND CO., INC. (available June 5, 1991) and, if applicable, any no-action letter obtained pursuant to clause (i) above, (B) including a representation that neither the Company nor any Subsidiary Guarantor has entered into any arrangement or understanding with any Person to distribute the New Senior Notes to be received in the Exchange Offer and that, to the best of the Company's and each Subsidiary Guarantor's information and belief, each Holder participating in the Exchange Offer is acquiring the New Senior Notes in its ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the New Senior Notes received in the Exchange Offer and (C) any other undertaking or representation reasonably required by the Commission as set forth in any no-action letter obtained pursuant to clause (i) above.

(b) SHELF REGISTRATION STATEMENT. In connection with the Shelf Registration Statement, the Company and the Subsidiary Guarantors shall comply with all the provisions of Section 6(c) below and shall use their respective reasonable best efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof (as indicated in the information furnished to the Company pursuant to Section 4(b) hereof), and pursuant thereto the Company and the Subsidiary Guarantors will prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof within the time

periods and otherwise in accordance with the provisions hereof.

(c) GENERAL PROVISIONS. In connection with any Registration Statement and any related Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Exchange Offer Registration Statement and the related Prospectus, to the extent that the same are required to be available to permit sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers), the Company and the Subsidiary Guarantors shall:

(i) use their respective reasonable best efforts to keep such Registration Statement continuously effective and provide all requisite financial statements for the period specified in Section 3 or 4 of this Agreement, as applicable. Upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company and the Subsidiary Guarantors shall file promptly an appropriate amendment to such Registration Statement, (1) in the case of clause (A), correcting any such misstatement or omission, and (2) in the case of clauses (A) and (B), use their respective reasonable best efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as reasonably practicable thereafter.

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(ii) prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act, and to comply fully in all material respects with Rules 424, 430A and 462, as applicable, under the Act in a timely manner; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) advise the underwriter(s), if any, selling Holders named in any Registration Statement or Prospectus ("Named Holders") and any Restricted Broker-Dealer (whether or not named in the Registration Statement) who has requested copies of the Prospectus pursuant to the last paragraph of Section 3 hereof, or has otherwise identified itself as a Restricted Broker-Dealer to the Company, promptly and, if requested by such Persons, confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement in order to make the statements therein not misleading, or that requires the making of any additions to or changes in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) furnish to the Initial Purchasers, each Named Holder and each of the underwriter(s) in connection with such sale, if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which documents will be subject to the review and comment of

such Named Holders and underwriter(s) in connection with such sale, if any, for a period of at least five Business Days, and the Company will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which the Named Holders of the Transfer Restricted Securities covered by such Registration Statement or the underwriter(s) in connection with such sale, if any, shall reasonably object within five Business Days after the receipt

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thereof. A Named Holder or underwriter, if any, shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission or fails to comply with the applicable requirements of the Act;

(v) promptly prior to the filing of any document that is to be incorporated by reference into a Registration Statement or Prospectus, provide copies of such document to the Named Holders and to the underwriter(s) in connection with such sale, if any, make the Company's and the Subsidiary Guarantors' representatives available for discussion of such document and other customary due diligence matters, and include such information in such document prior to the filing thereof as such Named Holders or underwriter(s), if any, reasonably may request;

(vi) make available at reasonable times for inspection by the Named Holders, any managing underwriter participating in any disposition pursuant to such Registration Statement and any attorney or accountant retained by such Named Holders or any of such underwriter(s), all financial and other records, pertinent corporate documents and properties of the Company and the Subsidiary Guarantors subject to appropriate confidentiality agreements and cause the Company's and the Subsidiary Guarantors' officers, directors and employees to supply all information that is (a) reasonably requested by any Named Holder, underwriter, attorney or accountant in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness and (b) customarily furnished in transactions of the type contemplated by such Registration Statement;

(vii) if requested by any Named Holders or the underwriter(s) in connection with such sale, if any, promptly include in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such Named Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after the Company is notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(viii) furnish to each Named Holder and each of the underwriter(s) in connection with such sale, if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(ix) deliver to each Named Holder and each of the underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request; the Company and the Subsidiary Guarantors hereby consent to the use (in accordance with law) of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

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(x) enter into such agreements (including an underwriting agreement) and make such representations and warranties and take all such other actions in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement as may be reasonably requested by any Holder of Transfer Restricted Securities or underwriter in connection with any sale or resale pursuant

to any Registration Statement contemplated by this Agreement, which agreements must be in customary form, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, the Company and the Subsidiary Guarantors shall:

(A) furnish (or in the case of paragraphs (2) and (3), use its commercially reasonable best efforts to furnish) to each Named Holder and each underwriter, if any, upon the effectiveness of the Shelf Registration Statement:

(1) a certificate, dated the date of effectiveness of the Shelf Registration Statement, signed on behalf of the Company and each Subsidiary Guarantor by (x) the President or any Vice President and (y) a principal financial or accounting officer of the Company and such Subsidiary Guarantor, confirming, as of the date thereof, the matters set forth in paragraphs (f) and (g) of Section 7 of the Purchase Agreement;

(2) an opinion, dated the date of effectiveness of the Shelf Registration Statement, of counsel (which may include the General Counsel of the Company) for the Company and the Subsidiary Guarantors covering such matters as may be reasonably requested, including a statement to the effect that such counsel has participated in the preparation of the applicable Registration Statement, including review and discussion of the contents thereof, and no facts came to such counsel's attention that caused such counsel to believe that the Registration Statement, at the time such Registration Statement or any post-effective 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, or that the Prospectus contained in such Registration Statement as of its date contained an untrue statement of a material fact or omitted 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. Without limiting the foregoing, such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial and statistical data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated as of the date of effectiveness of the Shelf Registration Statement, from the Company's independent accountants, in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with primary underwritten offerings; and

(B) set forth in full or incorporate by reference in the underwriting agreement, if any, in connection with any sale or resale pursuant to any Shelf Registration Statement the indemnification provisions and procedures of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section.

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The above shall be done at each closing under such underwriting or similar agreement, as and to the extent required thereunder, and if at any time the representations and warranties of the Company and the Subsidiary Guarantors contemplated in (A)(1) above cease to be true and correct, the Company and the Subsidiary Guarantors shall so advise the underwriter(s), if any and the Named Holders promptly and if requested by such Persons, shall confirm such advice in writing;

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with the Named Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the Named Holders or underwriter(s), if any, may request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the applicable Registration Statement; PROVIDED, HOWEVER, that neither the Company nor any Subsidiary Guarantor shall be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xii) issue, upon the request of any Holder of Senior Notes covered by any Shelf Registration Statement contemplated by this Agreement, New Senior Notes having an aggregate principal amount equal to the aggregate principal amount of Senior Notes surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such New Senior Notes to be registered in the name of such Holder or in the name of the purchaser(s) of such Notes, as the case may be; in return, the Senior Notes held by such Holder shall be surrendered to the Company for cancellation;

(xiii) in connection with any sale of Transfer Restricted Securities that will result in such securities no longer being Transfer Restricted Securities, cooperate with the Named Holders and each Restricted Broker-Dealer and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and to register such Transfer Restricted Securities in such denominations and such names as the Named Holders, Restricted Broker-Dealers or the underwriter(s), if any, may request at least two Business Days prior to such sale of Transfer Restricted Securities;

(xiv) use their respective reasonable best efforts to cause the disposition of the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other domestic governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xi) above;

(xv) subject to Section 6(c)(i), if any fact or event contemplated by Section 6(c)(iii)(D) above shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

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(xvi) provide a CUSIP number for all Transfer Restricted Securities not later than the effective date of a Registration Statement covering such Transfer Restricted Securities and provide the Trustee under the Indenture with printed certificates for the Transfer Restricted Securities which are in a form eligible for deposit with the Depository Trust Company;

(xvii) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the NASD, and use their respective reasonable best efforts to cause such Registration Statement to become effective and approved by such governmental agencies or authorities as may be necessary to enable the Holders selling Transfer Restricted Securities to consummate the disposition of such Transfer Restricted Securities;

(xviii) otherwise use their respective commercially reasonable best efforts to make generally available to its security holders with regard to any applicable Registration Statement, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) covering a twelve-month period beginning after the effective date of the Registration Statement (as such term is defined in paragraph (c) of Rule 158 under the Act);

(xix) cause the Indenture to be qualified under the TIA not later than the effective date of the first Registration Statement required by this Agreement and, in connection therewith, cooperate with the Trustee and the Holders of Notes to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute and use its reasonable best efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner; and

(xx) provide promptly to each Holder upon request each document filed with the Commission pursuant to the requirements of Section 13 or Section 15(d) of the Exchange Act.

(d) RESTRICTIONS ON HOLDERS. Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of the notice referred to in Section 6(c)(i) or any notice from the Company of the existence of any

fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus (the "Advice"). If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of either such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(i) or Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof or shall have received the Advice.

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SECTION 7. REGISTRATION EXPENSES

(a) All expenses incident to the Company's and the Subsidiary Guarantors' performance of or compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses (including filings made by any Purchaser or Holder with the NASD and its counsel that may be required by the rules and regulations of the NASD); (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the New Senior Notes to be issued in the Exchange Offer and printing of Prospectuses); (iv) all fees and disbursements of counsel for the Company and the Subsidiary Guarantors; (v) all application and filing fees in connection with listing the Notes on a national securities exchange or automated quotation system pursuant to the requirements hereof; and (vi) all fees and disbursements of independent certified public accountants of the Company and the Subsidiary Guarantors (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will, in any event, bear its and the Subsidiary Guarantors' internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company or the Subsidiary Guarantors.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Company and the Subsidiary Guarantors will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities being tendered in the Exchange Offer and/or resold pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or registered pursuant to the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements (which shall not exceed \$25,000 without the prior written consent of the Company) of not more than one counsel, who shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

SECTION 8. INDEMNIFICATION

(a) The Company and the Subsidiary Guarantors, jointly and severally, agree to indemnify and hold harmless (i) each Holder and (ii) each person, if any, who controls (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) any Holder (any of the persons referred to in this clause (ii) being hereinafter referred to as a "controlling person") and (iii) the respective officers, directors, partners, employees, representatives and agents of any Holder or any controlling person (any person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as an "INDEMNIFIED HOLDER"), to the fullest extent lawful, from and against any and all losses, claims, damages, liabilities, judgments, actions and expenses (including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Indemnified Holder) directly or indirectly caused by, related to, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, preliminary prospectus prepared pursuant to this

Prospectus (or any amendment or supplement thereto), or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by an untrue statement or omission or alleged untrue statement or omission that is made in reliance upon and in conformity with information relating to any of the Holders furnished in writing to the Company by any of the Holders expressly for use therein.

In case any action or proceeding (including any governmental or regulatory investigation or proceeding) shall be brought or asserted against any of the Indemnified Holders with respect to which indemnity may be sought against the Company or the Subsidiary Guarantors, such Indemnified Holder (or the Indemnified Holder controlled by such controlling person) shall promptly notify the parties against whom indemnification is being sought (the "indemnifying parties"), and such indemnifying parties shall assume the defense thereof, including the employment of counsel and payment of all fees and expenses. Such Indemnified Holder shall have the right to employ its own counsel in any such action, suit or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Holder unless (i) the indemnifying parties have agreed in writing to pay such fees and expenses, (ii) the indemnifying parties have failed to assume the defense and employ counsel, or (iii) the named parties to any such action, suit or proceeding (including any impleaded parties) include such Indemnified Holder and the indemnifying parties and such Indemnified Holder shall have been advised by its counsel that representation of such indemnified party and any indemnifying party by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them (in which case the indemnifying party shall not have the right to assume the defense of such action, suit or proceeding on behalf of such Indemnified Holder). It is understood, however, that the indemnifying parties shall, in connection with any one such action, suit or proceeding or separate but substantially similar or related actions, suits or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys (in addition to any local counsel) at any time for the Indemnified Holders, which firm shall be designated in writing by the Indemnified Holders, and that all such fees and expenses shall be reimbursed on a monthly basis as provided in paragraph (a) hereof. The indemnifying parties shall not be liable for any settlement of any such action, suit or proceeding effected without their written consent, but if settled with such written consent, or if there shall be a final judgment for the plaintiff in any such action, suit or proceeding, the indemnifying parties agree to indemnify and hold harmless such Indemnified Holder, to the extent provided in paragraph (a), and any such controlling person from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

(b) Each Holder of Transfer Restricted Securities agrees, severally and not jointly, to indemnify and hold harmless the Company and the Subsidiary Guarantors, and their respective directors, officers, and any person controlling (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) the Company or any Subsidiary Guarantor, to the same extent as the foregoing indemnity from the Company and the Subsidiary Guarantors to each of the Indemnified Holders, but only with respect to information relating to such Holder furnished in writing by or on behalf of such Holder expressly for use in any Registration Statement. In case any action, suit or proceeding shall be brought against the Company, any Subsidiary Guarantor or its directors or officers or any such controlling person in respect of which indemnity may be sought against a Holder of Transfer Restricted Securities pursuant to this paragraph (b), such Holder shall have the rights and duties given the Company and the Subsidiary

Guarantors (except that if the Company and the Subsidiary Guarantors shall have assumed the defense thereof the Holders shall not be required to do so, but may employ separate counsel therein and participate in the defense thereof, but the fees and expenses of such counsel shall be at the Holders' expense), and the Company, such Subsidiary Guarantor, such directors or officers or such controlling person shall have the rights and duties given to each Holder by the preceding paragraph. In no event shall any Holder be liable or responsible for any amount in excess of the amount by which the total received by such Holder with respect to its sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds (i) the amount paid by such Holder for such Transfer Restricted Securities and (ii) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The foregoing indemnity agreement shall be in addition to any liability which the Holders may otherwise have.

(c) If the indemnification provided for in this Section 8 is unavailable to an indemnified party under Section 8(a) or Section 8(b) hereof in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company and the Subsidiary Guarantors, on the one hand, and the Holders, on the other hand, from their sale of Transfer Restricted Securities or if such allocation is not permitted by applicable law, the relative fault of the Company and the Subsidiary Guarantors, on the one hand, and of the Indemnified Holder, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of the Company and the Subsidiary Guarantors, on the one hand, and of the Indemnified Holder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or such Subsidiary Guarantor or by the Indemnified Holder and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Subsidiary Guarantors and each Holder of Transfer Restricted Securities agree that it would not be just and equitable if contribution pursuant to this Section 8(c) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating any claim or defending any such action, suit or proceeding. Notwithstanding the provisions of this Section 8, no Holder or its related Indemnified Holders shall be required to contribute, in the aggregate, any amount in excess of the amount by which the total received by such Holder with respect to the sale of its Transfer Restricted Securities pursuant to a Registration Statement exceeds the sum of (A) the amount paid by such Holder for such Transfer Restricted Securities PLUS (B) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(c) are several in

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proportion to the respective principal amount of Senior Notes held by each of the Holders hereunder and not joint.

(d) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action, suit or proceeding in respect of which any indemnified party is a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding.

SECTION 9. RULE 144A

The Company and each Subsidiary Guarantor hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding and during any period in which the Company or such Subsidiary Guarantor is not subject to Section 13 or 15(d) of the Securities Exchange Act, to make available, upon request of any Holder of Transfer Restricted Securities, to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities designated by such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

SECTION 10. UNDERWRITTEN REGISTRATIONS

No Holder may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in customary underwriting arrangements entered into in connection therewith and (b) completes and executes all reasonable questionnaires, powers of attorney, and other documents required under the terms of such underwriting arrangements.

SECTION 11. SELECTION OF UNDERWRITERS

For any Underwritten Offering, the investment banker or investment bankers and manager or managers for any Underwritten Offering that will administer such offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering and consented to by the Company, which consent shall not be unreasonably withheld. Such investment bankers and managers are referred to herein as the "underwriters."

SECTION 12. MISCELLANEOUS

(a) REMEDIES. Each Holder, in addition to being entitled to exercise all rights provided herein, in the Indenture, the Purchase Agreement or granted by law, including recovery of liquidated or other damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Subsidiary Guarantors agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by them of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate.

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(b) NO INCONSISTENT AGREEMENTS. Neither the Company nor any Subsidiary Guarantor will, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's and the Subsidiary Guarantors' securities under any agreement in effect on the date hereof.

(c) ADJUSTMENTS AFFECTING THE NOTES. Neither the Company nor any Subsidiary Guarantor will take any action, or voluntarily permit any change to occur, with respect to the Notes that is designed to and would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer.

(d) AMENDMENTS AND WAIVERS. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless (i) in the case of Section 5 hereof and this Section 12(d)(i), the Company has obtained the written consent of Holders of all outstanding Transfer Restricted Securities and (ii) in the case of all other provisions hereof, the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities. Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities subject to such Exchange Offer.

(e) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

(ii) if to the Company or the Subsidiary Guarantors:

Ball Corporation
Colorado Office Center
9300 West 108th Circle
Broomfield, CO 80021-3682
Telecopier No.: (303) 460-2691
Attention: General Counsel

With a copy, which shall not constitute notice, to:
Skadden, Arps, Slate, Meagher & Flom
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Telecopier No.: (312) 407-0411
Attention: Brian W. Duwe

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All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; PROVIDED, HOWEVER, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities directly from such Holder.

(g) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW RULES THEREOF.

(j) SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) ENTIRE AGREEMENT. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BALL CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Treasurer

BALL AEROSPACE AND TECHNOLOGIES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL ASIA PACIFIC LIMITED

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL GLASS CONTAINER CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL HOLDINGS CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL BEVERAGE CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL FOOD CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL PACKAGING SALES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PACKAGING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PLASTIC CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGIES HOLDING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGY SERVICES CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BG HOLDINGS I, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BG HOLDINGS II, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

EFRATOM HOLDING, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

LATAS DE ALUMINIO REYNOLDS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

RCAL CANS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

RIND CANS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

Confirmed as of the date first
above written.

LEHMAN BROTHERS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
BANCAMERICA ROBERTSON STEPHENS
FIRST CHICAGO CAPITAL MARKETS, INC.

By: LEHMAN BROTHERS INC.

By: /s/ Christoph E. Hodge

Name: Christoph E. Hodge
Title: Managing Director

REGISTRATION RIGHTS AGREEMENT

Dated as of August 10, 1998

by and among

Ball Corporation

Subsidiary Guarantors Parties Hereto

and

Lehman Brothers Inc.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

BancAmerica Robertson Stephens

First Chicago Capital Markets, Inc.

This Registration Rights Agreement (this "AGREEMENT") is made and entered into as of August 10, 1998, by and among Ball Corporation, an Indiana corporation (the "COMPANY"), Ball Aerospace and Technologies Corp., a Delaware corporation, Ball Asia Pacific Limited, a Colorado corporation, Ball Glass Container Corporation, a Delaware corporation, Ball Holdings Corp., a Delaware corporation, Ball Metal Beverage Container Corp., a Colorado corporation, Ball Metal Food Container Corp., a Delaware corporation, Ball Metal Packaging Sales Corp., a Colorado corporation, Ball Packaging Corp., a Colorado corporation, Ball Plastic Container Corp., a Colorado corporation, Ball Technologies Holdings Corp., a Colorado corporation, Ball Technology Services Corporation, a California corporation, BG Holdings I, Inc., a Delaware corporation, BG Holdings II, Inc., a Delaware corporation, Efratom Holding, Inc., a Colorado corporation, Latas de Aluminio Reynolds, Inc., a Delaware corporation, RCAL Cans, Inc., a Delaware corporation and RIND Cans, Inc., a Delaware corporation (collectively, the "SUBSIDIARY GUARANTORS") and Lehman Brothers Inc. ("LEHMAN BROTHERS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MERRILL LYNCH"), BancAmerica Robertson Stephens ("BANCAMERICA") and First Chicago Capital Markets, Inc. ("FIRST CHICAGO" and, together with Lehman Brothers, Merrill Lynch and BancAmerica, the "INITIAL PURCHASERS"), each of whom has agreed to purchase the Company's 8 1/4% Senior Subordinated Notes due 2008 (the "SENIOR SUBORDINATED NOTES") pursuant to the Purchase Agreement (as defined below).

This Agreement is made pursuant to the Purchase Agreement, dated August 5, 1998, (the "PURCHASE AGREEMENT"), by and among the Company, the Subsidiary Guarantors and the Initial Purchasers. In order to induce the Initial Purchasers to purchase each tranche of the Series A Notes, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 2 of the Purchase Agreement.

The parties hereby agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

ACT: The Securities Act of 1933, as amended.

BUSINESS DAY: Any day except a Saturday, Sunday or other day in the City of New York, or in the city of the corporate trust office of the Trustee, on which banks are authorized to close.

BROKER-DEALER: Any broker or dealer registered under the Exchange Act.

BROKER-DEALER TRANSFER RESTRICTED SECURITIES: New Senior Subordinated Notes that are acquired by a Broker-Dealer in the Exchange Offer in exchange for Senior Subordinated Notes that such Broker-Dealer acquired for its own account as a result of market making activities or other trading activities (other than Senior Subordinated Notes acquired directly from the Company or any of its affiliates).

CERTIFICATED SECURITIES: As defined in the Indenture.

CLOSING DATE: The date hereof.

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COMMISSION: The Securities and Exchange Commission.

CONSUMMATE: An Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (a) the filing and effectiveness under the Act of the Exchange Offer Registration Statement relating to the New Senior Subordinated Notes to be issued in the Exchange Offer, (b) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof and (c) the delivery by the Company to the Registrar under the Indenture of New Senior Subordinated Notes in the same aggregate principal amount as the aggregate principal amount of Senior Subordinated Notes tendered by Holders thereof pursuant to the Exchange Offer.

DAMAGES PAYMENT DATE: With respect to the Senior Subordinated Notes, each Interest Payment Date.

EXCHANGE ACT: The Securities Exchange Act of 1934, as amended.

EXCHANGE OFFER: The registration by the Company under the Act of the New Senior Subordinated Notes pursuant to the Exchange Offer Registration Statement pursuant to which the Company shall offer the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Transfer Restricted Securities for New Senior Subordinated Notes in an aggregate principal amount equal to the aggregate principal amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders.

EXCHANGE OFFER REGISTRATION STATEMENT: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

EXEMPT REALES: The transactions in which the Initial Purchasers propose to sell the Senior Subordinated Notes to certain "qualified institutional buyers," as such term is defined in Rule 144A under the Act.

GLOBAL NOTEHOLDER: As defined in the Indenture.

HOLDERS: As defined in Section 2 hereof.

INDEMNIFIED HOLDER: As defined in Section 8(a) hereof.

INDENTURE: The Indenture, dated the Closing Date, among the Company, the Subsidiary Guarantors and The Bank of New York, as trustee (the "TRUSTEE"), pursuant to which the Notes are to be issued, as such Indenture is amended or supplemented from time to time in accordance with the terms thereof.

INTEREST PAYMENT DATE: As defined in the Indenture and the Notes.

NASD: National Association of Securities Dealers, Inc.

NEW SENIOR NOTES: The Company's 8 1/4% Senior Subordinated Notes due 2008, Series B, to be issued pursuant to the Indenture (i) in the Exchange Offer or (ii) upon the request of any

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Holder of Senior Subordinated Notes covered by a Shelf Registration Statement, in exchange for such Senior Subordinated Notes.

NOTES: The Senior Subordinated Notes and the New Senior Subordinated Notes.

PERSON: An individual, partnership, corporation, trust, unincorporated organization, or a government or agency or political subdivision thereof.

PROSPECTUS: The prospectus prepared pursuant to this Agreement and included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

RECORD HOLDER: With respect to any Damages Payment Date, each Person who is a Holder of Notes on the record date with respect to the Interest Payment Date on which such Damages Payment Date shall occur.

REGISTRATION DEFAULT: As defined in Section 5 hereof.

REGISTRATION STATEMENT: Any registration statement of the Company and the Subsidiary Guarantors relating to (a) an offering of New Senior Subordinated Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, in each case, (i) which is filed pursuant to the provisions of this Agreement and (ii) including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

RESTRICTED BROKER-DEALER: Any Broker-Dealer which holds Broker-Dealer Transfer Restricted Securities.

SHELF REGISTRATION STATEMENT: As defined in Section 4 hereof.

TIA: The Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbb) as in effect on the date of the Indenture.

TRANSFER RESTRICTED SECURITIES: Each Note, until the earliest to occur of (a) the date on which such Note is exchanged in the Exchange Offer and entitled to be resold to the public by the Holder thereof without complying with the prospectus delivery requirements of the Act, (b) the date on which such Note has been disposed of in accordance with a Shelf Registration Statement, (c) the date on which such Note is disposed of by a Broker-Dealer pursuant to the "Plan of Distribution" contemplated by the Exchange Offer Registration Statement (including delivery of the Prospectus contained therein) or (d) the date on which such Note is distributed to the public pursuant to Rule 144 under the Act.

UNDERWRITTEN REGISTRATION or UNDERWRITTEN OFFERING: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

SECTION 2. HOLDERS

A Person is deemed to be a holder of Transfer Restricted Securities (each, a "HOLDER") whenever such Person owns Transfer Restricted Securities.

SECTION 3. REGISTERED EXCHANGE OFFER

(a) Unless the Exchange Offer shall not be permitted by applicable federal law (after the procedures set forth in Section 6(a)(i) below have been complied with), the Company and the Subsidiary Guarantors shall (i) cause to be filed with the Commission no later than 90 days after the Closing Date, the Exchange Offer Registration Statement, (ii) use its reasonable best efforts to cause such Exchange Offer Registration Statement to become effective no later than 150 days after the Closing Date, (iii) in connection with the foregoing, (A) file all pre-effective amendments to such Exchange Offer Registration Statement as may be reasonably necessary in order to cause such Exchange Offer Registration Statement to become effective, (B) file, if applicable, a post-effective amendment to such Exchange Offer Registration Statement pursuant to Rule 430A under the Act and (C) cause all filings which to the knowledge of the Company are necessary, if any, in connection with the registration and qualification of the New Senior Subordinated Notes to be made under the Blue Sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer, and (iv) upon the effectiveness of such Exchange Offer Registration Statement, commence and Consummate the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting registration of the New Senior Subordinated Notes to be offered in exchange for the Senior

Subordinated Notes that are Transfer Restricted Securities and to permit sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers as contemplated by Section 3(c) below.

(b) The Company and the Subsidiary Guarantors shall use their respective best efforts to cause the Exchange Offer Registration Statement to be effective continuously, and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to consummate the Exchange Offer; PROVIDED, HOWEVER, that in no event shall such period be less than 20 Business Days. The Company and the Subsidiary Guarantors shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than the Notes shall be included in the Exchange Offer Registration Statement. The Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to cause the Exchange Offer to be consummated on or prior to 30 Business Days after the Exchange Offer Registration Statement has become effective.

(c) The Company shall include a "Plan of Distribution" section in the Prospectus contained in the Exchange Offer Registration Statement and indicate therein that any Restricted Broker-Dealer who holds Senior Subordinated Notes that are Transfer Restricted Securities and that were acquired for the account of such Broker-Dealer as a result of market-making activities or other trading activities, may exchange such Senior Subordinated Notes (other than Transfer Restricted Securities acquired directly from the Company or any affiliate of the Company) pursuant to the Exchange Offer; however, such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Act and must, therefore, deliver a prospectus meeting the requirements of the Act in connection with its initial sale of each New Senior Subordinated Note received by such Broker-Dealer in the Exchange Offer, which prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Such "Plan of Distribution" section shall also contain all other

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information with respect to such sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers that the Commission may require in order to permit such sales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Notes held by any such Broker-Dealer, except to the extent required by the Commission as a result of a change in policy after the date of this Agreement.

The Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) below to the extent necessary to ensure that it is available for sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers, and to ensure that such Registration Statement conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of 180 days from the date on which the Exchange Offer is consummated.

The Company and the Subsidiary Guarantors shall promptly provide sufficient copies of the latest version of such Prospectus to such Restricted Broker-Dealers promptly upon request, at any time during such 180-day period in order to facilitate such sales.

SECTION 4. SHELF REGISTRATION

(a) SHELF REGISTRATION. If (i) the Company is not required to file an Exchange Offer Registration Statement with respect to the New Senior Subordinated Notes because the Exchange Offer is not permitted by applicable law (after the procedures set forth in Section 6(a)(i) below have been complied with) or (ii) if any Holder of Transfer Restricted Securities shall notify the Company within 20 Business Days following the consummation of the Exchange Offer that (A) such Holder was prohibited by law or Commission policy from participating in the Exchange Offer or (B) such Holder may not resell the New Senior Subordinated Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (C) such Holder is a Broker-Dealer and holds Senior Subordinated Notes acquired directly from the Company or one of its affiliates, then the Company and the Subsidiary Guarantors shall (x) cause to be filed on or prior to 90 days after the date on which the Company determines that it is not required to file the Exchange Offer Registration Statement pursuant to clause (i) above or 90 days after the date on which the Company receives the notice specified in clause (ii) above a shelf registration statement pursuant to Rule 415 under the Act (which may be an amendment to the Exchange Offer Registration Statement (in either event, the "SHELF REGISTRATION STATEMENT")), relating to all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof, and shall (y) use their respective commercially reasonable best efforts to cause such Shelf Registration Statement to become effective on or prior to 150 days after the date on which the Company

becomes obligated to file such Shelf Registration Statement. If, after the Company has filed an Exchange Offer Registration Statement which satisfies the requirements of Section 3(a) above, the Company is required to file and make effective a Shelf Registration Statement solely because the Exchange Offer shall not be permitted under applicable federal law, then the filing of the Exchange Offer Registration Statement shall be deemed to satisfy the requirements of clause (x) above. Such an event shall have no effect on the requirements of clause (y) above. The Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to keep the Shelf Registration Statement discussed in this Section 4(a) continuously effective, supplemented and amended as required

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by and subject to the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for sales of Transfer Restricted Securities by the Holders thereof entitled to the benefit of this Section 4(a), and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of at least two years (as extended pursuant to Section 6(c)(i)) following the date on which such Shelf Registration Statement first becomes effective under the Act.

(b) PROVISION BY HOLDERS OF CERTAIN INFORMATION IN CONNECTION WITH THE SHELF REGISTRATION STATEMENT. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 10 Business Days after receipt of a request therefor, such information specified in Item 507 of Regulation S-K under the Act for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. Each Holder as to which any Shelf Registration Statement is being effected 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.

SECTION 5. LIQUIDATED DAMAGES

If (i) any Registration Statement required by this Agreement is not filed with the Commission on or prior to the date specified for such filing in this Agreement, (ii) any such Registration Statement has not been declared effective by the Commission on or prior to the date specified for such effectiveness in this Agreement, (iii) the Exchange Offer has not been Consummated within 30 Business Days after the Exchange Offer Registration Statement is first declared effective by the Commission or (iv) any Registration Statement required by this Agreement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded immediately by a post-effective amendment to such Registration Statement that cures such failure and that is itself declared effective immediately (each such event referred to in clauses (i) through (iv), a "REGISTRATION DEFAULT"), then the Company and the Subsidiary Guarantors hereby jointly and severally agree to pay liquidated damages to each Holder of Transfer Restricted Securities with respect to the first 90-day period immediately following the occurrence of such Registration Default, in an amount equal to \$.05 per week per \$1,000 principal amount of Transfer Restricted Securities held by such Holder for each week or portion thereof that the Registration Default continues. The amount of the liquidated damages shall increase by an additional \$.05 per week per \$1,000 in principal amount of Transfer Restricted Securities with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of liquidated damages of \$.50 per week per \$1,000 principal amount of Transfer Restricted Securities. Notwithstanding anything to the contrary set forth herein, (1) upon filing of the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement), in the case of (i) above, (2) upon the effectiveness of the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement), in the case of (ii) above, (3) upon Consummation of the Exchange Offer, in the case of (iii) above, or (4) upon the filing of a post-effective amendment to the Registration Statement or an additional Registration Statement that causes the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement) to again be declared effective or made usable in the case of (iv) above, the liquidated damages payable with respect to the Transfer Restricted Securities as a result of such clause (i), (ii), (iii) or (iv), as applicable, shall immediately cease.

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All accrued liquidated damages shall be paid to the Global Note Holder by wire transfer of immediately available funds or by federal funds check and to Holders of Certificated Securities by wire transfer to the accounts specified by them or by mailing checks to their registered addresses, if no such accounts have been specified, on each Damages Payment Date. All obligations of the Company and the Subsidiary Guarantors set forth

in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such security shall have been satisfied in full.

SECTION 6. REGISTRATION PROCEDURES

(a) EXCHANGE OFFER REGISTRATION STATEMENT. In connection with the Exchange Offer, the Company and the Subsidiary Guarantors shall comply with all applicable provisions of Section 6(c) below, shall use their respective reasonable best efforts to effect such exchange and to permit the sale of Broker-Dealer Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If, following the date hereof there has been published a change in Commission policy with respect to exchange offers such as the Exchange Offer, such that in the reasonable opinion of counsel to the Company there is a substantial question as to whether the Exchange Offer is permitted by applicable federal law, the Company and the Subsidiary Guarantors hereby agree to seek a no-action letter or other favorable decision from the Commission allowing the Company and the Subsidiary Guarantors to consummate an Exchange Offer for such Senior Subordinated Notes. The Company and the Subsidiary Guarantors hereby agree to pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company and the Subsidiary Guarantors hereby agree to take all such other actions as are requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (A) participating in telephonic conferences with the Commission, (B) delivering to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursuing a resolution (which need not be favorable) by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the consummation of the Exchange Offer, a written representation to the Company and the Subsidiary Guarantors (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the New Senior Subordinated Notes to be issued in the Exchange Offer and (C) it is acquiring the New Senior Subordinated Notes in its ordinary course of business. Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer (1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in MORGAN STANLEY AND CO., INC. (available June 5, 1991) and EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-

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action letters (including, if applicable, any no-action letter obtained pursuant to clause (i) above), and (2) must comply with the registration and prospectus delivery requirements of the Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of New Senior Subordinated Notes obtained by such Holder in exchange for Senior Subordinated Notes acquired by such Holder directly from the Company or an affiliate thereof.

(iii) Prior to effectiveness of the Exchange Offer Registration Statement, the Company and the Subsidiary Guarantors shall, if requested by the Commission, provide a supplemental letter to the Commission (A) stating that the Company and the Subsidiary Guarantors are registering the Exchange Offer in reliance on the position of the Commission enunciated in EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), MORGAN STANLEY AND CO., INC. (available June 5, 1991) and, if applicable, any no-action letter obtained pursuant to clause (i) above, (B) including a representation that neither the Company nor any Subsidiary Guarantor has entered into any arrangement or understanding with any Person to distribute the New Senior Subordinated Notes to be received in the Exchange Offer and that, to the best of the Company's and each Subsidiary Guarantor's information and belief, each Holder participating in the Exchange Offer is acquiring the New Senior Subordinated Notes in its ordinary course of business and has no arrangement or understanding with any Person to participate in the

distribution of the New Senior Subordinated Notes received in the Exchange Offer and (C) any other undertaking or representation reasonably required by the Commission as set forth in any no-action letter obtained pursuant to clause (i) above.

(b) SHELF REGISTRATION STATEMENT. In connection with the Shelf Registration Statement, the Company and the Subsidiary Guarantors shall comply with all the provisions of Section 6(c) below and shall use their respective reasonable best efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof (as indicated in the information furnished to the Company pursuant to Section 4(b) hereof), and pursuant thereto the Company and the Subsidiary Guarantors will prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof within the time periods and otherwise in accordance with the provisions hereof.

(c) GENERAL PROVISIONS. In connection with any Registration Statement and any related Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Exchange Offer Registration Statement and the related Prospectus, to the extent that the same are required to be available to permit sales of Broker-Dealer Transfer Restricted Securities by Restricted Broker-Dealers), the Company and the Subsidiary Guarantors shall:

(i) use their respective reasonable best efforts to keep such Registration Statement continuously effective and provide all requisite financial statements for the period specified in Section 3 or 4 of this Agreement, as applicable. Upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company and the Subsidiary Guarantors shall file promptly an appropriate amendment to such Registration Statement, (1) in the case of

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clause (A), correcting any such misstatement or omission, and (2) in the case of clauses (A) and (B), use their respective reasonable best efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as reasonably practicable thereafter.

(ii) prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act, and to comply fully in all material respects with Rules 424, 430A and 462, as applicable, under the Act in a timely manner; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) advise the underwriter(s), if any, selling Holders named in any Registration Statement or Prospectus ("Named Holders") and any Restricted Broker-Dealer (whether or not named in the Registration Statement) who has requested copies of the Prospectus pursuant to the last paragraph of Section 3 hereof, or has otherwise identified itself as a Restricted Broker-Dealer to the Company, promptly and, if requested by such Persons, confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement in order to make

the statements therein not misleading, or that requires the making of any additions to or changes in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Company and the Subsidiary Guarantors shall use their respective reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) furnish to the Initial Purchasers, each Named Holder and each of the underwriter(s) in connection with such sale, if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which documents will be subject to the review and comment of such Named Holders and underwriter(s) in connection with such sale, if any, for a

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period of at least five Business Days, and the Company will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which the Named Holders of the Transfer Restricted Securities covered by such Registration Statement or the underwriter(s) in connection with such sale, if any, shall reasonably object within five Business Days after the receipt thereof. A Named Holder or underwriter, if any, shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission or fails to comply with the applicable requirements of the Act;

(v) promptly prior to the filing of any document that is to be incorporated by reference into a Registration Statement or Prospectus, provide copies of such document to the Named Holders and to the underwriter(s) in connection with such sale, if any, make the Company's and the Subsidiary Guarantors' representatives available for discussion of such document and other customary due diligence matters, and include such information in such document prior to the filing thereof as such Named Holders or underwriter(s), if any, reasonably may request;

(vi) make available at reasonable times for inspection by the Named Holders, any managing underwriter participating in any disposition pursuant to such Registration Statement and any attorney or accountant retained by such Named Holders or any of such underwriter(s), all financial and other records, pertinent corporate documents and properties of the Company and the Subsidiary Guarantors subject to appropriate confidentiality agreements and cause the Company's and the Subsidiary Guarantors' officers, directors and employees to supply all information that is (a) reasonably requested by any Named Holder, underwriter, attorney or accountant in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness and (b) customarily furnished in transactions of the type contemplated by such Registration Statement;

(vii) if requested by any Named Holders or the underwriter(s) in connection with such sale, if any, promptly include in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such Named Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after the Company is notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(viii) furnish to each Named Holder and each of the underwriter(s) in connection with such sale, if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(ix) deliver to each Named Holder and each of the underwriter(s),

if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or

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supplement thereto as such Persons reasonably may request; the Company and the Subsidiary Guarantors hereby consent to the use (in accordance with law) of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(x) enter into such agreements (including an underwriting agreement) and make such representations and warranties and take all such other actions in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement as may be reasonably requested by any Holder of Transfer Restricted Securities or underwriter in connection with any sale or resale pursuant to any Registration Statement contemplated by this Agreement, which agreements must be in customary form, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, the Company and the Subsidiary Guarantors shall:

(A) furnish (or in the case of paragraphs (2) and (3), use its commercially reasonable best efforts to furnish) to each Named Holder and each underwriter, if any, upon the effectiveness of the Shelf Registration Statement:

(1) a certificate, dated the date of effectiveness of the Shelf Registration Statement, signed on behalf of the Company and each Subsidiary Guarantor by (x) the President or any Vice President and (y) a principal financial or accounting officer of the Company and such Subsidiary Guarantor, confirming, as of the date thereof, the matters set forth in paragraphs (f) and (g) of Section 7 of the Purchase Agreement;

(2) an opinion, dated the date of effectiveness of the Shelf Registration Statement, of counsel (which may include the General Counsel of the Company) for the Company and the Subsidiary Guarantors covering such matters as may be reasonably requested, including a statement to the effect that such counsel has participated in the preparation of the applicable Registration Statement, including review and discussion of the contents thereof, and no facts came to such counsel's attention that caused such counsel to believe that the Registration Statement, at the time such Registration Statement or any post-effective 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, or that the Prospectus contained in such Registration Statement as of its date contained an untrue statement of a material fact or omitted 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. Without limiting the foregoing, such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial and statistical data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated as of the date of effectiveness of the Shelf Registration Statement, from the Company's independent accountants, in the customary

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form and covering matters of the type customarily covered in comfort letters to underwriters in connection with primary underwritten offerings; and

(B) set forth in full or incorporate by reference in the underwriting agreement, if any, in connection with any sale or resale pursuant to any Shelf Registration Statement the indemnification provisions and procedures of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section.

The above shall be done at each closing under such underwriting or similar agreement, as and to the extent required thereunder, and if at any time the representations and warranties of the Company and the Subsidiary Guarantors contemplated in (A) (1) above cease to be true and correct, the

Company and the Subsidiary Guarantors shall so advise the underwriter(s), if any and the Named Holders promptly and if requested by such Persons, shall confirm such advice in writing;

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with the Named Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the Named Holders or underwriter(s), if any, may request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the applicable Registration Statement; PROVIDED, HOWEVER, that neither the Company nor any Subsidiary Guarantor shall be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xii) issue, upon the request of any Holder of Senior Subordinated Notes covered by any Shelf Registration Statement contemplated by this Agreement, New Senior Subordinated Notes having an aggregate principal amount equal to the aggregate principal amount of Senior Subordinated Notes surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such New Senior Subordinated Notes to be registered in the name of such Holder or in the name of the purchaser(s) of such Notes, as the case may be; in return, the Senior Subordinated Notes held by such Holder shall be surrendered to the Company for cancellation;

(xiii) in connection with any sale of Transfer Restricted Securities that will result in such securities no longer being Transfer Restricted Securities, cooperate with the Named Holders and each Restricted Broker-Dealer and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and to register such Transfer Restricted Securities in such denominations and such names as the Named Holders, Restricted Broker-Dealers or the underwriter(s), if any, may request at least two Business Days prior to such sale of Transfer Restricted Securities;

(xiv) use their respective reasonable best efforts to cause the disposition of the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other domestic governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xi) above;

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(xv) subject to Section 6(c)(i), if any fact or event contemplated by Section 6(c)(iii)(D) above shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xvi) provide a CUSIP number for all Transfer Restricted Securities not later than the effective date of a Registration Statement covering such Transfer Restricted Securities and provide the Trustee under the Indenture with printed certificates for the Transfer Restricted Securities which are in a form eligible for deposit with the Depository Trust Company;

(xvii) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the NASD, and use their respective reasonable best efforts to cause such Registration Statement to become effective and approved by such governmental agencies or authorities as may be necessary to enable the Holders selling Transfer Restricted Securities to consummate the disposition of such Transfer Restricted Securities;

(xviii) otherwise use their respective commercially reasonable best efforts to make generally available to its security holders with regard to any applicable Registration Statement, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) covering a twelve-month period beginning after the effective date of the Registration Statement (as such term is defined in

paragraph (c) of Rule 158 under the Act);

(xix) cause the Indenture to be qualified under the TIA not later than the effective date of the first Registration Statement required by this Agreement and, in connection therewith, cooperate with the Trustee and the Holders of Notes to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute and use its reasonable best efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner; and

(xx) provide promptly to each Holder upon request each document filed with the Commission pursuant to the requirements of Section 13 or Section 15(d) of the Exchange Act.

(d) RESTRICTIONS ON HOLDERS. Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of the notice referred to in Section 6(c)(i) or any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus (the "Advice"). If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such

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Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of either such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(i) or Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof or shall have received the Advice.

SECTION 7. REGISTRATION EXPENSES

(a) All expenses incident to the Company's and the Subsidiary Guarantors' performance of or compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses (including filings made by any Purchaser or Holder with the NASD and its counsel that may be required by the rules and regulations of the NASD); (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the New Senior Subordinated Notes to be issued in the Exchange Offer and printing of Prospectuses); (iv) all fees and disbursements of counsel for the Company and the Subsidiary Guarantors; (v) all application and filing fees in connection with listing the Notes on a national securities exchange or automated quotation system pursuant to the requirements hereof; and (vi) all fees and disbursements of independent certified public accountants of the Company and the Subsidiary Guarantors (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will, in any event, bear its and the Subsidiary Guarantors' internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company or the Subsidiary Guarantors.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Company and the Subsidiary Guarantors will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities being tendered in the Exchange Offer and/or resold pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or registered pursuant to the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements (which shall not exceed \$25,000 without the prior written consent of the Company) of not more than one counsel, who shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

SECTION 8. INDEMNIFICATION

(a) The Company and the Subsidiary Guarantors, jointly and severally, agree to indemnify and hold harmless (i) each Holder and (ii) each person, if any, who controls (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) any Holder (any of the persons referred to in this clause (ii) being hereinafter referred to as a "controlling person") and (iii) the respective officers,

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directors, partners, employees, representatives and agents of any Holder or any controlling person (any person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as an "INDEMNIFIED HOLDER"), to the fullest extent lawful, from and against any and all losses, claims, damages, liabilities, judgments, actions and expenses (including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Indemnified Holder) directly or indirectly caused by, related to, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, preliminary prospectus prepared pursuant to this Agreement or Prospectus (or any amendment or supplement thereto), or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by an untrue statement or omission or alleged untrue statement or omission that is made in reliance upon and in conformity with information relating to any of the Holders furnished in writing to the Company by any of the Holders expressly for use therein.

In case any action or proceeding (including any governmental or regulatory investigation or proceeding) shall be brought or asserted against any of the Indemnified Holders with respect to which indemnity may be sought against the Company or the Subsidiary Guarantors, such Indemnified Holder (or the Indemnified Holder controlled by such controlling person) shall promptly notify the parties against whom indemnification is being sought (the "indemnifying parties"), and such indemnifying parties shall assume the defense thereof, including the employment of counsel and payment of all fees and expenses. Such Indemnified Holder shall have the right to employ its own counsel in any such action, suit or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Holder unless (i) the indemnifying parties have agreed in writing to pay such fees and expenses, (ii) the indemnifying parties have failed to assume the defense and employ counsel, or (iii) the named parties to any such action, suit or proceeding (including any impleaded parties) include such Indemnified Holder and the indemnifying parties and such Indemnified Holder shall have been advised by its counsel that representation of such indemnified party and any indemnifying party by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them (in which case the indemnifying party shall not have the right to assume the defense of such action, suit or proceeding on behalf of such Indemnified Holder). It is understood, however, that the indemnifying parties shall, in connection with any one such action, suit or proceeding or separate but substantially similar or related actions, suits or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys (in addition to any local counsel) at any time for the Indemnified Holders, which firm shall be designated in writing by the Indemnified Holders, and that all such fees and expenses shall be reimbursed on a monthly basis as provided in paragraph (a) hereof. The indemnifying parties shall not be liable for any settlement of any such action, suit or proceeding effected without their written consent, but if settled with such written consent, or if there shall be a final judgment for the plaintiff in any such action, suit or proceeding, the indemnifying parties agree to indemnify and hold harmless such Indemnified Holder, to the extent provided in paragraph (a), and any such controlling person from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

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(b) Each Holder of Transfer Restricted Securities agrees, severally and not jointly, to indemnify and hold harmless the Company and the Subsidiary Guarantors, and their respective directors, officers, and any person controlling (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) the Company or any Subsidiary Guarantor, to the same extent as the foregoing indemnity from the Company and the Subsidiary Guarantors to each of the Indemnified Holders, but only with respect to information relating to such Holder furnished in writing by or on behalf of such Holder expressly for use in any Registration Statement. In case any action, suit or proceeding shall be brought against the Company, any Subsidiary Guarantor or its directors or officers or any such controlling

person in respect of which indemnity may be sought against a Holder of Transfer Restricted Securities pursuant to this paragraph (b), such Holder shall have the rights and duties given the Company and the Subsidiary Guarantors (except that if the Company and the Subsidiary Guarantors shall have assumed the defense thereof the Holders shall not be required to do so, but may employ separate counsel therein and participate in the defense thereof, but the fees and expenses of such counsel shall be at the Holders' expense), and the Company, such Subsidiary Guarantor, such directors or officers or such controlling person shall have the rights and duties given to each Holder by the preceding paragraph. In no event shall any Holder be liable or responsible for any amount in excess of the amount by which the total received by such Holder with respect to its sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds (i) the amount paid by such Holder for such Transfer Restricted Securities and (ii) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The foregoing indemnity agreement shall be in addition to any liability which the Holders may otherwise have.

(c) If the indemnification provided for in this Section 8 is unavailable to an indemnified party under Section 8(a) or Section 8(b) hereof in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company and the Subsidiary Guarantors, on the one hand, and the Holders, on the other hand, from their sale of Transfer Restricted Securities or if such allocation is not permitted by applicable law, the relative fault of the Company and the Subsidiary Guarantors, on the one hand, and of the Indemnified Holder, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of the Company and the Subsidiary Guarantors, on the one hand, and of the Indemnified Holder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or such Subsidiary Guarantor or by the Indemnified Holder and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Subsidiary Guarantors and each Holder of Transfer Restricted Securities agree that it would not be just and equitable if contribution pursuant to this Section 8(c) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating any claim or defending

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any such action, suit or proceeding. Notwithstanding the provisions of this Section 8, no Holder or its related Indemnified Holders shall be required to contribute, in the aggregate, any amount in excess of the amount by which the total received by such Holder with respect to the sale of its Transfer Restricted Securities pursuant to a Registration Statement exceeds the sum of (A) the amount paid by such Holder for such Transfer Restricted Securities PLUS (B) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(c) are several in proportion to the respective principal amount of Senior Subordinated Notes held by each of the Holders hereunder and not joint.

(d) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action, suit or proceeding in respect of which any indemnified party is a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding.

SECTION 9.

RULE 144A

The Company and each Subsidiary Guarantor hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding and during any period in which the Company or such Subsidiary Guarantor is not subject to Section 13 or 15(d) of the Securities Exchange Act, to make

available, upon request of any Holder of Transfer Restricted Securities, to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities designated by such Holder or beneficial owner, the information required by Rule 144A(d) (4) under the Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

SECTION 10. UNDERWRITTEN REGISTRATIONS

No Holder may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in customary underwriting arrangements entered into in connection therewith and (b) completes and executes all reasonable questionnaires, powers of attorney, and other documents required under the terms of such underwriting arrangements.

SECTION 11. SELECTION OF UNDERWRITERS

For any Underwritten Offering, the investment banker or investment bankers and manager or managers for any Underwritten Offering that will administer such offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering and consented to by the Company, which consent shall not be unreasonably withheld. Such investment bankers and managers are referred to herein as the "underwriters."

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SECTION 12. MISCELLANEOUS

(a) REMEDIES. Each Holder, in addition to being entitled to exercise all rights provided herein, in the Indenture, the Purchase Agreement or granted by law, including recovery of liquidated or other damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Subsidiary Guarantors agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by them of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) NO INCONSISTENT AGREEMENTS. Neither the Company nor any Subsidiary Guarantor will, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's and the Subsidiary Guarantors' securities under any agreement in effect on the date hereof.

(c) ADJUSTMENTS AFFECTING THE NOTES. Neither the Company nor any Subsidiary Guarantor will take any action, or voluntarily permit any change to occur, with respect to the Notes that is designed to and would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer.

(d) AMENDMENTS AND WAIVERS. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless (i) in the case of Section 5 hereof and this Section 12(d)(i), the Company has obtained the written consent of Holders of all outstanding Transfer Restricted Securities and (ii) in the case of all other provisions hereof, the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities. Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities subject to such Exchange Offer.

(e) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

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(ii) if to the Company or the Subsidiary Guarantors:

Ball Corporation
Colorado Office Center
9300 West 108th Circle
Broomfield, CO 80021-3682
Telecopier No.: (303) 460-2691
Attention: General Counsel

With a copy, which shall not constitute notice, to:
Skadden, Arps, Slate, Meagher & Flom
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Telecopier No.: (312) 407-0411
Attention: Brian W. Duwe

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; PROVIDED, HOWEVER, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities directly from such Holder.

(g) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW RULES THEREOF.

(j) SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

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(k) ENTIRE AGREEMENT. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BALL CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Treasurer

BALL AEROSPACE AND TECHNOLOGIES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL ASIA PACIFIC LIMITED

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL GLASS CONTAINER CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL HOLDINGS CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL BEVERAGE CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL FOOD CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL PACKAGING SALES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PACKAGING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PLASTIC CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGIES HOLDING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGY SERVICES CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BG HOLDINGS I, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BG HOLDINGS II, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

EFRATOM HOLDING, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

LATAS DE ALUMINIO REYNOLDS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

RCAL CANS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

RIND CANS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

THE BANK OF NEW YORK,
as Senior Note Trustee

By: /s/ Walter N. Gitlin

Name: WALTER N. GITLIN
Title: Vice President

Confirmed as of the date first
above written.

LEHMAN BROTHERS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
BANCAMERICA ROBERTSON STEPHENS
FIRST CHICAGO CAPITAL MARKETS, INC.

By: LEHMAN BROTHERS INC.

By: /s/ Christoph E. Hodge

Name: Christoph E. Hodge
Title: Managing Director

BALL CORPORATION

And

GUARANTORS
Parties Hereto

\$300,000,000
SERIES A AND SERIES B
73/4% SENIOR NOTES DUE 2006

SENIOR NOTE INDENTURE

DATED AS OF AUGUST 10, 1998

THE BANK OF NEW YORK

Senior Note Trustee

CROSS-REFERENCE TABLE*

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	(a) (4)	N.A.
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314	(a)	4.03;11.02
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N.A. means not applicable.

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SENIOR NOTE INDENTURE dated as of August 10, 1998 by and among Ball Corporation, an Indiana corporation (the "COMPANY"), Ball Aerospace and Technologies Corp., a Delaware corporation, Ball Asia Pacific Limited, a Colorado corporation, Ball Glass Container Corporation, a Delaware corporation, Ball Holdings Corp., a Delaware corporation, Ball Metal Beverage Container Corp., a Colorado corporation, Ball Metal Food Container Corp., a Delaware corporation, Ball Metal Packaging Sales Corp., a Colorado corporation, Ball Packaging Corp., a Colorado corporation, Ball Plastic Container Corp., a Colorado corporation, Ball Technologies Holdings Corp., a Colorado corporation, Ball Technology Services Corporation, a California corporation, BG Holdings I, Inc., a Delaware corporation, BG Holdings II, Inc., a Delaware corporation, Efratom Holding, Inc., a Colorado corporation, Latas de Aluminio Reynolds, Inc., a Delaware corporation, RCAL Cans, Inc., a Delaware corporation and RIND Cans, Inc., a Delaware corporation (collectively, the "GUARANTORS") and The Bank of New York, a New York banking corporation, as Senior Note Trustee (the "SENIOR NOTE TRUSTEE").

The Company and the Senior Note Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 73/4% Series A Senior Notes due 2006 (the "SERIES A SENIOR NOTES") and the 73/4% Series B Senior Notes due 2006 (the "SERIES B SENIOR NOTES" and, together with the Series A Senior Notes, the "SENIOR NOTES"):

ARTICLE 1 DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. DEFINITIONS.

"144A GLOBAL SENIOR NOTE" means a global note in the form of Exhibit A1 hereto bearing the Global Senior Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Senior Notes sold in reliance on Rule 144A.

"ACQUIRED DEBT" means, with respect to any specified Person, (i) Indebtedness of any other Person (a) existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person or is otherwise acquired by such specified Person or (b) assumed in connection

with the purchase of all or substantially all the assets of such other Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into, acquiring or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"ACQUISITION" means the acquisition by the Company and Ball Metal Beverage Container Corp. of substantially all the assets of the North American beverage can business of Reynolds Metals Company.

"ADDITIONAL ASSETS" means (i) any property or assets (other than Capital Stock, Indebtedness or rights to receive payments over a period greater than 180 days) that is usable by the Company or a Restricted Subsidiary in a Permitted Business or (ii) the Capital Stock of a Person that is at the time, or becomes, a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or

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indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; PROVIDED that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"AGENT" means any Registrar, Paying Agent or co-registrar.

"APPLICABLE PROCEDURES" means, with respect to any transfer or exchange of or for beneficial interests in any Global Senior Note, the rules and procedures of the Depositary, Euroclear and Cedel that apply to such transfer or exchange.

"ASSET SALE" means (i) the sale, lease, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) other than in the ordinary course of business consistent with past practices (PROVIDED that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of Section 4.15 and/or Section 5.01 hereof and not by the provisions of Section 4.10 hereof, and (ii) the issue or sale by the Company or any of its Restricted Subsidiaries of Equity Interests of any the Company's Restricted Subsidiaries, in the case of either clause (i) or (ii), whether in a single transaction or a series of related transactions (a) that have a fair market value in excess of \$5.0 million or (b) for Net Proceeds in excess of \$5.0 million. Notwithstanding the foregoing: (i) a transfer of assets by the Company to a Restricted Subsidiary of the Company or by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company, (ii) an issuance or sale of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company that is a Guarantor, (iii) a Restricted Payment that is not prohibited by Section 4.07 hereof, (iv) sales of receivables of the type specified in the definition of "Qualified Securitization Transaction" to a Securitization Entity for the fair market value thereof, including consideration in the amount specified in the proviso to the definition of Qualified Securitization Transaction and (v) the sale or disposition of Cash Equivalents or obsolete equipment, will not be deemed to be Asset Sales.

"ATTRIBUTABLE DEBT" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"BANKRUPTCY LAW" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"BOARD OF DIRECTORS" means the Board of Directors of the Company, or any authorized committee of the Board of Directors.

"BUSINESS DAY" means any day other than a Legal Holiday.

"CAPITAL LEASE OBLIGATION" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"CAPITAL STOCK" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, all shares, interests,

participation, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on

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a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CASH EQUIVALENTS" means (i) United States dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of not more than one year from the date of acquisition, bankers' acceptances with maturities of not more than one year from the date of acquisition and overnight bank deposits, in each case with any domestic commercial bank having capital and surplus in excess of \$500 million and a Thompson Bank Watch Rating of "B" or better, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above and (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or one of the two highest ratings from Standard & Poor's with maturities of not more than six months from the date of acquisition.

"CEDEL" means Cedel Bank, SA.

"CHANGE OF CONTROL" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act; (ii) the adoption of a plan relating to the liquidation or dissolution of the Company; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above) becomes the "beneficial owners" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), directly or indirectly, of more than 50% of the total of the Voting Stock of the Company (measured by voting power rather than number of shares); (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or (v) the Company consolidates with, or merges with or into, any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance).

"COMPANY" means Ball Corporation, and any and all successors thereto.

"CONSOLIDATED CASH FLOW" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus (i) an amount equal to any extraordinary loss plus any net loss realized in connection with an Asset Sale (to the extent such losses were deducted in computing such Consolidated Net Income), plus (ii) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income, plus (iii) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings and receivables financings, and net payments (if any)

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pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income, plus (iv) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other noncash expenses (excluding any such noncash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other noncash expenses were

deducted in computing such Consolidated Net Income, minus (v) non-cash items increasing such Consolidated Net Income for such period (other than items that were accrued in the ordinary course of business), in each case, on a consolidated basis and determined in accordance with GAAP. Notwithstanding the foregoing, the provision for taxes on the income or profits of, and the depreciation and amortization and other non-cash charges of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company only to the extent (and in same proportion) that the Net Income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"CONSOLIDATED NET INCOME" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries (for such period, on a consolidated basis, determined in accordance with GAAP); PROVIDED that (i) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Restricted Subsidiary, (ii) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, (iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded, and (iv) the cumulative effect of a change in accounting principles shall be excluded.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the date of this Senior Note Indenture or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"CORPORATE TRUST OFFICE OF THE SENIOR NOTE TRUSTEE" shall be at the address of the Senior Note Trustee specified in Section 11.02 hereof or such other address as to which the Senior Note Trustee may give notice to the Company.

"CREDIT AGREEMENTS" means (i) the Long-Term Credit Agreement dated as of August 10, 1998 among the Company, the financial institutions from time to time a party thereto as lenders, The First National Bank of Chicago, in its capacity as Administrative Agent, Bank of America National Trust and Savings Association, in its capacity as Syndication Agent, and Lehman Commercial Paper Inc., in its capacity as Documentation Agent (as the same may from time to time be amended, modified, supplemented and/or restated, the "LONG-TERM CREDIT AGREEMENT"), (ii) the Short-Term Credit Agreement dated as of August 10, 1998 among the Company, the financial institutions from time to time a party thereto as lenders, The First National Bank of Chicago, in its capacity as Administrative Agent, Bank of America National Trust and Savings Association, in its capacity as Syndication Agent, and Lehman Commercial Paper Inc., in its capacity

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as Documentation Agent (as the same may from time to time be amended, modified, supplemented and/or restated, the "SHORT-TERM CREDIT AGREEMENT"), and (iii) the Canadian Revolving Credit Agreement dated as of August 10, 1998 among the Company, Ball Packaging Products Canada, Inc., and the Royal Bank of Canada.

"CREDIT FACILITIES" means, with respect to the Company, one or more debt facilities (including, without limitation, the Credit Agreements) or commercial paper facility with banks or other institutional lenders providing for revolving credit loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"CUSTODIAN" means the Senior Note Trustee, as custodian with respect to the Senior Notes in global form, or any successor entity thereto.

"DEFAULT" means any event that is or with the passage of time or the giving of notice (or both) would be an Event of Default.

"DEFINITIVE SENIOR NOTE" means a certificated Senior Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, in the form of Exhibit A1 hereto except that such Senior Note shall not bear the

Global Senior Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Senior Note" attached thereto.

"DEPOSITARY" means, with respect to the Senior Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Senior Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Senior Note Indenture.

"DESIGNATED NONCASH CONSIDERATION" means the fair market value of noncash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, executed by the principal executive officer and the principal financial officer of the Company, less the amount of cash or Cash Equivalents received in connection with a sale of such Designated Noncash Consideration.

"DESIGNATED SENIOR DEBT" means (i) any Indebtedness outstanding under the Credit Agreements and (ii) any other Senior Debt permitted hereunder the principal amount of which is \$25.0 million or more and that has been designated by the Company as "Designated Senior Debt."

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Senior Notes mature, except to the extent that such Capital Stock is solely redeemable with, or solely exchangeable for, any Capital Stock of such Person that is not Disqualified Stock.

"DOMESTIC SUBSIDIARY" means a Subsidiary that is (i) formed under the laws of the United States of America or a state or territory thereof or (ii) as of the date of determination, treated as a domestic entity or a partnership or a division of a domestic entity for United States federal income tax purposes.

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"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"EUROCLEAR" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

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

"EXCHANGE OFFER" has the meaning set forth in the Senior Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" has the meaning set forth in the Senior Registration Rights Agreement.

"EXCHANGE SENIOR NOTES" means the Senior Notes issued in the Exchange Offer pursuant to Section 2.06(f) hereof.

"EXCLUDED SUBSIDIARY" means each of the following Subsidiaries of the Company: Analytic Decisions, Incorporated, a Virginia corporation; Ball Corporation, a Nevada corporation; Ball-Canada Holdings Inc., a Canadian corporation; Ball Glass Containers, Inc., a Delaware corporation; Ball International Sales Corporation, a Delaware corporation; Ball Metal Container Corporation, an Indiana corporation; Ball Technology Licensing Corporation, an Indiana corporation; Heekin Can, Inc., a Colorado corporation; Metropack Containers Corporation, an Indiana corporation; Muncie & Western Railroad Company, an Indiana corporation; Ball Pan Asia Ltd., a corporation organized under the laws of Mauritius; and Ball Brazil Holdings Limited, a Company Limited by Shares organized under the laws of the Cayman Islands; PROVIDED, that each such Subsidiary shall be an Excluded Subsidiary only if and only for so long as (i) each such Subsidiary is in existence solely for the purposes of being a "name-holding" entity, (ii) each such Subsidiary engages in no business, (iii) each such Subsidiary has no liabilities (including any guarantee of Indebtedness of any other Person), and (iv) the aggregate of the assets (including capitalization) of all such Subsidiaries shall not exceed \$5,000,000.00.

"EXISTING INDEBTEDNESS" means Indebtedness of the Company and its Restricted Subsidiaries in existence on the date of this Senior Note Indenture.

"FIXED CHARGES" means, with respect to any Person for any period, the sum, without duplication, of (i) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, to the extent properly characterized as interest expense in accordance with GAAP, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with

Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Hedging Obligations), (ii) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period, (iii) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (whether, or not such Guarantee or Lien is called upon) and (iv) all dividend payments, whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividend payments on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock).

"FIXED CHARGE COVERAGE RATIO" means with respect to any Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Company or any of its Restricted Subsidiaries incurs, assumes, Guarantees or redeems

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any Indebtedness (other than revolving credit borrowings under any Credit Facility) or issues preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "CALCULATION DATE"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, Guarantee or redemption of Indebtedness, or such issuance or redemption of preferred stock, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of making the computation referred to above, (i) acquisitions that have been made by the Company or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (iii) of the proviso set forth in the definition of Consolidated Net Income, (ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, and (iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the referent Person or any of its Restricted Subsidiaries following the Calculation Date.

"FOREIGN SUBSIDIARIES" means Subsidiaries of the Company that are not Domestic Subsidiaries.

"FTB" means FTB Packaging Limited, a Hong Kong corporation.

"FTB GROUP" means FTB and each of its Subsidiaries, including, without limitation, MCP and each of its Subsidiaries and joint ventures.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, the statements and pronouncements of the Financial Accounting Standards Board and such other statements by such other entities as have been approved by a significant segment of the accounting profession, which are applicable at the date of this Senior Note Indenture.

"GLOBAL SENIOR NOTE LEGEND" means the legend set forth in Section 2.06(g) (ii), which is required to be placed on all Global Senior Notes issued under this Senior Note Indenture.

"GLOBAL SENIOR NOTES" means, individually and collectively, each of the Restricted Global Senior Notes and the Unrestricted Global Senior Notes, in the form of Exhibits A1 and A2 hereto issued in accordance with Section 2.01, 2.06(b) (iv), 2.06(d) (ii) or 2.06(f) hereof.

"GOVERNMENT SECURITIES" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"GUARANTEE" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"GUARANTORS" means each Domestic Subsidiary of the Company (other than Ball Capital Corp. and the Excluded Subsidiaries) as of the date of this Senior Note Indenture and each other Subsidiary that becomes a party to a Senior Subsidiary

"HEDGING OBLIGATIONS" means, with respect to any Person, the net payment Obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements and (ii) other agreements or arrangements in the ordinary course of business and pursuant to past practices designed to protect such Person against fluctuations in commodity prices, interest rates or currency exchange rates.

"HOLDER" means a Person in whose name a Senior Note is registered.

"IAI GLOBAL SENIOR NOTE" means the global Senior Note in the form of Exhibit A1 hereto bearing the Global Senior Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Senior Notes sold to Institutional Accredited Investors.

"INDEBTEDNESS" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all Indebtedness of others secured by a Lien on any asset of such Person (whether or not such Indebtedness is assumed by such Person) and, to the extent not otherwise included, the Guarantee by such Person of any Indebtedness of any other Person, and any liability, whether or not contingent and whether or not it appears on the balance sheet of such other Person. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness that does not require current payments of interest, and (ii) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"INDIRECT PARTICIPANT" means a Person who holds a beneficial interest in a Global Senior Note through a Participant.

"INSTITUTIONAL ACCREDITED INVESTOR" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who are not also QIBs.

"INVESTMENTS" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of direct or indirect loans (including Guarantees of Indebtedness or other Obligations), advances of assets or capital contributions (excluding commission, travel and entertainment, moving, and similar advances to officers and employees made in the ordinary course of business, prepaid expenses and accounts receivable), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any of its Restricted Subsidiaries sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a direct or indirect Restricted Subsidiary of the Company, the Company or such Restricted Subsidiary, as the case may be, shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof.

"LEGAL HOLIDAY" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, the city in which the principal office of the Senior Note Trustee is located or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday

at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"LETTER OF TRANSMITTAL" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Senior Notes for use by such Holders in connection with the Exchange Offer.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law

(including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"LIMITED ORIGINATOR RECOURSE" means a reimbursement obligation to the Company or a Restricted Subsidiary in connection with a drawing on a letter of credit, revolving loan commitment, cash collateral account or other such credit enhancement issued to support Indebtedness of a Securitization Entity under a facility for the financing of trade receivables; PROVIDED that the available amount of any such form of credit enhancement at any time shall not exceed 10.0% of the principal amount of such Indebtedness at such time.

"LIQUIDATED DAMAGES" means all liquidated damages then owing pursuant to Section 5 of the Senior Registration Rights Agreement.

"MARKETABLE SECURITIES" means, with respect to any Asset Sale, any readily marketable equity securities that are (i) traded on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market; and (ii) issued by a corporation having a total equity market capitalization of not less than \$250.0 million; PROVIDED that the excess of (A) the aggregate amount of securities of any one such corporation held by the Company and any Restricted Subsidiary over (B) ten times the average daily trading volume of such securities during the 20 immediately preceding trading days shall be deemed not to be Marketable Securities; as determined on the date of the contract relating to such Asset Sale.

"MCP" means M.C. Packaging (Hong Kong) Limited, a Hong Kong corporation.

"NET INCOME" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however, (i) any gain or loss together with any related provision for taxes on such gain or loss, realized in connection with the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries, (ii) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss, and (iii) any one-time noncash charges (including legal, accounting and debt issuance costs) resulting from the Transactions.

"NET PROCEEDS" means the aggregate cash proceeds or Cash Equivalents received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of all costs relating to such Asset Sale (including, without limitation, legal, accounting, investment banking and brokers fees, and sales and underwriting commissions) and any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

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"NON-RECOURSE DEBT" means Indebtedness (i) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable (as a guarantor or otherwise), or (c) constitutes the lender; and (ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness (other than the Senior Notes being offered hereby) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (iii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

"NON-U.S. PERSON" means a Person who is not a U.S. Person.

"OBLIGATIONS" means any principal, premium, if any, interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or its Restricted Subsidiaries whether or not a claim for post-filing interest is allowed in such proceeding), penalties, fees, charges, expenses, indemnifications, reimbursement obligations, damages (including Liquidated Damages), guarantees and other liabilities or amounts payable under the documentation governing any Indebtedness or in respect thereof.

"OFFICER" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"OFFICERS' CERTIFICATE" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be a vice-president, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Sections 11.04 and 11.05 hereof.

"OPINION OF COUNSEL" means an opinion from legal counsel who is acceptable to the Senior Note Trustee, that meets the requirements of Sections 11.04 and 11.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Senior Note Trustee.

"PARTICIPANT" means, with respect to the Depositary, Euroclear or Cedel, a Person who has an account with the Depositary, Euroclear or Cedel, respectively (and, with respect to The Depositary Trust Company, shall include Euroclear and Cedel).

"PARTICIPATING BROKER-DEALER" means a broker-dealer participating in the Exchange Offer.

"PERMITTED BUSINESS" means the lines of business conducted by the Company and its Restricted Subsidiaries on the date of this Senior Note Indenture and businesses substantially similar, related or incidental thereto or reasonable extensions thereof.

"PERMITTED INVESTMENTS" means (a) any Investment in the Company or in a Restricted Subsidiary of the Company; (b) any Investment in Cash Equivalents; (c) any Investment by the Company or any Restricted Subsidiary of the Company in a Person engaged in a Permitted Business, if as a result of such Investment (i) such Person becomes a Restricted Subsidiary of the Company and a Guarantor or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company that is a Guarantor; (d) any Restricted Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereto; (e) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company; (f) other Investments by

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the Company or any of its Restricted Subsidiaries in any Person having an aggregate fair market value (measured as of the date made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (f) that are at the time outstanding, not to exceed \$50.0 million; (g) Investments arising in connection with Hedging Obligations that are incurred in the ordinary course of business consistent with past practices, for the purpose of fixing or hedging currency, commodity or interest rate risk (including with respect to any floating rate Indebtedness that is permitted by the terms of this Senior Note Indenture to be outstanding) in connection with the conduct of the business of the Company and its Restricted Subsidiaries which are Guarantors; (h) any Investment by the Company or a Subsidiary of the Company in a Securitization Entity or any Investment by a Securitization Entity in any other Person in connection with a Qualified Securitization Transaction; PROVIDED that any Investment in a Securitization Entity is in the form of a Purchase Money Note or an equity interest; (i) any Investment existing on the date of this Senior Note Indenture and any amendment, modification, restatement, supplement, extension, renewal, refunding, replacement, refinancing, in whole or in part, thereof; (j) any Investment in FTB Group, the proceeds of which are used to permanently repay Indebtedness of FTB Group that was outstanding on the date of this Senior Note Indenture; and (k) Investments in Permitted Joint Ventures of up to \$25 million outstanding at any time.

"PERMITTED JOINT VENTURE" means a joint venture (however structured) engaged in a Permitted Business and in which the Company or a Restricted Subsidiary (a) owns at least 40% of the ownership interest or (b) has a right to receive at least 40% of the profits or distributions; PROVIDED that such joint venture is not a Subsidiary.

"PERMITTED LIENS" means (i) Liens on assets (including, without limitation, the capital stock of a Subsidiary) of the Company or any of the Guarantors to secure Indebtedness under the Credit Facilities that were permitted by the terms of this Senior Note Indenture to be incurred; (ii) Liens on the assets of the Company or any of the Guarantors to secure Hedging Obligations to any Person that is a holder of Senior Debt (or an Affiliate thereof) with respect to Indebtedness under any Credit Facility permitted by this Senior Note Indenture to be incurred; (iii) Liens on property of a Person existing at the time such Person is acquired by, merged into or consolidated with the Company or any Restricted Subsidiary of the Company; PROVIDED that such Liens were in existence prior to the contemplation of such acquisition, merger or consolidation and do not extend to any assets other than those of the Person acquired by, merged into or consolidated with the Company; (iv) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary of the Company, PROVIDED that such Liens were in existence prior to the contemplation of such

acquisition and only extend to the property so acquired; (v) Liens existing on the date of this Senior Note Indenture (including a Lien incurred or to be incurred to secure outstanding Indebtedness under the existing 8.46% Guaranteed ESOP Notes, Series A due January 15, 1999 and 8.83% Guaranteed ESOP Notes, Series B due December 15, 2001 of the Ball Corporation Salary Conversion and Employee Stock Ownership Plan Trust and the related guarantees thereof by the Company); (vi) Liens to secure any Permitted Refinancing Indebtedness incurred to refinance any Indebtedness secured by any Lien referred to in the foregoing clauses (i) through (v), as the case may be, at the time the original Lien became a Permitted Lien; (vii) Liens in favor of the Company or any Restricted Subsidiary that is a Guarantor; (viii) Liens to secure Indebtedness permitted by clause (xiv) of the second paragraph of Section 4.09 hereof, (ix) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed \$25.0 million in the aggregate at any one time outstanding and that (a) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business and (b) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of business by the Company or such Restricted Subsidiary; (x) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds, deposits to secure the performance of bids, trade contracts, government contracts, leases or licenses or other obligations of a like nature incurred in the ordinary course of business (including, without limitation, landlord Liens on leased properties); (xi) Liens for taxes, assessments or governmental charges or claims that are not

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yet delinquent or that are being contested in good faith by appropriate proceedings; PROVIDED that any reserve or other appropriate provision as shall be required to conform with GAAP shall have been made therefor; (xii) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (v) of the second paragraph of Section 4.09 hereof, covering only the assets acquired with such Indebtedness; (xiii) carriers', warehousemen's, mechanics', landlords' materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations not overdue for a period in excess of 60 days or which are being contested in good faith by appropriate proceedings promptly instituted and diligently prosecuted; PROVIDED that any reserve or other appropriate provision as shall be required to conform with GAAP shall have been made therefor; (xiv) easements, rights-of-way, zoning and similar restrictions and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in any case materially detract from the value of the property subject thereto or do not interfere with or adversely affect in any material respect the ordinary conduct of the business of the Company and its Restricted Subsidiaries taken as a whole; (xv) Liens in favor of customs and revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business and other similar Liens arising in the ordinary course of business; and (xvi) leases or subleases granted to third Persons not interfering with the ordinary course of business of the Company or any of its Restricted Subsidiaries, (xvii) Liens (other than any Lien imposed by ERISA or any rule or regulation promulgated thereunder) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, and other types of social security; (xviii) deposits made in the ordinary course of business to secure liability to insurance carriers; (xix) Liens for purchase money obligations (including refinancings thereof permitted under Section 4.09 hereof, PROVIDED that (A) the Indebtedness secured by any such Lien is permitted under Section 4.09 hereof, and (B) any such Lien encumbers only the asset so purchased; (xx) any attachment or judgment Lien not constituting an Event of Default under clause (i) of the first paragraph of Section 6.01 hereof; (xxi) any interest or title of a lessor or sublessor under any operating lease; (xxii) Liens on assets transferred to a Securitization Entity or on assets of a Securitization Entity, in either case incurred in connection with a Qualified Securitization Transaction; and (xxiii) Liens under licensing agreements for use of Intellectual Property entered into in the ordinary course of business.

"PERMITTED REFINANCING INDEBTEDNESS" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); PROVIDED that: (i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus accrued and unpaid interest and premium, if any, on, any Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of reasonable expenses incurred in connection therewith); (ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Senior Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to the Senior Notes on terms at least as

favorable to the Holders of Senior Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by the Company or a Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

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"PRIVATE PLACEMENT LEGEND" means the legend set forth in Section 2.06(g) (i) to be placed on all Senior Notes issued under this Senior Note Indenture except where otherwise permitted by the provisions of this Senior Note Indenture.

"PUBLIC EQUITY OFFERING" means any underwritten primary public offering of the Common Stock or other Voting Stock of the Company (other than Disqualified Stock) pursuant to an effective registration statement (other than a registration statement on Form S-4, Form S-8, or any successor or similar form) under the Securities Act.

"PURCHASE MONEY NOTE" means a promissory note of a Securitization Entity evidencing a line of credit, which may be irrevocable, from the Company or any Restricted Subsidiary of the Company in connection with a Qualified Securitization Transaction, which note shall be repaid from cash available to the Securitization Entity, other than amounts required to be established as reserves pursuant to agreements, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts paid in connection with the purchase of newly generated receivables.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"QUALIFIED SECURITIZATION TRANSACTION" means any transaction or series of transactions pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (a) a Securitization Entity (in the case of a transfer by the Company or any of its Restricted Subsidiaries) and (b) any other Person (in case of a transfer by a Securitization Entity), or may grant a security interest in, any receivables (whether now existing or arising or acquired in the future) of the Company or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such receivables, all contracts and contract rights and all Guarantees or other obligations in respect of such receivables, proceeds of such receivables and other assets (including contract rights) which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables (collectively, "transferred assets"); PROVIDED that in the case of any such transfer by the Company or any of its Restricted Subsidiaries, the transferor receives cash or Purchase Money Notes in an amount which (when aggregated with the cash and Purchase Money Notes received by the Company and its Restricted Subsidiaries upon all other such transfers of transferred assets during the ninety days preceding such transfer) is at least equal to 75% of the aggregate face amount of all receivables so transferred during such day and the ninety preceding days.

"REGULATION S" means Regulation S promulgated under the Securities Act.

"REGULATION S GLOBAL SENIOR NOTE" means a Regulation S Temporary Global Senior Note or Regulation S Permanent Global Senior Note, as appropriate.

"REGULATION S PERMANENT GLOBAL SENIOR NOTE" means a permanent global Senior Note in the form of Exhibit A1 hereto bearing the Global Senior Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Senior Note upon expiration of the Restricted Period.

"REGULATION S TEMPORARY GLOBAL SENIOR NOTE" means a temporary global Senior Note in the form of Exhibit A2 hereto bearing the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Senior Notes initially sold in reliance on Rule 903 of Regulation S.

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"RESPONSIBLE OFFICER," when used with respect to the Senior Note Trustee, means any officer within the corporate trust department of the Senior Note Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Senior Note Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Senior Note Indenture.

"RESTRICTED DEFINITIVE SENIOR NOTE" means a Definitive Senior Note bearing the Private Placement Legend.

"RESTRICTED GLOBAL SENIOR NOTE" means a Global Senior Note bearing the Private Placement Legend.

"RESTRICTED INVESTMENT" means an Investment other than a Permitted Investment.

"RESTRICTED PERIOD" means the 40-day restricted period as defined in Regulation S.

"RESTRICTED SUBSIDIARY" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary; PROVIDED that, on the date of this Senior Note Indenture, all Subsidiaries of the Company other than FTB Group, Ball Capital Corp. and the Excluded Subsidiaries shall be Restricted Subsidiaries of the Company.

"RULE 144" means Rule 144 promulgated under the Securities Act.

"RULE 144A" means Rule 144A promulgated under the Securities Act.

"RULE 903" means Rule 903 promulgated under the Securities Act.

"RULE 904" means Rule 904 promulgated the Securities Act.

"SEC" means the Securities and Exchange Commission.

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

"SECURITIZATION ENTITY" means a Wholly Owned Subsidiary of the Company (or another Person in which the Company or any Restricted Subsidiary of the Company makes an Investment and to which the Company or any Restricted Subsidiary of the Company transfers receivables and related assets) that engages in no activities other than in connection with the financing of receivables and that is designated by the Board of the Directors of the Company (as provided below) as a Securitization Entity (a) no portion of the Indebtedness or any other Obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any Restricted Subsidiary of the Company other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse, (ii) is recourse to or obligates the Company or any Restricted Subsidiary of the Company (other than the Securitization Entity) in any way other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse or (iii) subjects any property or asset of the Company or any Restricted Subsidiary of the Company (other than the Securitization Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse, (b) with which neither the Company nor any Restricted Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing receivables of such entity and (c) to which neither the Company nor

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any Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Board of Directors of the Company shall be evidenced to the Senior Note Trustee by filing with the Senior Note Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"SENIOR DEBT" means (i) all Indebtedness outstanding under the Credit Facility permitted under clauses (i) and (ii) of the second paragraph of Section 4.09 hereof, (ii) any other Indebtedness permitted to be incurred by the Company under the terms of this Senior Note Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Senior Notes and (iii) all Obligations with respect to the foregoing. Notwithstanding anything to the contrary in the foregoing, Senior Debt will not include (w) any liability for federal, state, local or other taxes owed or owing by the Company, (x) any Indebtedness of the Company to any of its Subsidiaries or other Affiliates, (y) any trade payables or (z) any Indebtedness that is incurred in violation of this Senior Note Indenture.

"SENIOR MAKE-WHOLE PREMIUM" means, in connection with any optional redemption of any Senior Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption of each dollar of principal of such Senior Note being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of

such dollar if such redemption had not been made, determined by discounting, on a semiannual basis, such principal and interest at a rate equal to the sum of the Treasury Yield (determined on the Business Day immediately preceding the date of such redemption) plus 0.5% per annum, from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of such Senior Note being redeemed.

"SENIOR NOTE INDENTURE" means this Senior Note Indenture, as amended or supplemented from time to time.

"SENIOR NOTES" has the meaning assigned to it in the preamble to this Senior Note Indenture.

"SENIOR NOTE TRUSTEE" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Senior Note Indenture and thereafter means the successor serving hereunder.

"SENIOR REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement with respect to the Senior Notes, dated as of August 10, 1998, by and among the Company and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time.

"SENIOR SUBORDINATED NOTE INDENTURE" means that certain Senior Subordinated Note Indenture, dated as of the date of this Senior Note Indenture, between the Company, the Guarantors and The Bank of New York as Senior Subordinated Note Trustee, as amended or supplemented from time to time, relating to the Senior Subordinated Notes.

"SENIOR SUBORDINATED NOTES" means the Company's 8 1/4% Senior Subordinated Notes due 2008 issued concurrently pursuant to the Senior Subordinated Note Indenture.

"SENIOR SUBSIDIARY GUARANTEE" means the Guarantee of the Senior Notes by each of the Guarantors pursuant to Article 10 hereof and in the form of Guarantee endorsed on the forms of Senior Note attached as

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Exhibits A1 and A2 hereto and any additional Guarantee of the Senior Notes to be executed by any Restricted Subsidiary of the Company pursuant to Section 4.16 hereof.

"SERIES A SENIOR NOTES" has the meaning assigned to it in the preamble to this Senior Note Indenture.

"SERIES B SENIOR NOTES" has the meaning assigned to it in the preamble to this Senior Note Indenture.

"SHELF REGISTRATION STATEMENT" means the Shelf Registration Statement as defined in the Senior Registration Rights Agreement.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Senior Note Indenture.

"STANDARD SECURITIZATION UNDERTAKINGS" means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary of the Company that are reasonably customary in receivables securitization transactions.

"STATED MATURITY" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the Credit Agreements or other original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"SUBSIDIARY" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person and (ii) any partnership (a) the sole general partner or the managing general partner of which is such Person or an entity described in clause (i) and related to such Person or (b) the only general partners of which are such Person or of one or more entities described in clause (i) and related to such Person (or any combination thereof).

"SUBORDINATED SUBSIDIARY GUARANTEE" means the Guarantee of the Senior Subordinated Notes by each of the Guarantors pursuant to the Senior Subordinated Note Indenture and any additional Guarantee of the Senior Subordinated Notes to be executed by any Restricted Subsidiary of the Company pursuant to the Senior Subordinated Note Indenture.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Senior Note Indenture is qualified under the TIA.

"TOTAL ASSETS" means the total assets of the Company and its Restricted Subsidiaries on a consolidated basis determined in accordance with GAAP, as shown on the most recently available consolidated balance sheet of the Company and its Restricted Subsidiaries.

"TRANSACTIONS" means the entering into the Credit Agreements; the issuance of the Senior Notes and the Senior Subordinated Notes; and the Acquisition.

"TREASURY YIELD" means, in connection with the calculation of any Senior Make-Whole Premium on any Senior Note, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the date fixed for redemption

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(or, if such Statistical Release is no longer published, any publicly available source of similar data)) equal to the then remaining maturity of such Senior Note; PROVIDED that if no United States Treasury security is available with such a constant maturity and for which a closing yield is given, the Treasury Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the closing yields of United States Treasury securities for which such yields are given, except that if the remaining maturity of such Senior Note is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"UNRESTRICTED DEFINITIVE SENIOR NOTE" means one or more Definitive Senior Notes that do not bear and are not required to bear the Private Placement Legend.

"UNRESTRICTED GLOBAL SENIOR NOTE" means a permanent global Senior Note in the form of Exhibit A1 attached hereto that bears the Global Senior Note Legend and that has the "Schedule of Exchanges of Interests in the Global Senior Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Senior Notes that do not bear the Private Placement Legend.

"UNRESTRICTED SUBSIDIARY" means each of FTB Group, Ball Capital Corp. and the Excluded Subsidiaries. In addition, "Unrestricted Subsidiary" means (i) any Subsidiary that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution; but only to the extent that such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (c) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Equity Interests or (y) to maintain or preserve such Person's net worth; and (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; PROVIDED, HOWEVER, that the Company and its Restricted Subsidiaries may guarantee the performance of Unrestricted Subsidiaries in the ordinary course of business except for guarantees of Obligations in respect of borrowed money. Any such designation by the Board of Directors shall be evidenced to the Senior Note Trustee by filing with the Senior Note Trustee a certified copy of the board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions and was permitted by Section 4.07 hereof.

"U.S. PERSON" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

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"WHOLLY OWNED SUBSIDIARY" means a Restricted Subsidiary, 100% of the outstanding Capital Stock and other Equity Interests of which is directly or indirectly owned by the Company.

SECTION 1.02. OTHER DEFINITIONS.

<TABLE>

<CAPTION>

TERM	DEFINED IN SECTION
<S>	<C>
"AFFILIATE TRANSACTION".	4.11
"AUTHENTICATION ORDER".	2.02
"CALCULATION DATE".	1.01
"CHANGE OF CONTROL OFFER".	4.15
"CHANGE OF CONTROL PAYMENT".	4.15
"CHANGE OF CONTROL PAYMENT DATE".	4.15
"COVENANT DEFEASANCE".	8.03
"DTC".	2.03
"EVENT OF DEFAULT".	6.01
"EXCESS PROCEEDS".	4.10
"INCUR".	4.09
"INVESTMENT GRADE RATINGS".	4.19
"LEGAL DEFEASANCE".	8.02
"LONG-TERM CREDIT AGREEMENT".	1.01
"MOODY'S".	4.19
"OFFER AMOUNT".	3.09
"OFFER PERIOD".	3.09
"OTHER INDEBTEDNESS".	4.16
"PAYING AGENT".	2.03
"PAYMENT DEFAULT".	6.01
"PERMITTED DEBT".	4.09
"PURCHASE DATE".	3.09
"RATING AGENCIES".	4.19
"REGISTRAR".	2.03
"RESTRICTED PAYMENTS".	4.07
"S&P".	4.19
"SENIOR ASSET SALE OFFER".	4.10
"SHORT-TERM CREDIT AGREEMENT".	1.01
"SUSPENDED COVENANTS".	4.19
"SUSPENSION PERIOD".	4.19

</TABLE>

SECTION 1.03. INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Senior Note Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Senior Note Indenture.

The following TIA terms used in this Senior Note Indenture have the following meanings:

"INDENTURE SECURITIES" means the Senior Notes;

"INDENTURE SECURITY HOLDER" means a Holder of a Senior Note;

"INDENTURE TO BE QUALIFIED" means this Senior Note Indenture;

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"INDENTURE TRUSTEE" or "INSTITUTIONAL TRUSTEE" means the Senior Note Trustee; and

"OBLIGOR" on the Senior Notes and the Senior Subsidiary Guarantees means the Company and the Guarantors, respectively, and any successor obligor upon the Senior Notes and the Senior Subsidiary Guarantees, respectively.

All other terms used in this Senior Note Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.04. RULES OF CONSTRUCTION.

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with GAAP;
- (3) "OR" is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular;

- (5) provisions apply to successive events and transactions; and
- (6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE SENIOR NOTES

SECTION 2.01. FORM AND DATING.

(a) GENERAL. The Senior Notes and the Senior Note Trustee's certificate of authentication shall be substantially in the form of Exhibits A1 and A2 hereto. The Senior Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Senior Note shall be dated the date of its authentication. The Senior Notes shall be in denominations of \$1,000 and integral multiples thereof.

The terms and provisions contained in the Senior Notes shall constitute, and are hereby expressly made, a part of this Senior Note Indenture and the Company, the Guarantors and the Senior Note Trustee, by their execution and delivery of this Senior Note Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Senior Note conflicts with the express provisions of this Senior Note Indenture, the provisions of this Senior Note Indenture shall govern and be controlling.

(b) GLOBAL SENIOR NOTES. Senior Notes issued in global form shall be substantially in the form of Exhibits A1 or A2 attached hereto (including the Global Senior Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Senior Note" attached thereto). Senior Notes issued in definitive form shall be substantially in the form of Exhibit A1 attached hereto (but without the Global Senior Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Senior Note" attached thereto). Each Global Senior Note shall represent such of the outstanding Senior Notes as shall be specified therein

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and each shall provide that it shall represent the aggregate principal amount of outstanding Senior Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Senior Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Senior Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Senior Notes represented thereby shall be made by the Senior Note Trustee or the Custodian, at the direction of the Senior Note Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) TEMPORARY GLOBAL SENIOR NOTES. Senior Notes offered and sold in reliance on Regulation S shall be issued initially in the form of the Regulation S Temporary Global Senior Note, which shall be deposited on behalf of the purchasers of the Senior Notes represented thereby with the Senior Note Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Cedel Bank, duly executed by the Company and authenticated by the Senior Note Trustee as hereinafter provided. The Restricted Period shall be terminated upon the receipt by the Senior Note Trustee of (i) a written certificate from the Depositary, together with copies of certificates from Euroclear and Cedel Bank certifying that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Senior Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who will take delivery of a beneficial ownership interest in a 144A Global Senior Note or an IAI Global Senior Note bearing a Private Placement Legend, all as contemplated by Section 2.06(a)(ii) hereof), and (ii) an Officers' Certificate from the Company. Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Senior Note shall be exchanged for beneficial interests in Regulation S Permanent Global Senior Notes pursuant to the Applicable Procedures. Simultaneously with the authentication of Regulation S Permanent Global Senior Notes, the Senior Note Trustee shall cancel the Regulation S Temporary Global Senior Note. The aggregate principal amount of the Regulation S Temporary Global Senior Note and the Regulation S Permanent Global Senior Notes may from time to time be increased or decreased by adjustments made on the records of the Senior Note Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) EUROCLEAR AND CEDEL PROCEDURES APPLICABLE. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedel Bank" and "Customer Handbook" of Cedel Bank shall be applicable to transfers of

beneficial interests in the Regulation S Temporary Global Senior Note and the Regulation S Permanent Global Senior Notes that are held by Participants through Euroclear or Cedel Bank.

SECTION 2.02. EXECUTION AND AUTHENTICATION.

One Officer shall sign the Senior Notes for the Company by manual or facsimile signature. If an Officer whose signature is on a Senior Note no longer holds that office at the time a Senior Note is authenticated, the Senior Note shall nevertheless be valid.

A Senior Note shall not be valid until authenticated by the manual signature of the Senior Note Trustee. The signature shall be conclusive evidence that the Senior Note has been authenticated under this Senior Note Indenture.

The Senior Note Trustee shall, upon a written order of the Company signed by one Officer (an "AUTHENTICATION ORDER"), authenticate Senior Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the Senior Notes. The aggregate principal amount of Senior Notes outstanding at any time may not exceed such amount except as provided in Section 2.07 hereof.

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The Senior Note Trustee may appoint an authenticating agent acceptable to the Company to authenticate Senior Notes. An authenticating agent may authenticate Senior Notes whenever the Senior Note Trustee may do so. Each reference in this Senior Note Indenture to authentication by the Senior Note Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

SECTION 2.03. REGISTRAR AND PAYING AGENT.

The Company shall maintain an office or agency where Senior Notes may be presented for registration of transfer or for exchange ("REGISTRAR") and an office or agency where Senior Notes may be presented for payment ("PAYING AGENT"). The Registrar shall keep a register of the Senior Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company shall notify the Senior Note Trustee in writing of the name and address of any Agent not a party to this Senior Note Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Senior Note Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depository with respect to the Global Senior Notes.

The Company initially appoints the Senior Note Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Senior Notes.

SECTION 2.04. PAYING AGENT TO HOLD MONEY IN TRUST.

The Company shall require each Paying Agent other than the Senior Note Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Senior Note Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Senior Notes, and will notify the Senior Note Trustee of any default by the Company in making any such payment. While any such default continues, the Senior Note Trustee may require a Paying Agent to pay all money held by it to the Senior Note Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Senior Note Trustee. Upon payment over to the Senior Note Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Senior Note Trustee shall serve as Paying Agent for the Senior Notes.

SECTION 2.05. HOLDER LISTS.

The Senior Note Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Senior Note Trustee is not the Registrar, the Company shall furnish to the Senior Note Trustee at least seven Business Days before each interest payment date and at such other times as the Senior Note Trustee may request in writing, a list in such form and as of such date as the Senior Note Trustee may reasonably require of the names and addresses of the Holders of Senior Notes and the Company shall otherwise comply with TIA Section 312(a).

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SECTION 2.06. TRANSFER AND EXCHANGE.

(a) TRANSFER AND EXCHANGE OF GLOBAL SENIOR NOTES. A Global Senior Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Senior Notes will be exchanged by the Company for Definitive Senior Notes if (i) the Company delivers to the Senior Note Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary or (ii) the Company in its sole discretion determines that the Global Senior Notes (in whole but not in part) should be exchanged for Definitive Senior Notes and delivers a written notice to such effect to the Senior Note Trustee; provided that in no event shall the Regulation S Temporary Global Senior Note be exchanged by the Company for Definitive Senior Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(c)(3)(ii)(B) under the Securities Act. Upon the occurrence of either of the preceding events in (i) or (ii) above, Definitive Senior Notes shall be issued in such names as the Depositary shall instruct the Senior Note Trustee. Global Senior Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Senior Note authenticated and delivered in exchange for, or in lieu of, a Global Senior Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Senior Note. A Global Senior Note may not be exchanged for another Senior Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Senior Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN THE GLOBAL SENIOR NOTES. The transfer and exchange of beneficial interests in the Global Senior Notes shall be effected through the Depositary, in accordance with the provisions of this Senior Note Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Senior Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Senior Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

- (i) TRANSFER OF BENEFICIAL INTERESTS IN THE SAME GLOBAL SENIOR NOTE. Beneficial interests in any Restricted Global Senior Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Senior Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Temporary Regulation S Global Senior Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Senior Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).
- (ii) ALL OTHER TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS IN GLOBAL SENIOR NOTES. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial

interest in another Global Senior Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Senior Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by

the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Senior Note shall be registered to effect the transfer or exchange referred to in (1) above; provided that in no event shall Definitive Senior Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Senior Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Senior Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Senior Notes contained in this Senior Note Indenture and the Senior Notes or otherwise applicable under the Securities Act, the Senior Note Trustee shall adjust the principal amount of the relevant Global Senior Note(s) pursuant to Section 2.06(h) hereof.

(iii) TRANSFER OF BENEFICIAL INTERESTS TO ANOTHER RESTRICTED GLOBAL SENIOR NOTE. A beneficial interest in any Restricted Global Senior Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Senior Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

- (A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Senior Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;
- (B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Senior Note or the Regulation S Global Senior Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and
- (C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Senior Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SENIOR NOTE FOR BENEFICIAL INTERESTS IN THE UNRESTRICTED GLOBAL SENIOR NOTE. A beneficial interest in any Restricted Global Senior Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Senior Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and:

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- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Senior Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal or via the Depositary's book-entry system that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Senior Registration Rights Agreement;
- (C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Senior

Registration Rights Agreement; or

(D) the Registrar receives the following:

- (1) if the holder of such beneficial interest in a Restricted Global Senior Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Senior Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or
- (2) if the holder of such beneficial interest in a Restricted Global Senior Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Senior Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Senior Note Trustee shall authenticate one or more Unrestricted Global Senior Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Senior Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Senior Note.

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(c) TRANSFER OR EXCHANGE OF BENEFICIAL INTERESTS FOR DEFINITIVE SENIOR NOTES.

- (i) Beneficial Interests in Restricted Global Senior Notes to Restricted Definitive Senior Notes. If any holder of a beneficial interest in a Restricted Global Senior Note proposes to exchange such beneficial interest for a Restricted Definitive Senior Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Senior Note, then, upon receipt by the Registrar of the following documentation:
 - (A) if the holder of such beneficial interest in a Restricted Global Senior Note proposes to exchange such beneficial interest for a Restricted Definitive Senior Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;
 - (B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;
 - (C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;
 - (D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the

effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

- (E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;
- (F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or
- (G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Senior Note Trustee shall cause the aggregate principal amount of the applicable Global Senior Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Senior Note Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Senior Note in the appropriate principal amount. Any Definitive Senior Note issued in exchange for a beneficial interest in a Restricted Global Senior Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall

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instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Senior Note Trustee shall deliver such Definitive Senior Notes to the Persons in whose names such Senior Notes are so registered. Any Definitive Senior Note issued in exchange for a beneficial interest in a Restricted Global Senior Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Senior Note may not be exchanged for a Definitive Senior Note or transferred to a Person who takes delivery thereof in the form of a Definitive Senior Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(c)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

- (ii) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR NOTES TO UNRESTRICTED DEFINITIVE SENIOR NOTES. A holder of a beneficial interest in a Restricted Global Senior Note may exchange such beneficial interest for an Unrestricted Definitive Senior Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Senior Note only if:
 - (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Senior Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
 - (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Senior Registration Rights Agreement;
 - (C) such transfer is effected by a Participating

Broker-Dealer pursuant to the Exchange Offer
Registration Statement in accordance with the Senior
Registration Rights Agreement; or

(D) the Registrar receives the following:

- (1) if the holder of such beneficial interest in a Restricted Global Senior Note proposes to exchange such beneficial interest for a Definitive Senior Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or
- (2) if the holder of such beneficial interest in a Restricted Global Senior Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Senior Note that does not bear the Private Placement Legend, a certificate

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from such holder in the form of Exhibit B hereto,
including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL SENIOR NOTES TO UNRESTRICTED DEFINITIVE SENIOR NOTES. If any holder of a beneficial interest in an Unrestricted Global Senior Note proposes to exchange such beneficial interest for a Definitive Senior Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Senior Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Senior Note Trustee shall cause the aggregate principal amount of the applicable Global Senior Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Senior Note Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Senior Note in the appropriate principal amount. Any Definitive Senior Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Senior Note Trustee shall deliver such Definitive Senior Notes to the Persons in whose names such Senior Notes are so registered. Any Definitive Senior Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall not bear the Private Placement Legend.

(d) TRANSFER AND EXCHANGE OF DEFINITIVE SENIOR NOTES FOR BENEFICIAL INTERESTS.

(i) RESTRICTED DEFINITIVE SENIOR NOTES TO BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR NOTES. If any Holder of a Restricted Definitive Senior Note proposes to exchange such Senior Note for a beneficial interest in a Restricted Global Senior Note or to transfer such Restricted Definitive Senior Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Senior Note, then, upon receipt by the Registrar of the following documentation:

- (A) if the Holder of such Restricted Definitive Senior Note proposes to exchange such Senior Note for a beneficial interest in a Restricted Global Senior Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;
- (B) if such Restricted Definitive Senior Note is being transferred to a QIB in accordance with Rule 144A under

the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

- (C) if such Restricted Definitive Senior Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904

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under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

- (D) if such Restricted Definitive Senior Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;
- (E) if such Restricted Definitive Senior Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;
- (F) if such Restricted Definitive Senior Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or
- (G) if such Restricted Definitive Senior Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Senior Note Trustee shall cancel the Restricted Definitive Senior Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Senior Note, in the case of clause (B) above, the 144A Global Senior Note, in the case of clause (c) above, the Regulation S Global Senior Note, and in all other cases, the IAI Global Senior Note.

- (ii) RESTRICTED DEFINITIVE SENIOR NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL SENIOR NOTES. A Holder of a Restricted Definitive Senior Note may exchange such Senior Note for a beneficial interest in an Unrestricted Global Senior Note or transfer such Restricted Definitive Senior Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Note only if:

- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Senior Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Senior Registration Rights Agreement;

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- (C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Senior Registration Rights Agreement; or
- (D) the Registrar receives the following:

- (1) if the Holder of such Definitive Senior Notes

proposes to exchange such Senior Notes for a beneficial interest in the Unrestricted Global Senior Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

- (2) if the Holder of such Definitive Senior Notes proposes to transfer such Senior Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Senior Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Senior Note Trustee shall cancel the Definitive Senior Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Senior Note.

- (iii) UNRESTRICTED DEFINITIVE SENIOR NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL SENIOR NOTES. A Holder of an Unrestricted Definitive Senior Note may exchange such Senior Note for a beneficial interest in an Unrestricted Global Senior Note or transfer such Definitive Senior Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Note at any time. Upon receipt of a request for such an exchange or transfer, the Senior Note Trustee shall cancel the applicable Unrestricted Definitive Senior Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Senior Notes.

If any such exchange or transfer from a Definitive Senior Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Senior Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Senior Note Trustee shall authenticate one or more Unrestricted Global Senior Notes in an aggregate principal amount equal to the principal amount of Definitive Senior Notes so transferred.

(e) TRANSFER AND EXCHANGE OF DEFINITIVE SENIOR NOTES FOR DEFINITIVE SENIOR NOTES. Upon request by a Holder of Definitive Senior Notes and such Holder's compliance with the provisions of this Section

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2.06(e), the Registrar shall register the transfer or exchange of Definitive Senior Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Senior Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

- (i) RESTRICTED DEFINITIVE SENIOR NOTES TO RESTRICTED DEFINITIVE SENIOR NOTES. Any Restricted Definitive Senior Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Senior Note if the Registrar receives the following:
 - (A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;
 - (B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

- (C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.
- (ii) RESTRICTED DEFINITIVE SENIOR NOTES TO UNRESTRICTED DEFINITIVE SENIOR NOTES. Any Restricted Definitive Senior Note may be exchanged by the Holder thereof for an Unrestricted Definitive Senior Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Senior Note if:
 - (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Senior Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
 - (B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Senior Registration Rights Agreement;
 - (C) any such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Senior Registration Rights Agreement; or
 - (D) the Registrar receives the following:
 - (1) if the Holder of such Restricted Definitive Senior Notes proposes to exchange such Senior Notes for an Unrestricted Definitive

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Senior Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

- (2) if the Holder of such Restricted Definitive Senior Notes proposes to transfer such Senior Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Senior Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

- (iii) UNRESTRICTED DEFINITIVE SENIOR NOTES TO UNRESTRICTED DEFINITIVE SENIOR NOTES. A Holder of Unrestricted Definitive Senior Notes may transfer such Senior Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Senior Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Senior Notes pursuant to the instructions from the Holder thereof.

(f) EXCHANGE OFFER. Upon the occurrence of the Exchange Offer in accordance with the Senior Registration Rights Agreement, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Senior Note Trustee shall authenticate (i) one or more Unrestricted Global Senior Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Senior Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Senior Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (ii) Definitive Senior Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Senior Notes accepted

for exchange in the Exchange Offer. Concurrently with the issuance of such Senior Notes, the Senior Note Trustee shall cause the aggregate principal amount of the applicable Restricted Global Senior Notes to be reduced accordingly, and the Company shall execute and the Senior Note Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Senior Notes so accepted Definitive Senior Notes in the appropriate principal amount.

(g) LEGENDS. The following legends shall appear on the face of all Global Senior Notes and Definitive Senior Notes issued under this Senior Note Indenture unless specifically stated otherwise in the applicable provisions of this Senior Note Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Senior Note and each Definitive Senior Note (and all Senior Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS
ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM

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REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE."

(B) Notwithstanding the foregoing, any Global Senior Note or Definitive Senior Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Senior Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) GLOBAL SENIOR NOTE LEGEND. Each Global Senior Note shall bear a legend in substantially the following form:

"THIS GLOBAL SENIOR NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE SENIOR NOTE INDENTURE GOVERNING THIS SENIOR NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE SENIOR NOTE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE SENIOR NOTE INDENTURE, (II) THIS GLOBAL SENIOR NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE SENIOR NOTE INDENTURE, (III) THIS GLOBAL SENIOR NOTE MAY BE DELIVERED TO THE SENIOR NOTE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE SENIOR NOTE INDENTURE AND

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(IV) THIS GLOBAL SENIOR NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY."

(iii) REGULATION S TEMPORARY GLOBAL SENIOR NOTE LEGEND. The Regulation S Temporary Global Senior Note shall bear a legend in substantially the following form:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL SENIOR NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED SENIOR NOTES, ARE AS SPECIFIED IN THE SENIOR NOTE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL SENIOR NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON."

(h) CANCELLATION AND/OR ADJUSTMENT OF GLOBAL SENIOR NOTES. At such time as all beneficial interests in a particular Global Senior Note have been exchanged for Definitive Senior Notes or a particular Global Senior Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Senior Note shall be returned to or retained and canceled by the Senior Note Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Senior Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Senior Note or for Definitive Senior Notes, the principal amount of Senior Notes represented by such Global Senior Note shall be reduced accordingly and an endorsement shall be made on such Global Senior Note by the Senior Note Trustee or by the Depositary at the direction of the Senior Note Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Senior Note, such other Global Senior Note shall be increased accordingly and an endorsement shall be made on such Global Senior Note by the Senior Note Trustee or by the Depositary at the direction of the Senior Note Trustee to reflect such increase.

(i) GENERAL PROVISIONS RELATING TO TRANSFERS AND EXCHANGES.

- (i) To permit registrations of transfers and exchanges, the Company shall execute and the Senior Note Trustee shall authenticate Global Senior Notes and Definitive Senior Notes upon the Company's order or at the Registrar's request.
- (ii) No service charge shall be made to a holder of a beneficial interest in a Global Senior Note or to a Holder of a Definitive Senior Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).
- (iii) The Registrar shall not be required to register the transfer of or exchange any Senior Note selected for redemption in whole or in part, except the unredeemed portion of any Senior Note being redeemed in part.
- (iv) All Global Senior Notes and Definitive Senior Notes issued upon any registration of transfer or exchange of Global Senior Notes or Definitive Senior Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the

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same benefits under this Senior Note Indenture, as the Global Senior Notes or Definitive Senior Notes surrendered upon such registration of transfer or exchange.

- (v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Senior Notes during a period beginning at the opening of business 15 days before the day of any selection of Senior Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Senior Note so selected for redemption in whole or in part, except the unredeemed portion of any Senior Note being redeemed in part or (C) to register the transfer of or to exchange a Senior Note between a record date and the next succeeding Interest Payment Date.
- (vi) Prior to due presentment for the registration of a

transfer of any Senior Note, the Senior Note Trustee, any Agent and the Company may deem and treat the Person in whose name any Senior Note is registered as the absolute owner of such Senior Note for the purpose of receiving payment of principal of and interest on such Senior Notes and for all other purposes, and none of the Senior Note Trustee, any Agent or the Company shall be affected by notice to the contrary.

- (vii) The Senior Note Trustee shall authenticate Global Senior Notes and Definitive Senior Notes in accordance with the provisions of Section 2.02 hereof.
- (viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

SECTION 2.07. REPLACEMENT SENIOR NOTES.

If any mutilated Senior Note is surrendered to the Senior Note Trustee or the Company and the Senior Note Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Senior Note, the Company shall issue and the Senior Note Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Senior Note if the Senior Note Trustee's requirements are met. If required by the Senior Note Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Senior Note Trustee and the Company to protect the Company, the Senior Note Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Senior Note is replaced. The Company may charge for its expenses in replacing a Senior Note.

Every replacement Senior Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Senior Note Indenture equally and proportionately with all other Senior Notes duly issued hereunder.

SECTION 2.08. OUTSTANDING SENIOR NOTES.

The Senior Notes outstanding at any time are all the Senior Notes authenticated by the Senior Note Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Senior Note effected by the Senior Note Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Senior Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Senior Note.

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If a Senior Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Senior Note Trustee receives proof satisfactory to it that the replaced Senior Note is held by a bona fide purchaser.

If the principal amount of any Senior Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Senior Notes payable on that date, then on and after that date such Senior Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.09. TREASURY SENIOR NOTES.

In determining whether the Holders of the required principal amount of Senior Notes have concurred in any direction, waiver or consent, Senior Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Senior Note Trustee shall be protected in relying on any such direction, waiver or consent, only Senior Notes that a Responsible Officer of the Senior Note Trustee actually knows are so owned shall be so disregarded.

SECTION 2.10. TEMPORARY SENIOR NOTES.

Until certificates representing Senior Notes are ready for delivery, the Company may prepare and the Senior Note Trustee, upon receipt of an Authentication Order, shall authenticate temporary Senior Notes. Temporary Senior Notes shall be substantially in the form of certificated Senior Notes but may have variations that the Company considers appropriate for temporary Senior Notes and as shall be reasonably acceptable to the Senior Note Trustee. Without unreasonable delay, the Company shall prepare and the Senior Note Trustee shall authenticate definitive Senior Notes in exchange for temporary Senior Notes.

Holders of temporary Senior Notes shall be entitled to all of the benefits

of this Senior Note Indenture.

SECTION 2.11. CANCELLATION.

The Company at any time may deliver Senior Notes to the Senior Note Trustee for cancellation. The Registrar and Paying Agent shall forward to the Senior Note Trustee any Senior Notes surrendered to them for registration of transfer, exchange or payment. The Senior Note Trustee and no one else shall cancel all Senior Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall return such canceled Senior Notes to the Company. The Company may not issue new Senior Notes to replace Senior Notes that it has paid or that have been delivered to the Senior Note Trustee for cancellation.

SECTION 2.12. DEFAULTED INTEREST.

If the Company defaults in a payment of interest on the Senior Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Senior Notes and in Section 4.01 hereof. The Company shall notify the Senior Note Trustee in writing of the amount of defaulted interest proposed to be paid on each Senior Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date, PROVIDED that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At

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least 15 days before the special record date, the Company (or, upon the written request of the Company, the Senior Note Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.13. CUSIP NUMBER.

The Company in issuing the Senior Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Senior Note Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Senior Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Senior Notes, and any such redemption shall not be affected by any defect in or the omission of such numbers. The Company will promptly notify the Senior Note Trustee of any change in the CUSIP numbers.

ARTICLE 3 REDEMPTION AND PREPAYMENT

SECTION 3.01. NOTICES TO SENIOR NOTE TRUSTEE.

If the Company elects to redeem Senior Notes pursuant to the redemption provisions of Section 3.07 hereof, it shall furnish to the Senior Note Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Senior Note Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Senior Notes to be redeemed, (iv) the redemption price and (v) the CUSIP numbers of the Senior Notes to be redeemed.

SECTION 3.02. SELECTION OF SENIOR NOTES TO BE REDEEMED.

If less than all of the Senior Notes are to be redeemed or purchased in an offer to purchase at any time, the Senior Note Trustee shall select the Senior Notes to be redeemed or purchased among the Holders of the Senior Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Senior Notes are listed or, if the Senior Notes are not so listed, on a PRO RATA basis, by lot or in accordance with any other method the Senior Note Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Senior Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Senior Note Trustee from the outstanding Senior Notes not previously called for redemption.

The Senior Note Trustee shall promptly notify the Company in writing of the Senior Notes selected for redemption and, in the case of any Senior Note selected for partial redemption, the principal amount thereof to be redeemed. Senior Notes and portions of Senior Notes selected shall be in amounts of \$1,000 or whole multiples of \$1,000; except that if all of the Senior Notes of a Holder are to be redeemed, the entire outstanding amount of Senior Notes held by such Holder, even if not a multiple of \$1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Senior Note Indenture that apply to Senior Notes called for redemption also apply to portions of Senior Notes called for redemption.

SECTION 3.03. NOTICE OF REDEMPTION.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Senior Notes are to be redeemed at its registered address.

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The notice shall identify the Senior Notes to be redeemed, including the CUSIP numbers, and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) if any Senior Note is being redeemed in part, the portion of the principal amount of such Senior Note to be redeemed and that, after the redemption date upon surrender of such Senior Note, a new Senior Note or Senior Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Senior Note;
- (d) the name and address of the Paying Agent;
- (e) that Senior Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
- (f) that, unless the Company defaults in making such redemption payment, interest on Senior Notes called for redemption ceases to accrue on and after the redemption date;
- (g) the paragraph of the Senior Notes and/or Section of this Senior Note Indenture pursuant to which the Senior Notes called for redemption are being redeemed; and
- (h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Senior Notes.

At the Company's request, the Senior Note Trustee shall give the notice of redemption in the Company's name and at its expense; PROVIDED, HOWEVER, that the Company shall have delivered to the Senior Note Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Senior Note Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

SECTION 3.04. EFFECT OF NOTICE OF REDEMPTION.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Senior Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

SECTION 3.05. DEPOSIT OF REDEMPTION PRICE.

One Business Day prior to the redemption date, the Company shall deposit with the Senior Note Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Senior Notes to be redeemed on that date. The Senior Note Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Senior Note Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Senior Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Senior Notes or the portions of Senior Notes called for redemption. If a Senior Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Senior Note was

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registered at the close of business on such record date. If any Senior Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Senior Notes and in Section 4.01 hereof.

SECTION 3.06. SENIOR NOTES REDEEMED IN PART.

Upon surrender of a Senior Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Senior Note Trustee shall authenticate for the Holder at the expense of the Company a new Senior Note

equal in principal amount to the unredeemed portion of the Senior Note surrendered.

SECTION 3.07. OPTIONAL REDEMPTION.

(a) The Senior Notes will be subject to redemption at any time at the option of the Company, in whole but not in part, upon not less than 30 nor more than 60 days' notice.

(b) The Senior Notes will be redeemable at a redemption price equal to 100% of the principal amount thereof plus the applicable Senior Make-Whole Premium, plus, to the extent not included in the Senior Make-Whole Premium, accrued and unpaid interest and Liquidated Damages, if any, to the date of redemption.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

SECTION 3.08. MANDATORY REDEMPTION.

Except as set forth in Sections 3.09, 4.10 and 4.15 hereof, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Senior Notes.

SECTION 3.09. OFFER TO PURCHASE BY APPLICATION OF EXCESS PROCEEDS.

In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence a Senior Asset Sale Offer, it shall follow the procedures specified below.

The Senior Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "OFFER PERIOD"). No later than five Business Days after the termination of the Offer Period (the "PURCHASE DATE"), the Company shall purchase the principal amount of Senior Notes required to be purchased pursuant to Section 4.10 hereof (the "OFFER AMOUNT") or, if less than the Offer Amount has been tendered, all Senior Notes tendered in response to the Senior Asset Sale Offer. Payment for any Senior Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Senior Note is registered at the close of business on such record date, and no additional interest shall be payable to Holders who tender Senior Notes pursuant to the Senior Asset Sale Offer.

Upon the commencement of a Senior Asset Sale Offer, the Company shall send, by first class mail, a notice to the Senior Note Trustee and each of the Holders. The notice shall contain all instructions and

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materials necessary to enable such Holders to tender Senior Notes pursuant to the Senior Asset Sale Offer. The Senior Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Senior Asset Sale Offer, shall state:

(a) that the Senior Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Senior Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Senior Note not tendered or accepted for payment shall continue to accrete or accrue interest;

(d) that, unless the Company defaults in making such payment, any Senior Note accepted for payment pursuant to the Senior Asset Sale Offer shall cease to accrete or accrue interest after the Purchase Date;

(e) that Holders electing to have a Senior Note purchased pursuant to a Senior Asset Sale Offer may only elect to have all of such Senior Note purchased and may not elect to have only a portion of such Senior Note purchased;

(f) that Holders electing to have a Senior Note purchased pursuant to any Senior Asset Sale Offer shall be required to surrender the Senior Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Senior Note completed, or transfer by book-entry transfer, to the Company, a depository, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Company, the depository or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal

amount of the Senior Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Senior Note purchased;

(h) that, if the aggregate principal amount of Senior Notes surrendered by Holders exceeds the Offer Amount, the Company shall select the Senior Notes to be purchased on a PRO RATA basis (with such adjustments as may be deemed appropriate by the Company so that only Senior Notes in denominations of \$1,000, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Senior Notes were purchased only in part shall be issued new Senior Notes equal in principal amount to the unpurchased portion of the Senior Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a PRO RATA basis to the extent necessary, the Offer Amount of Senior Notes or portions thereof tendered pursuant to the Senior Asset Sale Offer, or if less than the Offer Amount has been tendered, all Senior Notes tendered, and shall deliver to the Senior Note Trustee an Officers' Certificate stating that such Senior Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Senior Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Senior Note, and the Senior Note Trustee, upon written request from the Company shall authenticate and mail or deliver such new Senior Note to such Holder, in a principal

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amount equal to any unpurchased portion of the Senior Note surrendered. Any Senior Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Senior Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4 COVENANTS

SECTION 4.01. PAYMENT OF SENIOR NOTES.

The Company or a Guarantor shall pay or cause to be paid the principal of, premium, if any, and interest and Liquidated Damages, if any, on the Senior Notes on the dates and in the manner provided in the Senior Notes. Principal, premium, if any, and interest and Liquidated Damages, if any, shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest and Liquidated Damages, if any, then due. The Company shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Senior Registration Rights Agreement.

The Company or a Guarantor shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Senior Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02. MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Senior Note Trustee or an affiliate of the Senior Note Trustee, Registrar or co-registrar) where Senior Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Senior Notes and this Senior Note Indenture may be served. The Company shall give prompt written notice to the Senior Note Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Senior Note Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Administration Office of the Senior Note Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Senior Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of

Manhattan, the City of New York for such purposes. The Company shall give prompt written notice to the Senior Note Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Senior Note Trustee as one such office or agency of the Company in accordance with Section 2.03.

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SECTION 4.03. REPORTS.

(a) Whether or not the Company is required by the rules and regulations of the SEC, so long as any Senior Notes are outstanding, the Company will furnish to each of the Holders of Senior Notes and to the Senior Note Trustee (i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such financial information, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and any consolidated Restricted Subsidiaries and, with respect to the annual information only, reports thereon by the Company's independent public accountants (which shall be firm(s) of established national reputation) and (ii) all information that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports. All such information and reports shall be filed with the SEC (unless the SEC will not accept such a filing) on or prior to the dates on which such filings would have been required to be made had the Company been subject to the rules and regulations of the SEC. In addition, whether or not required by the rules and regulations of the SEC, the Company shall file a copy of all such information and reports with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. The Company shall at all times comply with TIA Section 314(a). Delivery of such reports, information and documents to the Senior Note Trustee is for informational purposes only and the Senior Note Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Senior Note Trustee is entitled to rely exclusively on Officers' Certificates).

(b) For so long as any Senior Notes remain outstanding, the Company and the Guarantors shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SECTION 4.04. COMPLIANCE CERTIFICATE.

(a) The Company and each Guarantor (to the extent that such Guarantor is so required under the TIA) shall deliver to the Senior Note Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Senior Note Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Senior Note Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Senior Note Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Senior Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03(a) above shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such violation has occurred, specifying

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the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Senior Notes are outstanding,

deliver to the Senior Note Trustee, as soon as possible, but in no event later than five days after any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

SECTION 4.05. TAXES.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Senior Notes.

SECTION 4.06. STAY, EXTENSION AND USURY LAWS.

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Senior Note Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Senior Note Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.07. RESTRICTED PAYMENTS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company); (ii) purchase, redeem or otherwise acquire or retire for value (including without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company or other Affiliate of the Company; (iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any subordinated Indebtedness, except a payment of interest or principal at Stated Maturity; or (iv) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "RESTRICTED PAYMENTS"), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof; and

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(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company or any of its Restricted Subsidiaries after the date of this Senior Note Indenture (excluding Restricted Payments permitted by clauses (ii), (iii), (iv), (v) or (x) of the next succeeding paragraph), is less than the sum, without duplication, of (i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter immediately following the date of this Senior Note Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus (ii) 100% of the aggregate Net Cash Proceeds or the fair market value of property other than cash received by the Company as a contribution to its common equity capital or from the issue or sale since the date of this Senior Note Indenture of Equity Interests of the Company (other than Disqualified Stock), or of Disqualified Stock or debt securities of the Company that have been converted into such Equity Interests (other than Equity Interests (or Disqualified Stock or convertible debt securities) sold to a Restricted Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock), plus (iii) to the extent not already included in Consolidated Net Income of the Company for such period and without duplication, any Restricted Investment that was made by the Company or any of its Restricted Subsidiaries after the date of this Senior Note Indenture is sold for cash or otherwise liquidated or repaid for cash, or any Unrestricted Subsidiary which is designated as an Unrestricted Subsidiary subsequent to the date of this Senior Note Indenture is sold for cash or otherwise liquidated or

repaid for cash, 100% of the cash return of capital with respect to such Restricted Investment or Unrestricted Subsidiary (less the cost of disposition, if any) and 50% of the excess of the fair market value of the Company's Investment in such Unrestricted Subsidiary as of the date of such redesignation over the amount of the Restricted Investment that reduced this clause (c); PROVIDED FURTHER, that any amounts that increase this clause (c) shall not duplicatively increase amounts available as Permitted Investments.

The foregoing provisions shall not prohibit:

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Senior Note Indenture;

(ii) the redemption, repurchase, retirement, defeasance or other acquisition of any Indebtedness which is subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, other Equity Interests of the Company (other than any Disqualified Stock); PROVIDED that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (c) (ii) of the preceding paragraph;

(iii) the defeasance, redemption, repurchase or other acquisition of Indebtedness which is subordinated Indebtedness with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(iv) the payment of any dividend or distribution by a Restricted Subsidiary of the Company to the holders of its common Equity Interests so long as the Company or such Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(v) the payment of dividends on the Company's Common Stock and Series B ESOP Convertible Preferred Stock of up to a combined amount of \$25.0 million per annum; PROVIDED that

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any amount not utilized by the Company to pay dividends in any calendar year will not be carried forward to any subsequent year;

(vi) (a) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company that are held by any member of the Company's (or any of its Restricted Subsidiaries) management pursuant to any management equity subscription agreement or stock option agreement or (b) the repurchase of Equity Interests of the Company or any Restricted Subsidiary of the Company held by employee benefits plans (whether directly or for employees, directors or former directors) pursuant to the terms of agreements (other than management equity subscription agreements or stock option agreements) approved by the Company's Board of Directors; PROVIDED that, in the case of foregoing clause (a) the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed \$10.0 million in the aggregate since the date of this Senior Note Indenture and, in the case of foregoing clause (b), the aggregate purchase price paid for all such repurchased Equity Interests shall not exceed \$15.0 million in any twelve-month period;

(vii) repurchases of Equity Interests deemed to occur upon exercise of stock options if such Equity Interests represent a portion of the exercise price of such options;

(viii) the repurchase, redemption or other acquisition or retirement for value of the Senior Subordinated Notes pursuant to the provisions described under Section 3.07 of the Senior Subordinated Note Indenture; PROVIDED, that the amount of any Equity Offering used to effect such a repurchase, redemption or other acquisition or retirement for value shall be excluded from the calculation made pursuant to clause (c) (ii) of the preceding paragraph;

(ix) the repurchase, redemption or other acquisition or retirement for value of the Senior Subordinated Notes pursuant to the provisions described under Section 4.10 and Section 4.15 of the Senior Subordinated Note Indenture; PROVIDED, that as of the date of such repurchase, redemption or other acquisition or retirement for value, no Default or Event of Default shall have occurred and be continuing or, with the passage of time, would occur as a consequence thereof; and

(x) other Restricted Payments in an aggregate amount since the date of this Senior Note Indenture not to exceed \$50.0 million under this clause (x);

PROVIDED that, with respect to clauses (ii), (iii), (v), (vi), (viii), (ix) and

(x) above, no Default or Event of Default shall have occurred and be continuing immediately after such transaction or as a consequence thereof.

As of the date of this Senior Note Indenture, all of the Company's Subsidiaries other than the FTB Group, Ball Capital Corp. and the Excluded Subsidiaries will be Restricted Subsidiaries. The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause a Default. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under the first paragraph of this Section 4.07. All such outstanding Investments will be deemed to constitute Investments in an amount equal to the fair market value of such Investments at the time of such designation. Such designation will only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

If, at any time, any Unrestricted Subsidiary would fail to meet the requirements in the definition of "Unrestricted Subsidiary" as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted

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Subsidiary for purposes of this Senior Note Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09 hereof, the Company shall be in default of such covenant). The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; PROVIDED that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (i) such Indebtedness is permitted under Section 4.09 hereof calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period, (ii) if such Subsidiary is a Domestic Subsidiary, such Subsidiary shall have executed and delivered a supplemental indenture pursuant to which it will become a Guarantor under this Senior Note Indenture, and (iii) no Default or Event of Default would be in existence following such designation.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary of the Company, pursuant to the Restricted Payment. The fair market value of any noncash Restricted Payment or any adjustment made pursuant to paragraph (c) of this Section 4.07 shall be determined by the Board of Directors of the Company whose resolution with respect thereto shall be delivered to the Senior Note Trustee, such determination to be based upon an opinion or appraisal issued by an investment banking firm (or, if an investment banking firm is generally not qualified to give such an opinion or appraisal, by an appraisal firm) of national standing if such fair market value exceeds \$25.0 million. Not later than the date of making any Restricted Payment, the Company shall deliver to the Senior Note Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Senior Note Indenture.

If any Restricted Investment is sold or otherwise liquidated or repaid or any dividend or payment is received by the Company or a Restricted Subsidiary and such amounts may be credited to clause (c) above, then such amounts will be credited only to the extent of amounts not otherwise included in Consolidated Net Income and that do not otherwise increase the amount available as a Permitted Investment.

SECTION 4.08. DIVIDENDS AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company or the Company to (i)(x) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries (1) on its Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits, or (y) pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its Restricted Subsidiaries or (iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of (a) Existing Indebtedness as in effect on the date of this Senior Note Indenture, (b) the Credit Facility as in effect as of the date of this Senior Note Indenture, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, PROVIDED that such amendments,

modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive with respect to such dividend and other payment restrictions than those contained in the Credit Facility as in effect on the date of this Senior Note Indenture, (c) this Senior Note Indenture, the Senior Subordinated Note Indenture, the Senior Notes and the Senior Subordinated Notes, (d) applicable law or any applicable rule, regulation or order, (e) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in

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contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, PROVIDED that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Senior Note Indenture to be incurred, (f) by reason of customary non-assignment provisions in leases or other contracts entered into in the ordinary course of business and consistent with past practices, (g) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (iii) above on the property so acquired, (h) Indebtedness of Guarantors, PROVIDED that such Indebtedness was permitted to be incurred pursuant to this Senior Note Indenture, (i) Permitted Refinancing Indebtedness, PROVIDED that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced, (j) secured Indebtedness otherwise permitted to be incurred pursuant to the provisions of Section 4.12 hereof that limits the right of the debtor to dispose of assets securing such Indebtedness, (k) provisions with respect to the disposition or distribution of assets or property in joint venture or similar agreements entered into in the ordinary course of business or (l) any Purchase Money Note, or other Indebtedness or other contractual requirements of a Securitization Entity in connection with a Qualified Securitization Transaction; PROVIDED that such restrictions apply only to such Securitization Entity.

SECTION 4.09. INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "INCUR") any Indebtedness (including Acquired Debt) and that the Company shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; PROVIDED, HOWEVER, that the Company may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock and any of the Company's Restricted Subsidiaries may incur Indebtedness if the Company's Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.00 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

The provisions of the first paragraph of this Section 4.09 shall not apply to the incurrence of any of the following items of Indebtedness (collectively, "PERMITTED DEBT"):

(i) the incurrence by the Company or its Restricted Subsidiaries of term Indebtedness under the Credit Facility, letters of credit (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) and related Guarantees under the Credit Facility; PROVIDED that the aggregate principal amount of all term Indebtedness and letters of credit of the Company and its Restricted Subsidiaries (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) outstanding under the Credit Facility after giving effect to such incurrence, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (i) does not exceed an amount equal to \$550.0 million;

(ii) the incurrence by the Company or its Restricted Subsidiaries of revolving credit Indebtedness under the Credit Facility, letters of credit (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) and related Guarantees under the Credit Facility; PROVIDED that the aggregate principal amount of all revolving Indebtedness and letters of credit of the Company and its Restricted

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Subsidiaries (with letters of credit being deemed to have a principal

amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) outstanding under the Credit Facility after giving effect to such incurrence, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (ii), does not exceed \$700.0 million less the aggregate amount of Asset Sale proceeds applied by the Company and its Restricted Subsidiaries to permanently reduce the availability of revolving credit Indebtedness under the Credit Agreements pursuant to the provisions of Section 4.10 hereof;

(iii) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(iv) the incurrence by the Company and the Guarantors of Indebtedness represented by the Senior Notes, the Senior Subordinated Notes, the Senior Subsidiary Guarantees and the Subordinated Subsidiary Guarantees limited in aggregate principal amount, without duplication, to amounts outstanding under this Senior Note Indenture and the Senior Subordinated Note Indenture as of their respective dates;

(v) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace Indebtedness incurred pursuant to this clause (v), not to exceed 5% of Total Assets;

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness;

(vii) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; PROVIDED, HOWEVER, that (i) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Senior Note and this Senior Note Indenture, (ii) if a Restricted Subsidiary of the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of such Restricted Subsidiary's Senior Subsidiary Guarantee and (iii) (A) any subsequent event or issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (B) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vii);

(viii) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred in the normal course of business for the purpose of fixing or hedging currency, commodity or interest rate risk (including with respect to any Indebtedness that is permitted by the terms of this Senior Note Indenture to be outstanding in connection with the conduct of their respective businesses and not for speculative purposes);

(ix) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in the ordinary course of business solely in respect of performance, surety and similar bonds, completion or performance guarantees or standby letters of credit issued for the purpose of

supporting workers' compensation liabilities of the Company or any of its Restricted Subsidiaries, to the extent that such incurrence does not result in the incurrence of any obligation for the payment of borrowed money to others;

(x) the incurrence of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary;

(xi) the incurrence by a Restricted Subsidiary of the Company of Indebtedness in connection with and in contemplation of, the concurrent disposition of such Restricted Subsidiary to the stockholders of the Company; PROVIDED that such disposition occurs concurrently with such incurrence and following such disposition, neither the Company nor any of its Restricted Subsidiaries has any liability with respect to such Indebtedness;

(xii) the incurrence by a Securitization Entity of Indebtedness in a Qualified Securitization Transaction that is Non-Recourse Debt with respect to the Company and its other Restricted Subsidiaries (except for Standard Securitization Undertakings and Limited Originator Recourse);

(xiii) the guarantee by the Company or any of the Guarantors of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09; and

(xiv) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (xiv), not to exceed \$75.0 million.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xiv) above as of the date of incurrence thereof or is entitled to be incurred pursuant to the first paragraph of this Section 4.09 as of the date of incurrence thereof, the Company shall, in its sole discretion, classify or reclassify such item of Indebtedness as of the date of incurrence thereof in any manner that complies with this Section 4.09 and such item of Indebtedness shall be treated as having been incurred pursuant to only one of such clauses or pursuant to the first paragraph of this Section 4.09. Accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this Section 4.09.

SECTION 4.10. ASSETS SALES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless (i) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Senior Note Trustee with respect to any Asset Sale determined to have a fair market value greater than \$25.0 million) of the assets or Equity Interests issued or sold or otherwise disposed of and (ii) at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents; PROVIDED that the following amounts shall be deemed to be cash: (w) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet), of the Company or any Restricted Subsidiary of the Company (other than contingent liabilities and liabilities that are by their terms subordinated to the Senior Notes or any Guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases

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the Company or such Restricted Subsidiary from further liability, (x) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days after the consummation of such Asset Sale (to the extent of the cash received), (y) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale; PROVIDED that the aggregate fair market value (as determined above) of such Designated Noncash Consideration, taken together with the fair market value at the time of receipt of all other Designated Noncash Consideration received pursuant to this clause (y) less the amount of Net Proceeds previously realized in cash from prior Designated Noncash Consideration is less than 5% of Total Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) Additional Assets received in an exchange-of-assets transaction.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds, at its option, (a) to repay Indebtedness under any Credit Facility (and to correspondingly permanently reduce the commitments with respect thereto in the case of revolving borrowings), (b) to the acquisition of a controlling interest in another business, the making of a capital expenditure or the acquisition of other long-term assets, in each case, in Permitted Businesses or (c) to an Investment in Additional Assets; PROVIDED, that the Company will have complied with clause (c) if, within 365 days of such Asset Sale, the Company shall have entered into a definitive agreement covering such Investment which is thereafter completed within 365 days after the first anniversary of such Asset Sale. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Indebtedness under any Credit Facility or otherwise invest such Net Proceeds in any manner that is not prohibited by this Senior Note Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph shall be deemed to constitute "EXCESS PROCEEDS." When the aggregate amount of Excess Proceeds exceeds \$20.0 million,

the Company shall be required to make an offer to all Holders of Senior Notes and all holders of other Indebtedness that ranks PARI PASSU with the Senior Notes containing provisions similar to those set forth in this Senior Note Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (a "SENIOR ASSET SALE OFFER") to purchase the maximum principal amount of Senior Notes and such other Indebtedness that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase, in accordance with the procedures set forth in this Senior Note Indenture and such other Indebtedness. To the extent that any Excess Proceeds remain after consummation of a Senior Asset Sale Offer, the Company may use any remaining Excess Proceeds for any purpose not otherwise prohibited by this Senior Note Indenture. If the aggregate principal amount of Senior Notes and such other Indebtedness tendered into such Senior Asset Sale Offer surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Senior Note Trustee shall select the Senior Notes and such other Indebtedness to be purchased on a pro rata basis. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

SECTION 4.11. TRANSACTIONS WITH AFFILIATES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate of any such Person (each of the foregoing, an "AFFILIATE TRANSACTION"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) the Company delivers to the Senior Note Trustee (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$5.0 million, a resolution of its Board of Directors set forth

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in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of its Board of Directors and (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$25.0 million, an opinion as to the fairness to the Holders of such Affiliate Transaction from a financial point of view issued by an investment banking firm (or, if an investment banking firm is generally not qualified to give such an opinion, by an appraisal firm) of national standing; PROVIDED that none of the following shall be deemed to be Affiliate Transactions: (1) any employment, severance or termination agreement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary, as the case may be, (2) transactions between or among the Company and/or its Restricted Subsidiaries that are Guarantors, (3) transactions between or among the Company or its Restricted Subsidiaries that are Guarantors with its Restricted Subsidiaries that are not Guarantors, FTB Group and Permitted Joint Ventures on terms that are no less favorable to the Company and/or such Subsidiary than those that would have been obtained in a comparable transaction by the Company and/or such Subsidiary with an unrelated Person, (4) any sale or other issuance of Equity Interests (other than Disqualified Stock) of the Company, (5) Restricted Payments that are permitted by and Investments that are not prohibited by Section 4.07 hereof, (6) fees and compensation paid to members of the Board of Directors of the Company and of its Restricted Subsidiaries in their capacity as such, to the extent such fees and compensation are reasonable and customary, (7) advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business and consistent with past practices, (8) fees and compensation paid to, and indemnity provided on behalf of, officers, directors or employees of the Company or any of its Restricted Subsidiaries, as determined by the Board of Directors of the Company or of any such Restricted Subsidiary, to the extent such fees and compensation are reasonable and customary, shall not be deemed to be Affiliate Transactions and (9) transactions effected as part of a Qualified Securitization Transaction.

SECTION 4.12. LIENS.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness, Attributable Debt, or trade payables (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under this Senior Note Indentures and the Senior Notes are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

SECTION 4.13. BUSINESS ACTIVITIES.

The Company shall not, and shall not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

SECTION 4.14. CORPORATE EXISTENCE.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer

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desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Senior Notes.

SECTION 4.15. OFFER TO PURCHASE UPON CHANGE OF CONTROL.

(a) Upon the occurrence of a Change of Control, each Holder of Senior Notes will have the right to require the Company to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Senior Notes pursuant to the offer described below (the "CHANGE OF CONTROL OFFER") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within fifteen days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Senior Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "CHANGE OF CONTROL PAYMENT DATE"), pursuant to the procedures required by this Senior Note Indenture and described in such notice. The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Senior Notes as a result of a Change of Control.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful, (1) accept for payment all Senior Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Notes or portions thereof so tendered and (3) deliver or cause to be delivered to the Senior Note Trustee the Senior Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Senior Notes or portions thereof being purchased by the Company. The Paying Agent will promptly mail to each Holder of Senior Notes so tendered the Change of Control Payment for such Senior Notes, and the Senior Note Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Senior Note equal in principal amount to any unpurchased portion of the Senior Notes surrendered, if any; PROVIDED that each such new Senior Note will be in a principal amount of \$1,000 or an integral multiple thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The Change of Control provisions described above will be applicable whether or not any other provisions of this Senior Note Indenture are applicable. Except as described above with respect to a Change of Control, this Senior Note Indenture does not contain provisions that permit the Holders of the Senior Notes to require that the Company repurchase or redeem the Senior Notes in the event of a takeover, recapitalization or similar transaction.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Senior Note Indenture applicable to a Change of Control Offer made by the Company and purchases all Senior Notes validly tendered and not withdrawn under such Change of Control Offer.

SECTION 4.16. ADDITIONAL SENIOR SUBSIDIARY GUARANTEES.

If the Company or any of its Domestic Subsidiaries (i) acquires or creates any Domestic Subsidiary after the date of this Senior Note Indenture that is not a Guarantor or (ii) causes or permits any Foreign Subsidiary that is not a Guarantor to, directly or indirectly, guarantee the payment of any Indebtedness of the Company or any Restricted Subsidiary ("OTHER INDEBTEDNESS") then, in each case the Company shall cause such Subsidiary to simultaneously execute and

deliver a supplemental indenture in form and substance

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substantially similar to Exhibit F hereto pursuant to which it will become a Guarantor under this Senior Note Indenture; PROVIDED, HOWEVER, that if such Other Indebtedness is (i) Indebtedness that is ranked PARI PASSU in right of payment with the Senior Notes or such Subsidiary's Guarantee of the Senior Notes, as the case may be, such Subsidiary's Guarantee of the Senior Notes shall be PARI PASSU in right of payment with such Subsidiary's guarantee of the Other Indebtedness; or (ii) subordinated Indebtedness, such Subsidiary's Guarantee of the Senior Notes shall be senior in right of payment to the guarantee of Other Indebtedness (which guarantee of such subordinated Indebtedness shall provide that the guarantee is subordinated to such Subsidiary's Guarantee of the Senior Notes to the same extent and in the same manner as the Other Indebtedness is subordinated to the Senior Notes or such Subsidiary's Guarantee of the Senior Notes, as the case may be).

SECTION 4.17. PAYMENT FOR CONSENTS.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Senior Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Senior Note Indenture or the Senior Notes unless such consideration is offered to be paid or is paid to all Holders of the Senior Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

SECTION 4.18. SALE AND LEASEBACK TRANSACTIONS.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; PROVIDED that the Company may enter into a sale and leaseback transaction if (i) the Company could have incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to Section 4.09 hereof and (ii) the gross cash proceeds of such sale and leaseback transaction are at least equal to the fair market value (as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Senior Note Trustee) of the property that is the subject of such sale and leaseback transaction and (iii) the transfer of assets in such sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10 hereof.

SECTION 4.19. CERTAIN COVENANTS TO BE SUSPENDED UNDER CERTAIN CONDITIONS.

The covenants set forth in Section 4.01 through Section 4.18, inclusive, of this Senior Note Indenture shall be applicable to the Company (and/or its Restricted Subsidiaries, as appropriate) except that during any period of time that (i) the ratings assigned to the Senior Notes by both Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service, Inc. ("MOODY'S" and, together with S&P, the "RATING AGENCIES") are equal to or higher than BBB-- and Baa3, or the equivalents thereof, respectively (the "INVESTMENT GRADE RATINGS"), except subsequent to a Change of Control of the Company, and (ii) no Default or Event of Default shall have occurred and be continuing, the Company and its Subsidiaries will not be subject to the provisions of this Senior Note Indenture described in Sections 4.07 through 4.11, inclusive, and Section 4.18, (collectively, the "SUSPENDED COVENANTS"). In the event that the Company is not subject to the Suspended Covenants for any period of time as a result of the preceding sentence (a "SUSPENSION PERIOD") and, subsequently, one or both Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Senior Notes below the required Investment Grade Ratings, then, from and after the date of such withdrawal or downgrade, the Company and its Subsidiaries will again be subject to the Suspended Covenants and compliance with the Suspended Covenants with respect to Restricted Payments made after the time of such withdrawal or downgrade will be calculated in accordance with the terms of Section 4.07 as if such covenant had been in effect during the entire period of time from the date of this Senior Note Indenture. Notwithstanding any other provision of this Senior Note Indenture, the continued existence, after the date of

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such withdrawal or downgrade, of facts and circumstances that were incurred or otherwise came into being during a Suspension Period shall not constitute a breach of any covenant set forth in this Senior Note Indenture or a Default or Event of Default hereunder.

ARTICLE 5 SUCCESSORS

SECTION 5.01. MERGER, CONSOLIDATION OR SALE OF ASSETS.

The Company shall not, directly or indirectly, consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, convey or otherwise dispose of all or substantially all of its

properties or assets in one or more related transactions, to another Person unless (i) the Company is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Senior Registration Rights Agreement, the Senior Notes and this Senior Note Indenture pursuant to a supplemental indenture in a form reasonably satisfactory to the Senior Note Trustee; (iii) immediately before and after such transaction no Default or Event of Default shall have occurred; and (iv) except in the case of a merger of the Company with or into a Subsidiary, the Company or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made will, immediately after such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, (A) be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof or (B) the Fixed Charge Coverage Ratio for the Company or the entity or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made would, immediately after giving pro forma effect thereto as if such transaction had occurred at the beginning of the applicable four-quarter period, not be less than such Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction. The Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. The provisions of this Section 5.01 will not be applicable to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and its Restricted Subsidiaries.

SECTION 5.02. SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Senior Note Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Senior Note Indenture with the same effect as if such successor Person had been named as the Company herein; provided, however, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Senior Notes except in the case of a sale of all of the Company's assets that meets the requirements of Section 5.01 hereof.

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ARTICLE 6 DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT.

An "EVENT OF DEFAULT" occurs if:

- (a) the Company defaults in the payment when due of interest on, or Liquidated Damages, if any, with respect to, the Senior Notes and such default continues for a period of 30 days;
- (b) the Company defaults in the payment when due of principal of or premium, if any, on the Senior Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise;
- (c) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Section 5.01;
- (d) the Company or any of its Restricted Subsidiaries fails for 30 days after notice to comply with the provisions of Sections 4.07, 4.09, 4.10 or 4.15 hereof;
- (e) the Company or any of its Restricted Subsidiaries fails for 60 days after notice to observe or perform any other covenant, representation, warranty or other agreement in this Senior Note Indenture or the Senior Notes;
- (f) the Company or any of its Restricted Subsidiaries defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the

Company or any of its Restricted Subsidiaries (other than a Securitization Entity) (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity)) whether such Indebtedness or guarantee now exists, or is created after the date of this Senior Note Indenture, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates without duplication \$20.0 million or more;

(g) the Company or any of its Restricted Subsidiaries fails to pay final judgments aggregating in excess of \$20.0 million (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 days;

(h) the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

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(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

(i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a custodian of the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(j) except as permitted by this Senior Note Indenture, any Senior Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Senior Subsidiary Guarantee.

SECTION 6.02. ACCELERATION.

If any Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01 hereof with respect to the Company, any Significant Subsidiary that is a Restricted Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary) occurs and is continuing, the Senior Note Trustee or the Holders of at least 25% in principal amount of the then outstanding Senior Notes may declare all the Senior Notes to be due and payable immediately. Upon any such declaration, the Senior Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (g) or (h) of Section 6.01 hereof occurs with respect to the Company, any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Senior Notes shall be due and payable without further action or notice. Holders of the Senior Notes may not enforce this Senior Note Indenture or the Senior Notes except as provided in this Senior Note Indenture.

In the case of any Event of Default occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Senior Notes pursuant to the optional redemption provisions of this Senior Note Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Senior Notes.

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The Company is required to deliver to the Senior Note Trustee annually a statement regarding compliance with this Senior Note Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Senior Note Trustee a statement specifying such Default or Event of Default.

SECTION 6.03. OTHER REMEDIES.

If an Event of Default occurs and is continuing, the Senior Note Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest and Liquidated Damages, if any, on the Senior Notes or to enforce the performance of any provision of the Senior Notes or this Senior Note Indenture.

The Senior Note Trustee may maintain a proceeding even if it does not possess any of the Senior Notes or does not produce any of them in the proceeding. A delay or omission by the Senior Note Trustee or any Holder of a Senior Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. WAIVER OF PAST DEFAULTS.

The Holders of a majority in aggregate principal amount of the Senior Notes then outstanding by notice to the Senior Note Trustee may on behalf of the Holders of all of the Senior Notes waive any existing Default or Event of Default and its consequences under this Senior Note Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Senior Notes (including in connection with an offer to purchase); PROVIDED, HOWEVER, that the Holders of a majority in aggregate principal amount of the then outstanding Senior Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Senior Note Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.06. CONTROL BY MAJORITY.

Holders of a majority in principal amount of the then outstanding Senior Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Senior Note Trustee or exercising any trust or power conferred on it. However, the Senior Note Trustee may refuse to follow any direction that conflicts with law or this Senior Note Indenture that the Senior Note Trustee determines may be unduly prejudicial to the rights of other Holders of Senior Notes or that may involve the Senior Note Trustee in personal liability.

SECTION 6.06. LIMITATION ON SUITS.

A Holder of a Senior Note may pursue a remedy with respect to this Senior Note Indenture or the Senior Notes only if:

(a) the Holder of a Senior Note gives to the Senior Note Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Senior Notes make a written request to the Senior Note Trustee to pursue the remedy;

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(c) such Holder of a Senior Note or Holders of Senior Notes offer and, if requested, provide to the Senior Note Trustee indemnity satisfactory to the Senior Note Trustee against any loss, liability or expense;

(d) the Senior Note Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Senior Notes do not give the Senior Note Trustee

a direction inconsistent with the request.

A Holder of a Senior Note may not use this Senior Note Indenture to prejudice the rights of another Holder of a Senior Note or to obtain a preference or priority over another Holder of a Senior Note.

SECTION 6.07. RIGHTS OF HOLDERS OF SENIOR NOTES TO RECEIVE PAYMENT.

Notwithstanding any other provision of this Senior Note Indenture, the right of any Holder of a Senior Note to receive payment of principal, premium and Liquidated Damages, if any, and interest on the Senior Note, on or after the respective due dates expressed in the Senior Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. COLLECTION SUIT BY SENIOR NOTE TRUSTEE.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Senior Note Trustee is authorized to recover judgment in its own name and as Senior Note Trustee of an express trust against the Company for the whole amount of principal of, premium and Liquidated Damages, if any, and interest remaining unpaid on the Senior Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Senior Note Trustee, its agents and counsel.

SECTION 6.09. SENIOR NOTE TRUSTEE MAY FILE PROOFS OF CLAIM.

The Senior Note Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Senior Note Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Senior Note Trustee, its agents and counsel) and the Holders of the Senior Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Senior Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Senior Note Trustee, and in the event that the Senior Note Trustee shall consent to the making of such payments directly to the Holders, to pay to the Senior Note Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Senior Note Trustee, its agents and counsel, and any other amounts due the Senior Note Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Senior Note Trustee, its agents and counsel, and any other amounts due the Senior Note Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Senior Note Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of

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reorganization, arrangement, adjustment or composition affecting the Senior Notes or the rights of any Holder, or to authorize the Senior Note Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. PRIORITIES.

If the Senior Note Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

FIRST: to the Senior Note Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Senior Note Trustee and the costs and expenses of collection;

SECOND: to Holders of Senior Notes for amounts due and unpaid on the Senior Notes for principal, premium and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Senior Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

THIRD: to the Company.

The Senior Note Trustee may fix a record date and payment date for any payment to Holders of Senior Notes pursuant to this Section 6.10.

SECTION 6.11. UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Senior Note Indenture or in any suit against the Senior Note Trustee for any action taken or omitted by it as a Senior Note Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Senior Note Trustee, a suit by a Holder of a Senior Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Senior Notes.

ARTICLE 7
SENIOR NOTE TRUSTEE

SECTION 7.01. DUTIES OF SENIOR NOTE TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Senior Note Trustee shall exercise such of the rights and powers vested in it by this Senior Note Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Senior Note Trustee shall be determined solely by the express provisions of this Senior Note Indenture and the Senior Note Trustee need perform only those duties that are specifically set forth in this Senior Note Indenture and no others, and no implied covenants or obligations shall be read into this Senior Note Indenture against the Senior Note Trustee; and

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(ii) in the absence of bad faith on its part, the Senior Note Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Senior Note Trustee and conforming to the requirements of this Senior Note Indenture, but in the case of any such certificates of opinions which by any provision hereof are specifically required to be furnished to the Senior Note Trustee, the Senior Note Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Senior Note Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Senior Note Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Senior Note Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Senior Note Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Senior Note Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Senior Note Indenture that in any way relates to the Senior Note Trustee is subject to paragraphs (a), (b), (c), (e) and (f) of this Section and Section 7.02.

(e) No provision of this Senior Note Indenture shall require the Senior Note Trustee to expend or risk its own funds or incur any liability. The Senior Note Trustee shall be under no obligation to exercise any of its rights and powers under this Senior Note Indenture at the request of any Holders, unless such Holder shall have offered to the Senior Note Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Senior Note Trustee shall not be liable for interest on any money received by it except as the Senior Note Trustee may agree in writing with the Company. Money held in trust by the Senior Note Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. RIGHTS OF SENIOR NOTE TRUSTEE.

(a) The Senior Note Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Senior Note Trustee need not investigate any fact or matter stated

in the document.

(b) Before the Senior Note Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Senior Note Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Senior Note Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Senior Note Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

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(d) The Senior Note Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Senior Note Indenture.

(e) Unless otherwise specifically provided in this Senior Note Indenture, any demand, request, direction or notice from the Company or any Guarantor shall be sufficient if signed by an Officer of the Company or Guarantor issuing such demand, request or notice.

(f) The Senior Note Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Senior Note Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Senior Note Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

SECTION 7.03. INDIVIDUAL RIGHTS OF SENIOR NOTE TRUSTEE.

The Senior Note Trustee in its individual or any other capacity may become the owner or pledgee of Senior Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Senior Note Trustee. The Senior Note Trustee is also subject to Sections 7.10 and 7.11 hereof.

SECTION 7.04. SENIOR NOTE TRUSTEE'S DISCLAIMER.

The Senior Note Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Senior Note Indenture or the Senior Notes, it shall not be accountable for the Company's use of the proceeds from the Senior Notes or any money paid to the Company or upon the Company's direction under any provision of this Senior Note Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Senior Note Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Senior Notes or any other document in connection with the sale of the Senior Notes or pursuant to this Senior Note Indenture other than its certificate of authentication.

SECTION 7.05. NOTICE OF DEFAULTS.

If a Default or Event of Default occurs and is continuing and if it is actually known to a Responsible Officer of the Senior Note Trustee, the Senior Note Trustee shall mail to Holders of Senior Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Senior Note, the Senior Note Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Senior Notes.

SECTION 7.06. REPORTS BY SENIOR NOTE TRUSTEE TO HOLDERS OF THE SENIOR NOTES.

Within 60 days after each August 1 beginning with the August 1 following the date of this Senior Note Indenture, and for so long as Senior Notes remain outstanding, the Senior Note Trustee shall mail to the Holders of the Senior Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Senior Note Trustee also shall comply with TIA Section 313(b) (2). The Senior Note Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders of Senior Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Senior Notes are listed in accordance

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with TIA Section 313(d). The Company shall promptly notify the Senior Note

Trustee when the Senior Notes are listed on any stock exchange or delisted therefrom.

SECTION 7.07. COMPENSATION AND INDEMNITY.

The Company and the Guarantors shall pay to the Senior Note Trustee from time to time such compensation as agreed upon in writing for its acceptance of this Senior Note Indenture and services hereunder. The Senior Note Trustee's compensation shall not be limited by any law on compensation of a Senior Note Trustee of an express trust. The Company and the Guarantors shall reimburse the Senior Note Trustee promptly upon request for all disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Senior Note Trustee's agents and counsel.

The Company and the Guarantors shall indemnify the Senior Note Trustee against any and all losses, liabilities, claims, damages or expenses (including taxes other than taxes based upon the income of the Senior Note Trustee) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Senior Note Indenture, including the costs and expenses of enforcing this Senior Note Indenture against the Company and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Company and the Guarantors or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or willful misconduct. The Senior Note Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Senior Note Trustee to so notify the Company shall not relieve the Company and the Guarantors of its obligations hereunder. The Company shall defend the claim and the Senior Note Trustee shall cooperate in the defense. The Senior Note Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company and the Guarantors under this Section 7.07 shall survive the satisfaction and discharge of this Senior Note Indenture.

To secure the Company's and the Guarantors' payment obligations in this Section, the Senior Note Trustee shall have a Lien prior to the Senior Notes on all money or property held or collected by the Senior Note Trustee, except that held in trust to pay principal and interest on particular Senior Notes. Such Lien shall survive the satisfaction and discharge of this Senior Note Indenture.

When the Senior Note Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Senior Note Trustee shall comply with the provisions of TIA Section 313(b) (2) to the extent applicable.

SECTION 7.08. REPLACEMENT OF SENIOR NOTE TRUSTEE.

A resignation or removal of the Senior Note Trustee and appointment of a successor Senior Note Trustee shall become effective only upon the successor Senior Note Trustee's acceptance of appointment as provided in this Section.

The Senior Note Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of Senior Notes of a majority in principal amount of the

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then outstanding Senior Notes may remove the Senior Note Trustee by so notifying the Senior Note Trustee and the Company in writing. The Company may remove the Senior Note Trustee if:

- (a) the Senior Note Trustee fails to comply with Section 7.10 hereof;
- (b) the Senior Note Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Senior Note Trustee under any Bankruptcy Law;
- (c) a custodian or public officer takes charge of the Senior Note Trustee or its property; or
- (d) the Senior Note Trustee becomes incapable of acting.

If the Senior Note Trustee resigns or is removed or if a vacancy exists in the office of Senior Note Trustee for any reason, the Company shall promptly appoint a successor Senior Note Trustee. Within one year after the successor Senior Note Trustee takes office, the Holders of a majority in principal amount of the then outstanding Senior Notes may appoint a successor Senior Note Trustee

to replace the successor Senior Note Trustee appointed by the Company.

If a successor Senior Note Trustee does not take office within 60 days after the retiring Senior Note Trustee resigns or is removed, the retiring Senior Note Trustee, the Company, or the Holders of Senior Notes of at least 10% in principal amount of the then outstanding Senior Notes may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Senior Note Trustee.

If the Senior Note Trustee, after written request by any Holder of a Senior Note who has been a Holder of a Senior Note for at least six months, fails to comply with Section 7.10, such Holder of a Senior Note may petition any court of competent jurisdiction for the removal of the Senior Note Trustee and the appointment of a successor Senior Note Trustee.

A successor Senior Note Trustee shall deliver a written acceptance of its appointment to the retiring Senior Note Trustee and to the Company. Thereupon, the resignation or removal of the retiring Senior Note Trustee shall become effective, and the successor Senior Note Trustee shall have all the rights, powers and duties of the Senior Note Trustee under this Senior Note Indenture. The successor Senior Note Trustee shall mail a notice of its succession to Holders of the Senior Notes. The retiring Senior Note Trustee shall promptly transfer all property held by it as Senior Note Trustee to the successor Senior Note Trustee, PROVIDED all sums owing to the Senior Note Trustee (including its agents and/or counsel) hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Senior Note Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Senior Note Trustee.

SECTION 7.09. SUCCESSOR SENIOR NOTE TRUSTEE BY MERGER, ETC.

If the Senior Note Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Senior Note Trustee.

SECTION 7.10. ELIGIBILITY; DISQUALIFICATION.

There shall at all times be a Senior Note Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate Senior Note Trustee power, that is subject to supervision or examination by federal

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or state authorities and that has a combined capital and surplus of at least \$50.0 million as set forth in its most recent published annual report of condition.

This Senior Note Indenture shall always have a Senior Note Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Senior Note Trustee is subject to TIA Section 310(b).

SECTION 7.11. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

The Senior Note Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Senior Note Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

SECTION 7.12. SENIOR NOTE TRUSTEE'S APPLICATION FOR INSTRUCTIONS FROM THE COMPANY.

Any application by the Senior Note Trustee for written instructions from the Company may, at the option of the Senior Note Trustee, set forth in writing any action proposed to be taken or omitted by the Senior Note Trustee under this Senior Note Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Senior Note Trustee shall not be liable for any action taken by, or omission of, the Senior Note Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to the taking of such action (or the effective date in the case of an omission), the Senior Note Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Senior Notes upon compliance with the conditions set forth below in this Article 8.

SECTION 8.02. LEGAL DEFEASANCE AND DISCHARGE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Senior Notes and to have each Guarantor's obligation discharged with respect to its Senior Subsidiary Guarantee on the date the conditions set forth below are satisfied (hereinafter, "LEGAL DEFEASANCE"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Senior Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Senior Note Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Senior Notes and this Senior Note Indenture (and the Senior Note Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Senior Notes to receive solely from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest and Liquidated Damages, if any, on such Senior Notes when such

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payments are due, (b) the Company's obligations with respect to such Senior Notes under Article 2 and Section 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Senior Note Trustee hereunder and the Company's obligations in connection therewith and (d) this Article 8. Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. COVENANT DEFEASANCE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16 and 4.17 hereof with respect to the outstanding Senior Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "COVENANT DEFEASANCE"), and the Senior Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Senior Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Senior Notes, the Company and each Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Senior Note Indenture and such Senior Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(d) through 6.01(f) hereof shall not constitute Events of Default.

SECTION 8.04. CONDITIONS TO LEGAL OR COVENANT DEFEASANCE.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Senior Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Senior Note Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium and Liquidated Damages, if any, and interest on the outstanding Senior Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Senior Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Company shall have delivered to the Senior Note Trustee an Opinion of Counsel in the

United States reasonably acceptable to the Senior Note Trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Senior Note Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Senior Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

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(c) in the case of an election under Section 8.03 hereof, the Company shall have delivered to the Senior Note Trustee an Opinion of Counsel in the United States reasonably acceptable to the Senior Note Trustee confirming that the Holders of the outstanding Senior Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the incurrence of Indebtedness all or a portion of the proceeds of which will be used to defease the Senior Notes pursuant to this Article 8 concurrently with such incurrence) or insofar as Sections 6.01(g) or 6.01(h) hereof is concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Senior Note Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(f) the Company shall have delivered to the Senior Note Trustee an Opinion of Counsel (which may be subject to customary exceptions) to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Company shall have delivered to the Senior Note Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(h) the Company shall have delivered to the Senior Note Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

SECTION 8.05. DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST;
OTHER MISCELLANEOUS PROVISIONS.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Senior Note Trustee (or other qualifying Senior Note Trustee, collectively for purposes of this Section 8.05, the "SENIOR NOTE TRUSTEE") pursuant to Section 8.04 hereof in respect of the outstanding Senior Notes shall be held in trust and applied by the Senior Note Trustee, in accordance with the provisions of such Senior Notes and this Senior Note Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Senior Note Trustee may determine, to the Holders of such Senior Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company and the Guarantors shall pay and indemnify the Senior Note Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Senior Notes.

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Anything in this Article 8 to the contrary notwithstanding, the Senior Note Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Senior Note Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would

then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. REPAYMENT TO COMPANY.

Any money deposited with the Senior Note Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Senior Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Senior Note shall thereafter, as a secured creditor, look only to the Company for payment thereof, and all liability of the Senior Note Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as Senior Note Trustee thereof, shall thereupon cease; provided, however, that the Senior Note Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 8.07. REINSTATEMENT.

If the Senior Note Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Senior Note Indenture and the Senior Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Senior Note Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on any Senior Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Senior Notes to receive such payment from the money held by the Senior Note Trustee or Paying Agent.

ARTICLE 9 AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. WITHOUT CONSENT OF HOLDERS OF SENIOR NOTES.

Notwithstanding Section 9.02 of this Senior Note Indenture, the Company, the Guarantors and the Senior Note Trustee may amend or supplement this Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes without the consent of any Holder of a Senior Note:

- (a) to cure any ambiguity, defect or inconsistency;
- (b) to provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;
- (c) to provide for the assumption of the Company's or a Guarantor's obligations to the Holders of the Senior Notes by a successor to the Company or a Guarantor pursuant to Article 5 or Article 10 hereof;
- (d) to make any change that would provide any additional rights or benefits to the Holders of the Senior Notes or that does not adversely affect the legal rights hereunder of any Holder of the Senior Note;
- (e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Senior Note Indenture under the TIA; or
- (f) to allow any Guarantor to execute a supplemental Senior Note Indenture and/or a Senior Subsidiary Guarantee with respect to the Senior Notes.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Senior Note Indenture, and upon receipt by the Senior Note Trustee of the documents described in Section 7.02 hereof, the Senior Note Trustee shall join with the Company and the Guarantors in the execution of any amended or supplemental Senior Note Indenture authorized or permitted by the terms of this Senior Note Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Senior Note Trustee shall not be obligated to enter into such amended or supplemental Senior Note Indenture that affects its own rights, duties or immunities under this Senior Note Indenture or otherwise.

SECTION 9.02. WITH CONSENT OF HOLDERS OF SENIOR NOTES.

Except as provided below in this Section 9.02, the Company and the Senior Note Trustee may amend or supplement this Senior Note Indenture (including Sections 3.09, 4.10 and 4.15 hereof), the Senior Subsidiary Guarantees and the Senior Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Senior Notes then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Senior Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Senior Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Senior Notes voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Senior Notes). Section 2.08 hereof shall determine which Senior Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Senior Note Indenture, and upon the filing with the Senior Note Trustee of evidence satisfactory to the Senior Note Trustee of the consent of the Holders of Senior Notes as aforesaid, and upon receipt by the Senior Note Trustee of the documents described in Section 7.02 hereof, the Senior Note Trustee shall join with the Company in the execution of such amended or supplemental Senior Note Indenture unless such amended or supplemental Senior Note Indenture directly affects the Senior Note Trustee's own rights, duties or immunities under this Senior Note Indenture or otherwise, in which case the Senior Note Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Senior Note Indenture.

It shall not be necessary for the consent of the Holders of Senior Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

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After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders of Senior Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Senior Note Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Senior Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Senior Note Indenture or the Senior Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Senior Notes held by a non-consenting Holder):

(a) reduce the principal amount of Senior Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Senior Note or alter or waive any of the provisions with respect to the redemption of the Senior Notes except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof;

(c) reduce the rate of or change the time for payment of interest, including default interest, on any Senior Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages, if any, on the Senior Notes (except a rescission of acceleration of the Senior Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Senior Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Senior Note payable in money other than that stated in the Senior Notes;

(f) make any change in the provisions of this Senior Note Indenture relating to waivers of past Defaults or the rights of Holders of Senior Notes to receive payments of principal of or premium, interest or Liquidated Damages, if any, on the Senior Notes;

(g) waive a redemption payment with respect to any Senior Note (other than a payment required pursuant to Section 4.10 or 4.15);

(h) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions; or

(i) release any Guarantor from any of its obligations under its Senior

Subsidiary Guarantee or this Senior Note Indenture, except in accordance with the terms of this Senior Note Indenture.

SECTION 9.03. COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment or supplement to this Senior Note Indenture or the Senior Notes shall be set forth in a amended or supplemental Senior Note Indenture that complies with the TIA as then in effect.

SECTION 9.04. REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Senior Note is a continuing consent by the Holder of a Senior Note and every subsequent Holder of a Senior Note or portion of a Senior Note that evidences the same debt as the consenting Holder's Senior Note, even if notation of the consent is not made on any Senior Note. However, any such Holder of a Senior Note or

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subsequent Holder of a Senior Note may revoke the consent as to its Senior Note if the Senior Note Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

SECTION 9.05. NOTATION ON OR EXCHANGE OF SENIOR NOTES.

The Senior Note Trustee may place an appropriate notation about an amendment, supplement or waiver on any Senior Note thereafter authenticated. The Company in exchange for all Senior Notes may issue and the Senior Note Trustee shall, upon receipt of an Authentication Order, authenticate new Senior Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Senior Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. SENIOR NOTE TRUSTEE TO SIGN AMENDMENTS, ETC.

The Senior Note Trustee shall sign any amended or supplemental Senior Note Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Senior Note Trustee. The Company may not sign an amendment or supplemental Senior Note Indenture until the Board of Directors approves it. In executing any amended or supplemental Senior Note Indenture, the Senior Note Trustee shall be entitled to receive and (subject to Section 7.01 hereof) shall be fully protected in relying upon, in addition to the documents required by Section 12.04 hereof, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental Senior Note Indenture is authorized or permitted by this Senior Note Indenture.

ARTICLE 10 SENIOR SUBSIDIARY GUARANTEES

SECTION 10.01. GUARANTEE.

Subject to this Article 10, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Senior Note authenticated and delivered by the Senior Note Trustee and to the Senior Note Trustee and its successors and assigns, irrespective of the validity and enforceability of this Senior Note Indenture, the Senior Notes or the obligations of the Company hereunder or thereunder, that: (a) the principal of and interest on the Senior Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Senior Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Senior Note Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Senior Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Senior Notes or this Senior Note Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Senior Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the

same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Senior Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Senior Notes and this Senior Note Indenture.

If any Holder or the Senior Note Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, Senior Note Trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Senior Note Trustee or such Holder, this Senior Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Senior Note Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Senior Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Senior Subsidiary Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Senior Subsidiary Guarantee.

SECTION 10.02. LIMITATION ON GUARANTOR LIABILITY.

Each Guarantor, and by its acceptance of Senior Notes, each Holder, hereby confirms that it is the intention of all such parties that the Senior Subsidiary Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Senior Subsidiary Guarantee. To effectuate the foregoing intention, the Senior Note Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor under its Senior Subsidiary Guarantee and this Article 10 shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, result in the obligations of such Guarantor under its Senior Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

SECTION 10.03. EXECUTION AND DELIVERY OF SENIOR SUBSIDIARY GUARANTEE.

To evidence its Senior Subsidiary Guarantee set forth in Section 10.01, each Guarantor hereby agrees that a notation of such Senior Subsidiary Guarantee substantially in the form included in Exhibit E shall be endorsed by an Officer of such Guarantor on each Senior Note authenticated and delivered by the Senior Note Trustee and that this Senior Note Indenture shall be executed on behalf of such Guarantor by its President or one of its Vice Presidents.

Each Guarantor hereby agrees that its Senior Subsidiary Guarantee set forth in Section 10.01 shall remain in full force and effect notwithstanding any failure to endorse on each Senior Note a notation of such Senior Subsidiary Guarantee.

If an Officer whose signature is on this Senior Note Indenture or on the Senior Subsidiary Guarantee no longer holds that office at the time the Senior Note Trustee authenticates the Senior Note on which a Senior Subsidiary Guarantee is endorsed, the Senior Subsidiary Guarantee shall be valid nevertheless.

The delivery of any Senior Note by the Senior Note Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Senior Subsidiary Guarantee set forth in this Senior Note Indenture on behalf of the Guarantors.

In the event that the Company creates or acquires any new Subsidiaries subsequent to the date of this Senior Note Indenture, if required by Section 4.16 hereof, the Company shall cause such Subsidiaries to execute supplemental Senior Note Indentures to this Senior Note Indenture and Senior Subsidiary Guarantees in accordance with Section 4.16 hereof and this Article 10, to the

extent applicable.

SECTION 10.04. GUARANTORS MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

No Guarantor may consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person whether or not affiliated with such Guarantor unless:

(a) subject to Section 10.04 hereof, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Guarantor, pursuant to a supplemental Senior Note Indenture in form and substance reasonably satisfactory to the Senior Note Trustee, under the Senior Notes, this Senior Note Indenture, the Senior Registration Rights Agreement and the Senior Subsidiary Guarantee on the terms set forth herein or therein;

(b) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(c) the Company would be permitted, immediately after giving effect to such transaction, to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental Senior Note Indenture, executed and delivered to the Senior Note Trustee and satisfactory in form to the Senior Note Trustee, of the Senior Subsidiary Guarantee endorsed upon the Senior Notes and the due and punctual performance of all of the covenants and conditions of this Senior Note Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Senior Subsidiary Guarantees to be endorsed upon all of the Senior Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Senior Note Trustee. All the Senior Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under this Senior Note Indenture as the Senior Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of this Senior Note Indenture as though all of such Senior Subsidiary Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (a) and (b) above, nothing contained in this Senior Note Indenture or in any of the Senior Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

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SECTION 10.05. RELEASES FOLLOWING SALE OF ASSETS.

In the event of (a) a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, (b) a sale or other disposition of all of the capital stock of any Guarantor or (c) the designation of a Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Senior Note Indenture, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Senior Subsidiary Guarantee; provided that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Senior Note Indenture, including without limitation Section 4.10 hereof. Upon delivery by the Company to the Senior Note Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the applicable provisions of this Senior Note Indenture, including without limitation Section 4.10 hereof, the Senior Note Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Senior Subsidiary Guarantee.

Any Guarantor not released from its obligations under its Senior Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Senior Notes and for the other obligations of any Guarantor under this Senior Note Indenture as provided in this Article 10.

ARTICLE 11 MISCELLANEOUS

SECTION 11.01. TRUST INDENTURE ACT CONTROLS.

If any provision of this Senior Note Indenture limits, qualifies or

conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

SECTION 11.02. NOTICES.

Any notice or communication by the Company, any Guarantor or the Senior Note Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address.

If to the Company and/or any Guarantor:
Ball Corporation
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Telecopier No.: (303) 460-2691
Attention: Treasurer

With a copy to:
Skadden, Arps, Slate, Meagher & Flom
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
Telecopier No.: (312) 407-0411
Attention: Brian W. Duwe

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If to the Senior Note Trustee:
The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Telecopier No.: (212) 815-5915
Attention: Corporate Trust Administration

The Company, any Guarantor or the Senior Note Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail postage prepaid, certified or registered mail, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Senior Note Trustee and each Agent at the same time.

SECTION 11.03. COMMUNICATION BY HOLDERS OF SENIOR NOTES WITH OTHER HOLDERS OF SENIOR NOTES.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Senior Note Indenture or the Senior Notes. The Company, the Senior Note Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 11.04. CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Senior Note Trustee to take any action under this Senior Note Indenture, the Company shall furnish to the Senior Note Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Senior Note Trustee (which shall include the statements set forth in Section 11.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Senior Note Indenture relating to the proposed action have been satisfied; and

(b) except with respect to the initial issuance of the Senior Notes, an Opinion of Counsel in form and substance reasonably satisfactory to the Senior Note Trustee (which shall include the statements set forth in Section 11.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 11.05. STATEMENTS REQUIRED IN CERTIFICATE.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Senior Note Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

SECTION 11.06. RULES BY SENIOR NOTE TRUSTEE AND AGENTS.

The Senior Note Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 11.07. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS.

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or such Guarantor under the Senior Notes, the Senior Subsidiary Guarantees, this Senior Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes.

SECTION 11.08. GOVERNING LAW.

THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS SENIOR NOTE INDENTURE, THE SENIOR NOTES AND THE SENIOR SUBSIDIARY GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 11.09. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Senior Note Indenture may not be used to interpret any other Senior Note Indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such Senior Note Indenture, loan or debt agreement may not be used to interpret this Senior Note Indenture.

SECTION 11.10. SUCCESSORS.

All agreements of the Company in this Senior Note Indenture and the Senior Notes shall bind its successors. All agreements of the Senior Note Trustee in this Senior Note Indenture shall bind its successors.

SECTION 11.11. SEVERABILITY.

In case any provision in this Senior Note Indenture or in the Senior Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.12. COUNTERPART ORIGINALS.

The parties may sign any number of copies of this Senior Note Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 11.13. TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Senior Note Indenture have been inserted for convenience of reference only, are not to be considered a part of this Senior Note Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SIGNATURES

Dated as of August 10, 1998

BALL CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Treasurer

BALL AEROSPACE AND TECHNOLOGIES
CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL ASIA PACIFIC LIMITED

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL GLASS CONTAINER CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL HOLDINGS CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL BEVERAGE CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL FOOD CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL METAL PACKAGING SALES CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PACKAGING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL PLASTIC CONTAINER CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGIES HOLDING CORP.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BALL TECHNOLOGY SERVICES CORPORATION

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BG HOLDINGS I, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

BG HOLDINGS II, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

EFRATOM HOLDING, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

LATAS DE ALUMINIO REYNOLDS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

RCAL CANS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

RIND CANS, INC.

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Vice President

THE BANK OF NEW YORK,
as Senior Note Trustee

By: /s/ Walter N. Gitlin

Name: WALTER N. GITLIN
Title: Vice President

EXHIBIT A1
(FACE OF SENIOR NOTE)

[INSERT THE GLOBAL SENIOR NOTE LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS
OF THE SENIOR NOTE INDENTURE]

[INSERT THE PRIVATE PLACEMENT LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS
OF THE SENIOR NOTE INDENTURE]

CUSIP/CINS

7 3/4% [Series A] [Series B] Senior Notes due 2006

No. _____ \$ _____

BALL CORPORATION

promises to pay to _____ or registered assigns, the principal sum of
_____ Dollars on August 1, 2006.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

BALL CORPORATION

By: _____
Name:
Title:

This is one of the [Global]
Senior Notes referred to in the
within-mentioned Senior Note Indenture:

Dated: August 10, 1998

THE BANK OF NEW YORK,
as Senior Note Trustee

By: _____
Name:
Title:

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(BACK OF SENIOR NOTE)
7 3/4% [Series A] [Series B] Senior Notes due 2006

Capitalized terms used herein shall have the meanings assigned to them in the
Senior Note Indenture referred to below unless otherwise indicated.

1. INTEREST. Ball Corporation, an Indiana corporation (the "COMPANY"),
promises to pay interest on the principal amount of this Senior Note at 7 3/4%
per annum from August 10, 1998 until maturity and shall pay the Liquidated
Damages payable pursuant to Section 5 of the Senior Registration Rights

Agreement referred to below. The Company will pay interest and Liquidated Damages semi-annually on February 1 and August 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "INTEREST PAYMENT DATE"). Interest on the Senior Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that if there is no existing Default in the payment of interest, and if this Senior Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be February 1, 1999. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Senior Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest on the Senior Notes (except defaulted interest) and Liquidated Damages to the Persons who are registered Holders of Senior Notes at the close of business on the January 15 or July 15 next preceding the Interest Payment Date, even if such Senior Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Senior Note Indenture with respect to defaulted interest. Principal, premium, if any, and interest and Liquidated Damages on the Senior Notes will be payable at the office or agency of the Company maintained for such purpose within the City and State of New York or, at the option of the Company, payment of interest and Liquidated Damages may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders of Notes; PROVIDED that all payments of principal, premium, interest and Liquidated Damages thereon, if any, with respect to Notes the Holders of which have given wire transfer instructions to the Trustee will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Senior Note Trustee under the Senior Note Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. SENIOR NOTE INDENTURE. The Company issued the Senior Notes under an Senior Note Indenture dated as of August 10, 1998 ("SENIOR NOTE INDENTURE") between the Company and the Senior Note Trustee. The terms of the Senior Notes include those stated in the Senior Note Indenture and those made part of the Senior Note Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbb). The Senior Notes are subject to all such terms, and Holders are referred to the Senior Note Indenture and such Act for a statement of such terms. To the extent any provision of this Senior Note conflicts with the express provisions of the Senior Note Indenture, the provisions of the Senior Note Indenture shall govern and be controlling. The Senior Notes are obligations of the Company limited to \$300.0 million in aggregate principal amount.

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5. OPTIONAL REDEMPTION.

(a) The Senior Notes will be subject to redemption at any time at the option of the Company, in whole but not in part, upon not less than 30 nor more than 60 days' notice.

(b) The Senior Notes will be redeemable at a redemption price equal to 100% of the principal amount thereof plus the applicable Senior Make-Whole Premium, plus, to the extent not included in the Senior Make-Whole Premium, accrued and unpaid interest and Liquidated Damages, if any, to the date of redemption. For purposes of the foregoing, "SENIOR MAKE-WHOLE PREMIUM" means, with respect to a Senior Note, an amount equal to the excess, if any, of (i) the aggregate present value as of the date of such redemption of each dollar of principal of such Senior Note being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting, on a semiannual basis, such principal and interest at a rate equal to the sum of the Treasury Yield (determined on the Business Day immediately preceding the date of such redemption) plus 0.5% per annum, from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of such Senior Note being redeemed.

(c) Any redemption pursuant to this Paragraph 5 shall be made pursuant to the provisions of Article 3 of the Senior Note Indenture.

6. MANDATORY REDEMPTION. Except as set forth in Sections 3.09, 4.10 and 4.15 of the Senior Note Indenture, the Company shall not be required to make mandatory redemption payments with respect to the Senior Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company shall be required to make an offer (a "CHANGE OF CONTROL OFFER") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within 15 days following any Change of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Senior Note Indenture.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sales and the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company shall commence an offer to all Holders of Senior Notes (a "SENIOR ASSET SALE OFFER") pursuant to Section 3.09 of the Senior Note Indenture to purchase the maximum principal amount of Senior Notes that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Senior Note Indenture. To the extent that the aggregate amount of Senior Notes tendered pursuant to a Senior Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not prohibited by the Senior Note Indenture. If the aggregate principal amount of Senior Notes surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Senior Note Trustee shall select the Senior Notes to be purchased on a PRO RATA basis. Holders of Senior Notes that are the subject of an offer to purchase will receive a Senior Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Senior Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Senior Notes.

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9. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Senior Notes are to be redeemed at its registered address. Senior Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Senior Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Senior Notes or portions thereof called for redemption.

10. DENOMINATIONS, TRANSFER, EXCHANGE. The Senior Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Senior Notes may be registered and Senior Notes may be exchanged as provided in the Senior Note Indenture. The Registrar and the Senior Note Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Senior Note Indenture. The Company need not exchange or register the transfer of any Senior Note or portion of a Senior Note selected for redemption, except for the unredeemed portion of any Senior Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Senior Notes for a period of 15 days before a selection of Senior Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

11. PERSONS DEEMED OWNERS. The registered Holder of a Senior Note may be treated as its owner for all purposes.

12. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Senior Notes voting as a single class, and any existing default or compliance with any provision of the Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Senior Notes voting as a single class. Without the consent of any Holder of a Senior Note, the Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes, to provide for the assumption of the Company's or Guarantor's obligations to Holders of the Senior Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Senior Notes or that does not adversely affect the legal rights under the Senior Note Indenture of any such Holder, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Senior Note Indenture under the Trust Indenture Act or to allow any Guarantor to execute a supplemental Senior Note Indenture to the Senior Note Indenture and/or a Senior Subsidiary Guarantee

with respect to the Senior Notes.

13. DEFAULTS AND REMEDIES. An "EVENT OF DEFAULT" occurs if: (i) the Company defaults in the payment when due of interest on, or Liquidated Damages, if any, with respect to, the Senior Notes and such default continues for a period of 30 days; (ii) the Company defaults in the payment when due of principal of or premium, if any, on the Senior Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise; (iii) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Sections 5.01; (iv) the Company or any of its Restricted Subsidiaries fails to comply for 30 days after notice to the Company by the Senior Note Trustee with any of the provisions of Sections 4.07, 4.09, 4.10 or 4.15 of the Senior Note Indenture; (v) the Company or any of its Restricted Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in the Senior Note Indenture or the Senior Notes for 60 days after notice to the Company by the Senior Note Trustee; (vi) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity) (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity)) whether such Indebtedness or guarantee now exists, or is created after the date of this Senior Note Indenture,

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which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates without duplication \$20.0 million or more; (vii) the Company or any of its Restricted Subsidiaries fails to pay final judgments aggregating in excess of \$20.0 million (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 days; (viii) certain events of bankruptcy or insolvency occur with respect to the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law; or (ix) except as permitted by the Senior Note Indenture, any Senior Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under such Guarantor's Senior Subsidiary Guarantee.

If any Event of Default occurs and is continuing, the Senior Note Trustee or the Holders of at least 25% in principal amount of the then outstanding Senior Notes may declare all the Senior Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Senior Notes will become due and payable without further action or notice. Holders may not enforce the Senior Note Indenture or the Senior Notes except as provided in the Senior Note Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Senior Notes may direct the Senior Note Trustee in its exercise of any trust or power. The Senior Note Trustee may withhold from Holders of the Senior Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Senior Notes then outstanding by notice to the Senior Note Trustee may on behalf of the Holders of all of the Senior Notes waive any existing Default or Event of Default and its consequences under the Senior Note Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Senior Notes. The Company is required to deliver to the Senior Note Trustee annually a statement regarding compliance with the Senior Note Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Senior Note Trustee a statement specifying such Default or Event of Default.

14. SENIOR NOTE TRUSTEE DEALINGS WITH COMPANY. The Senior Note Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Senior Note Trustee.

15. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, shall not have any liability for any obligations of the Company or such Guarantor under the Senior Notes, the Senior Subsidiary Guarantees or the Senior Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Senior Notes.

16. AUTHENTICATION. This Senior Note shall not be valid until authenticated by the manual signature of the Senior Note Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with

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right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL SENIOR NOTES AND RESTRICTED DEFINITIVE SENIOR NOTES. In addition to the rights provided to Holders of Senior Notes under the Senior Note Indenture, Holders of Restricted Global Senior Notes and Restricted Definitive Senior Notes shall have all the rights set forth in the Senior Registration Rights Agreement dated as of August 10, 1998, between the Company and the parties named on the signature pages thereof (the "SENIOR REGISTRATION RIGHTS AGREEMENT").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Senior Notes and the Senior Note Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Senior Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Senior Note Indenture and/or the Senior Registration Rights Agreement. Requests may be made to:

Ball Corporation
Colorado Office Center
9300 West 108th Circle
Broomfield, CO 80021-3682
Attention: Chief Financial Officer

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ASSIGNMENT FORM

To assign this Senior Note, fill in the form below: (I) or (we) assign and transfer this Senior Note to

- -----
(Insert assignee's soc. sec. or tax I.D. no.)
- -----
- -----
- -----
- -----
- -----
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Senior Note on the books of the Company. The agent may
substitute another to act for him.

Date: _____

Your Signature: _____
(SIGN EXACTLY AS YOUR NAME APPEARS ON THE FACE OF
THIS SENIOR NOTE)

Tax Identification No: _____

SIGNATURE GUARANTEE: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or

</TABLE>

(1) This should be included only if the Senior Note is issued in global form.

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EXHIBIT A2
(FACE OF REGULATION S TEMPORARY GLOBAL SENIOR NOTE)

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL SENIOR NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED SENIOR NOTES, ARE AS SPECIFIED IN THE SENIOR NOTE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL SENIOR NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SENIOR NOTES IN DEFINITIVE FORM, THIS SENIOR NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

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CUSIP/CINS

7 3/4% SERIES A SENIOR NOTES DUE 2006

NO. _____

\$ _____

BALL CORPORATION

promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on August 1, 2006.

Interest Payment Dates: February 1, and August 1

Record Dates: January 15 and July 15

BALL CORPORATION

By: _____

Name:
Title:

This is one of the [Global]
Senior Notes referred to in the
within-mentioned Senior Note Indenture:

Dated: August 10, 1998

THE BANK OF NEW YORK,
as Senior Note Trustee

By:

Name:
Title:

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(BACK OF REGULATION S TEMPORARY GLOBAL SENIOR NOTE)
7 3/4% Series A Senior Notes due 2006

Capitalized terms used herein shall have the meanings assigned to them in the
Senior Note Indenture referred to below unless otherwise indicated.

1. INTEREST. Ball Corporation, an Indiana corporation (the "COMPANY"), promises to pay interest on the principal amount of this Senior Note at 7 3/4% per annum from August 10, 1998 until maturity and shall pay the Liquidated Damages payable pursuant to Section 5 of the Senior Registration Rights Agreement referred to below. The Company will pay interest and Liquidated Damages semi-annually on February 1 and August 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "INTEREST PAYMENT DATE"). Interest on the Senior Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that if there is no existing Default in the payment of interest, and if this Senior Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be February 1, 1999. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Senior Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Until this Regulation S Temporary Global Senior Note is exchanged for one or more Regulation S Permanent Global Senior Notes, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Senior Note shall in all other respects be entitled to the same benefits as other Senior Notes under the Senior Note Indenture.

2. METHOD OF PAYMENT. The Company will pay interest on the Senior Notes (except defaulted interest) and Liquidated Damages to the Persons who are registered Holders of Senior Notes at the close of business on the January 15 or July 15 next preceding the Interest Payment Date, even if such Senior Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Senior Note Indenture with respect to defaulted interest. Principal, premium, if any, and interest and Liquidated Damages on the Senior Notes will be payable at the office or agency of the Company maintained for such purpose within the City and State of New York or, at the option of the Company, payment of interest and Liquidated Damages may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders of Notes; PROVIDED that all payments of principal, premium, interest and Liquidated Damages thereon, if any, with respect to Notes the Holders of which have given wire transfer instructions to the Trustee will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Senior Note Trustee under the Senior Note Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. SENIOR NOTE INDENTURE. The Company issued the Senior Notes under an Senior Note Indenture dated as of August 10, 1998 ("SENIOR NOTE INDENTURE") between the Company and the Senior Note Trustee. The terms of the Senior Notes include

those stated in the Senior Note Indenture and those made part of the Senior Note Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections

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77aaa-77bbb). The Senior Notes are subject to all such terms, and Holders are referred to the Senior Note Indenture and such Act for a statement of such terms. To the extent any provision of this Senior Note conflicts with the express provisions of the Senior Note Indenture, the provisions of the Senior Note Indenture shall govern and be controlling. The Senior Notes are obligations of the Company limited to \$300.0 million in aggregate principal amount.

5. OPTIONAL REDEMPTION.

(a) The Senior Notes will be subject to redemption at any time at the option of the Company, in whole but not in part, upon not less than 30 nor more than 60 days' notice.

(b) The Senior Notes will be redeemable at a redemption price equal to 100% of the principal amount thereof plus the applicable Senior Make-Whole Premium, plus, to the extent not included in the Senior Make-Whole Premium, accrued and unpaid interest and Liquidated Damages, if any, to the date of redemption. For purposes of the foregoing, "SENIOR MAKE-WHOLE PREMIUM" means, with respect to a Senior Note, an amount equal to the excess, if any, of (i) the aggregate present value as of the date of such redemption of each dollar of principal of such Senior Note being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting, on a semiannual basis, such principal and interest at a rate equal to the sum of the Treasury Yield (determined on the Business Day immediately preceding the date of such redemption) plus 0.5% per annum, from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over (ii) the aggregate principal amount of such Senior Note being redeemed.

(c) Any redemption pursuant to this Paragraph 5 shall be made pursuant to the provisions of Article 3 of the Senior Note Indenture.

6. MANDATORY REDEMPTION. Except as set forth in Sections 3.09, 4.10 and 4.15 of the Senior Note Indenture, the Company shall not be required to make mandatory redemption payments with respect to the Senior Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company shall be required to make an offer (a "CHANGE OF CONTROL OFFER") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within 15 days following any Change of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Senior Note Indenture.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sales and the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company shall commence an offer to all Holders of Senior Notes (a "SENIOR ASSET SALE OFFER") pursuant to Section 3.09 of the Senior Note Indenture to purchase the maximum principal amount of Senior Notes that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Senior Note Indenture. To the extent that the aggregate amount of Senior Notes tendered pursuant to a Senior Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency

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for any purpose not prohibited by the Senior Note Indenture. If the aggregate principal amount of Senior Notes surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Senior Note Trustee shall select the Senior Notes to be purchased on a PRO RATA basis. Holders of Senior Notes that are the subject of an offer to purchase will receive a Senior Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Senior Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Senior Notes.

9. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Senior Notes are to be redeemed at its registered address. Senior Notes in

denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Senior Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Senior Notes or portions thereof called for redemption.

10. DENOMINATIONS, TRANSFER, EXCHANGE. The Senior Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Senior Notes may be registered and Senior Notes may be exchanged as provided in the Senior Note Indenture. The Registrar and the Senior Note Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Senior Note Indenture. The Company need not exchange or register the transfer of any Senior Note or portion of a Senior Note selected for redemption, except for the unredeemed portion of any Senior Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Senior Notes for a period of 15 days before a selection of Senior Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

This Regulation S Temporary Global Senior Note is exchangeable in whole or in part for one or more Global Senior Notes only (i) on or after the termination of the 40-day restricted period (as defined in Regulation S) and (ii) upon presentation of certificates (accompanied by an Opinion of Counsel, if applicable) required by Article 2 of the Senior Note Indenture. Upon exchange of this Regulation S Temporary Global Senior Note for one or more Global Senior Notes, the Senior Note Trustee shall cancel this Regulation S Temporary Global Senior Note.

11. PERSONS DEEMED OWNERS. The registered Holder of a Senior Note may be treated as its owner for all purposes.

12. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Senior Notes voting as a single class, and any existing default or compliance with any provision of the Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Senior Notes voting as a single class. Without the consent of any Holder of a Senior Note, the Senior Note Indenture, the Senior Subsidiary Guarantees or the Senior Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes, to provide for the assumption of the Company's or Guarantor's obligations to Holders of the Senior Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Senior Notes or that does not adversely affect the legal rights under the Senior Note Indenture of any such Holder, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Senior Note Indenture under the Trust Indenture Act or to allow any Guarantor to execute a supplemental Senior Note Indenture to the Senior Note Indenture and/or a Senior Subsidiary Guarantee with respect to the Senior Notes.

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13. DEFAULTS AND REMEDIES. An "EVENT OF DEFAULT" occurs if: (i) the Company defaults in the payment when due of interest on, or Liquidated Damages, if any, with respect to, the Senior Notes and such default continues for a period of 30 days; (ii) the Company defaults in the payment when due of principal of or premium, if any, on the Senior Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise; (iii) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Sections 5.01; (iv) the Company or any of its Restricted Subsidiaries fails to comply for 30 days after notice to the Company by the Senior Note Trustee with any of the provisions of Sections 4.07, 4.09, 4.10 or 4.15 of the Senior Note Indenture; (v) the Company or any of its Restricted Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in the Senior Note Indenture or the Senior Notes for 60 days after notice to the Company by the Senior Note Trustee; (vi) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity) (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity)) whether such Indebtedness or guarantee now exists, or is created after the date of this Senior Note Indenture, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates without duplication \$20.0 million or more; (vii) the Company or any of its Restricted Subsidiaries fails to pay

final judgments aggregating in excess of \$20.0 million (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 days; (viii) certain events of bankruptcy or insolvency occur with respect to the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law; or (ix) except as permitted by the Senior Note Indenture, any Senior Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under such Guarantor's Senior Subsidiary Guarantee.

If any Event of Default occurs and is continuing, the Senior Note Trustee or the Holders of at least 25% in principal amount of the then outstanding Senior Notes may declare all the Senior Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Senior Notes will become due and payable without further action or notice. Holders may not enforce the Senior Note Indenture or the Senior Notes except as provided in the Senior Note Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Senior Notes may direct the Senior Note Trustee in its exercise of any trust or power. The Senior Note Trustee may withhold from Holders of the Senior Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Senior Notes then outstanding by notice to the Senior Note Trustee may on behalf of the Holders of all of the Senior Notes waive any existing Default or Event of Default and its consequences under the Senior Note Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Senior Notes.

The Company is required to deliver to the Senior Note Trustee annually a statement regarding compliance with the Senior Note Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Senior Note Trustee a statement specifying such Default or Event of Default.

14. SENIOR NOTE TRUSTEE DEALINGS WITH COMPANY. The Senior Note Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its

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Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Senior Note Trustee.

15. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, shall not have any liability for any obligations of the Company or such Guarantor under the Senior Notes, the Senior Subsidiary Guarantees or the Senior Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Senior Notes.

16. AUTHENTICATION. This Senior Note shall not be valid until authenticated by the manual signature of the Senior Note Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL SENIOR NOTES AND RESTRICTED DEFINITIVE SENIOR NOTES. In addition to the rights provided to Holders of Senior Notes under the Senior Note Indenture, Holders of Restricted Global Senior Notes and Restricted Definitive Senior Notes shall have all the rights set forth in the Senior Registration Rights Agreement dated as of August 10, 1998, between the Company and the parties named on the signature pages thereof (the "SENIOR REGISTRATION RIGHTS AGREEMENT").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Senior Notes and the Senior Note Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Senior Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without

Ball Corporation
Colorado Office Center
9300 West 108th Circle
Broomfield, CO 80021-3682
Attention: Chief Financial Officer

ASSIGNMENT FORM

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

to transfer this Senior Note on the books of the Company. The agent may substitute another to act for him.

Your Signature: _____
(SIGN EXACTLY AS YOUR NAME APPEARS ON THE FACE OF
THIS SENIOR NOTE)

SIGNATURE GUARANTEE: _____

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/ / Section 4.10 / / Section 4.15

Your Signature: _____
(SIGN EXACTLY AS YOUR NAME APPEARS ON THE FACE OF
THIS SENIOR NOTE)

Tax Identification No:

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The following exchanges of a part of this Regulation S Temporary Global Senior Note for an interest in another Global Senior Note, or of other Restricted Global Senior Notes for an interest in this Regulation S Temporary Global Senior Note, have been made:

[illegible]

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FORM OF CERTIFICATE OF TRANSFER

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Attention: Corporate Trust Administration

Reference is hereby made to the Senior Note Indenture, dated as of August 10, 1998 (the "SENIOR NOTE INDENTURE"), between Ball Corporation, as issuer (the "COMPANY"), and The Bank of New York, as Senior Note Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Note Indenture.

_____, (the "TRANSFEROR") owns and proposes to transfer the Senior Note[s] or interest in such Senior Note[s] specified in Annex A hereto, in the principal amount of \$_____ in such Senior Note[s] or interests (the "TRANSFER"), to _____ (the "TRANSFeree"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL SENIOR NOTE OR A DEFINITIVE SENIOR NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "SECURITIES ACT"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Senior Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Senior Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Note Indenture, the transferred beneficial interest or Definitive Senior Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Senior Note and/or the Definitive Senior Note and in the Senior Note Indenture and the Securities Act.

2. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE TEMPORARY REGULATION S GLOBAL SENIOR NOTE, THE REGULATION S GLOBAL SENIOR NOTE OR A DEFINITIVE SENIOR NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person

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acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Senior Note Indenture, the transferred beneficial interest or Definitive Senior Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Senior Note, the Temporary Regulation S Global Senior Note and/or the Definitive Senior Note and in the Senior Note Indenture and the Securities Act.

3. / / CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE IAI GLOBAL SENIOR NOTE OR A DEFINITIVE SENIOR NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Senior Notes and Restricted Definitive Senior Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) / / such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) / / such Transfer is being effected to the Company or a subsidiary thereof; or

(c) / / such Transfer is being effected pursuant to an effective

registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d) / / such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Senior Note or Restricted Definitive Senior Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Senior Note Indenture and (2) if such Transfer is in respect of a principal amount of Senior Notes at the time of transfer of less than \$250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Senior Note Indenture, the transferred beneficial interest or Definitive Senior Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Senior Note and/or the Definitive Senior Notes and in the Senior Note Indenture and the Securities Act.

4. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SENIOR NOTE OR OF AN UNRESTRICTED DEFINITIVE SENIOR NOTE.

(a) / / CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Senior Note Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the

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Senior Note Indenture, the transferred beneficial interest or Definitive Senior Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Senior Notes, on Restricted Definitive Senior Notes and in the Senior Note Indenture.

(b) / / CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Senior Note Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Note Indenture, the transferred beneficial interest or Definitive Senior Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Senior Notes, on Restricted Definitive Senior Notes and in the Senior Note Indenture.

(c) / / CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Senior Note Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Note Indenture, the transferred beneficial interest or Definitive Senior Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Senior Notes or Restricted Definitive Senior Notes and in the Senior Note Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[INSERT NAME OF TRANSFEROR]

By: _____
Name:
Title:
Dated: _____, _____
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ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) / / a beneficial interest in the:

- (i) / / 144A Global Senior Note (CUSIP _____), or
- (ii) / / Regulation S Global Senior Note (CUSIP _____), or
- (iii) / / IAI Global Senior Note (CUSIP _____); or

(b) / / a Restricted Definitive Senior Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) / / a beneficial interest in the:

- (i) / / 144A Global Senior Note (CUSIP _____), or
- (ii) / / Regulation S Global Senior Note (CUSIP _____), or
- (iii) / / IAI Global Senior Note (CUSIP _____); or
- (iv) / / Unrestricted Global Senior Note (CUSIP _____); or

(b) / / a Restricted Definitive Senior Note; or

(c) / / an Unrestricted Definitive Senior Note,

in accordance with the terms of the Senior Note Indenture.

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EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Ball Corporation
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Attention: Treasurer

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Attention: Corporate Trust Administration

Re: 7 3/4% Senior Notes due 2006 (CUSIP _____)

Reference is hereby made to the Senior Note Indenture, dated as of August 10, 1998 (the "SENIOR NOTE INDENTURE"), between Ball Corporation, as issuer (the "COMPANY"), and The Bank of New York, as Senior Note Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Note Indenture.

_____, (the "OWNER") owns and proposes to exchange the Senior Note[s] or interest in such Senior Note[s] specified herein, in the principal amount of \$_____ in such Senior Note[s] or interests (the "EXCHANGE"). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE SENIOR NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SENIOR NOTE FOR UNRESTRICTED DEFINITIVE SENIOR NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL SENIOR NOTE

(a) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SENIOR NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Senior Note for a beneficial interest in an Unrestricted Global Senior Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Senior Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "SECURITIES ACT"), (iii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Senior Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR NOTE TO UNRESTRICTED DEFINITIVE SENIOR NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Senior Note for an Unrestricted Definitive Senior Note, the Owner hereby certifies (i) the Definitive Senior Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Senior Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance

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with the Securities Act and (iv) the Definitive Senior Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SENIOR NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SENIOR NOTE. In connection with the Owner's Exchange of a Restricted Definitive Senior Note for a beneficial interest in an Unrestricted Global Senior Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Senior Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SENIOR NOTE TO UNRESTRICTED DEFINITIVE SENIOR NOTE. In connection with the Owner's Exchange of a Restricted Definitive Senior Note for an Unrestricted Definitive Senior Note, the Owner hereby certifies (i) the Unrestricted Definitive Senior Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Senior Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Senior Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Senior Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE SENIOR NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR NOTES FOR RESTRICTED DEFINITIVE SENIOR NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR NOTES

(a) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR NOTE TO RESTRICTED DEFINITIVE SENIOR NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Senior Note for a Restricted Definitive Senior Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Senior Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Senior Note Indenture, the Restricted Definitive Senior Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Senior Note and in the Senior Note Indenture and the Securities Act.

(b) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SENIOR NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR NOTE. In connection with

the Exchange of the Owner's Restricted Definitive Senior Note for a beneficial interest in the [CHECK ONE] / / 144A Global Senior Note, / / Regulation S Global Senior Note, / / IAI Global Senior Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Senior Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Senior Note Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Senior Note and in the Senior Note Indenture and the Securities Act.

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This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[INSERT NAME OF OWNER]

By: -----
Name:
Title:

Dated: _____, ____

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EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Ball Corporation
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Attention: Treasurer

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Attention: Corporate Trust Administration

Re: 7 3/4% Senior Notes due 2006 (CUSIP _____)

Reference is hereby made to the Senior Note Indenture, dated as of August 10, 1998 (the "SENIOR NOTE INDENTURE"), between Ball Corporation, as issuer (the "COMPANY"), and The Bank of New York, as Senior Note Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Note Indenture.

In connection with our proposed purchase of \$_____ aggregate principal amount of:

- (a) / / a beneficial interest in a Global Senior Note, or
- (b) / / a Definitive Senior Note,

we confirm that:

1. We understand that any subsequent transfer of the Senior Notes or any interest therein is subject to certain restrictions and conditions set forth in the Senior Note Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Senior Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "SECURITIES ACT").

2. We understand that the offer and sale of the Senior Notes have not been registered under the Securities Act, and that the Senior Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Senior Notes or any interest therein, we will do so only (A) to the Company or any subsidiary

thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (c) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Senior Notes, at the time of transfer of less than \$250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Senior Note or beneficial interest in a Global Senior Note from us in a transaction

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meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Senior Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Senior Notes purchased by us will bear a legend to the foregoing effect. We further understand that any subsequent transfer by us of the Senior Notes or beneficial interest therein acquired by us must be effected through one of the Placement Agents.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Senior Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Senior Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[INSERT NAME OF ACCREDITED INVESTOR]

By: _____

Name:

Title:

Dated: _____, _____

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EXHIBIT E

FORM OF NOTATION OF SENIOR SUBSIDIARY GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Senior Note Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Senior Note Indenture and subject to the provisions in the Senior Note Indenture dated as of August 10, 1998 (the "SENIOR NOTE INDENTURE") among Ball Corporation, the Guarantors listed on Schedule I thereto and The Bank of New York, as Senior Note Trustee (the "SENIOR NOTE TRUSTEE"), (a) the due and punctual payment of the principal of, premium, if any, and interest on the Senior Notes (as defined in the Senior Note Indenture), whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal and premium, and, to the extent permitted by law, interest, and the due and punctual performance of

all other obligations of the Company to the Holders or the Senior Note Trustee all in accordance with the terms of the Senior Note Indenture and (b) in case of any extension of time of payment or renewal of any Senior Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Senior Notes and to the Senior Note Trustee pursuant to the Senior Subsidiary Guarantee and the Senior Note Indenture are expressly set forth in Article 10 of the Senior Note Indenture and reference is hereby made to the Senior Note Indenture for the precise terms of the Senior Subsidiary Guarantee. Each Holder of a Senior Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Senior Note Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Senior Note Indenture and (c) appoints the Senior Note Trustee attorney-in-fact of such Holder for such purpose; PROVIDED, HOWEVER, that the Indebtedness evidenced by this Senior Subsidiary Guarantee shall cease to be so subordinated and subject in right of payment upon any defeasance of this Senior Note in accordance with the provisions of the Senior Note Indenture.

[Name of Guarantor(s)]

By:

Name:

Title:

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EXHIBIT F

FORM OF SUPPLEMENTAL SENIOR NOTE INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL SENIOR NOTE INDENTURE (this "SUPPLEMENTAL SENIOR NOTE INDENTURE"), dated as of _____, among _____ (the "GUARANTEEING SUBSIDIARY"), a subsidiary of Ball Corporation (or its permitted successor), an Indiana corporation (the "COMPANY"), the Company, the other Guarantors (as defined in the Senior Note Indenture referred to herein) and The Bank of New York, as Senior Note Trustee under the Senior Note Indenture referred to below (the "SENIOR NOTE TRUSTEE").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Senior Note Trustee an Senior Note Indenture (the "SENIOR NOTE INDENTURE"), dated as of August 10, 1998 providing for the issuance of an aggregate principal amount of up to \$300.0 million of 7 3/4% Senior Notes due 2006 (the "SENIOR NOTES");

WHEREAS, the Senior Note Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Senior Note Trustee a supplemental Senior Note Indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Senior Notes and the Senior Note Indenture on the terms and conditions set forth herein (the "SENIOR SUBSIDIARY GUARANTEE"); and

WHEREAS, pursuant to Section 9.01 of the Senior Note Indenture, the Senior Note Trustee is authorized to execute and deliver this Supplemental Senior Note Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Senior Note Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Senior Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Senior Note Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees as follows:

- (a) Along with all Guarantors named in the Senior Note Indenture, to jointly and severally Guarantee to each Holder of a Senior Note authenticated and delivered by the Senior Note Trustee and to the Senior Note Trustee and its successors and assigns, irrespective of the validity and enforceability of the Senior Note Indenture, the Senior Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of and interest on the Senior Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Senior Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Senior Note Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Senior Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by

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acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Senior Notes or the Senior Note Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Senior Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The following is hereby waived: diligence presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Senior Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Senior Notes and the Senior Note Indenture.

(e) If any Holder or the Senior Note Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, Senior Note Trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Senior Note Trustee or such Holder, this Senior Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Senior Note Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Senior Note Indenture for the purposes of this Senior Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Senior Note Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Senior Subsidiary Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Senior Subsidiary Guarantee.

(i) Pursuant to Section 10.04 of the Senior Note Indenture, after giving effect to any maximum amount and any other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 10 of the Senior Note Indenture shall result in the obligations of such Guarantor under its Senior Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

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Senior Subsidiary Guarantee.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) The Guaranteeing Subsidiary may not consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another corporation, Person or entity whether or not affiliated with such Guarantor unless:

(i) subject to Section 10.04 of the Senior Note Indenture, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Guarantor, pursuant to a supplemental Senior Note Indenture in form and substance reasonably satisfactory to the Senior Note Trustee, under the Senior Notes, the Senior Note Indenture and the Senior Subsidiary Guarantee on the terms set forth herein or therein; and

(ii) immediately after giving effect to such transaction, no Default or Event of Default exists.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental Senior Note Indenture, executed and delivered to the Senior Note Trustee and satisfactory in form to the Senior Note Trustee, of the Senior Subsidiary Guarantee endorsed upon the Senior Notes and the due and punctual performance of all of the covenants and conditions of the Senior Note Indenture to be performed by the Guarantor, such successor corporation shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Senior Subsidiary Guarantees to be endorsed upon all of the Senior Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Senior Note Trustee. All the Senior Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Senior Note Indenture as the Senior Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Senior Note Indenture as though all of such Senior Subsidiary Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Articles 4 and 5 of the Senior Note Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Senior Note Indenture or in any of the Senior Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all to the capital stock of any Guarantor, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Senior Subsidiary Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Senior Note Indenture, including without limitation Section 4.10 of the Senior Note Indenture. Upon delivery by the Company to the Senior Note Trustee of an Officers'

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Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Senior Note Indenture, including without limitation Section 4.10 of the Senior Note Indenture, the Senior Note Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Senior Subsidiary Guarantee.

(b) Any Guarantor not released from its obligations under its Senior Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Senior Notes and for the other obligations of any Guarantor under the Senior Note Indenture as provided in Article 10 of the Senior Note Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer,

employee, incorporator, stockholder or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Senior Notes, any Senior Subsidiary Guarantees, the Senior Note Indenture or this Supplemental Senior Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Senior Notes by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS SUPPLEMENTAL SENIOR NOTE INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. COUNTERPARTS The parties may sign any number of copies of this Supplemental Senior Note Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

10 THE SENIOR NOTE TRUSTEE. The Senior Note Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Senior Note Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Senior Note Indenture to be duly executed and attested, all as of the date first above written.

Dated: _____, _____
[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

BALL CORPORATION

By: _____
Name:
Title:

[EXISTING GUARANTORS]

By: _____
Name:
Title:

THE BANK OF NEW YORK
as Senior Note Trustee

By: _____
Name:
Title:

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SCHEDULE I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Senior Note Indenture as of the Date of this Senior Note Indenture:

1. Ball Aerospace and Technologies Corp., a Delaware corporation.
2. Ball Asia Pacific Limited, a Colorado corporation
3. Ball Glass Container Corporation, a Delaware corporation
4. Ball Holdings Corp., a Delaware corporation
5. Ball Metal Beverage Container Corp., a Colorado corporation
6. Ball Metal Food Container Corp., a Delaware corporation
7. Ball Metal Packaging Sales Corp., a Colorado corporation
8. Ball Packaging Corp., a Colorado corporation
9. Ball Plastic Container Corp., a Colorado corporation
10. Ball Technologies Holdings Corp., a Colorado corporation
11. Ball Technology Services Corporation, a California corporation
12. BG Holdings I, Inc., a Delaware corporation
13. BG Holdings II, Inc., a Delaware corporation
14. Efratom Holding, Inc., a Colorado corporation
15. Latas de Aluminio Reynolds, Inc., a Delaware corporation
16. RCAL Cans, Inc., a Delaware corporation
17. RIND Cans, Inc., a Delaware corporation

BALL CORPORATION

And

GUARANTORS
Parties Hereto

\$250,000,000

SERIES A AND SERIES B
8 1/4% SENIOR SUBORDINATED NOTES DUE 2008

SENIOR SUBORDINATED NOTE INDENTURE

DATED AS OF AUGUST 10, 1998

THE BANK OF NEW YORK

Senior Subordinated Note Trustee

CROSS-REFERENCE TABLE*

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	(a) (4)	N.A.
	(a) (5)	7.10
	(b)	7.10
	(c)	N.A.
311	(a)	7.11
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312	(a)	2.05
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313	(a)	7.06
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	(f)	N.A.
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	(c)	7.01
	(d)	7.01
	(e)	6.11
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317	(a) (1)	6.08
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	(b)	2.04
318	(a)	12.01
	(b)	N.A.
	(c)	12.01

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N.A. means not applicable.

*This Cross-Reference Table is not part of this Senior Subordinated Note Indenture.

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SENIOR SUBORDINATED NOTE INDENTURE dated as of August 10, 1998 by and among Ball Corporation, an Indiana corporation (the "COMPANY"), Ball Aerospace and Technologies Corp., a Delaware corporation, Ball Asia Pacific Limited, a Colorado corporation, Ball Glass Container Corporation, a Delaware corporation, Ball Holdings Corp., a Delaware corporation, Ball Metal Beverage Container Corp., a Colorado corporation, Ball Metal Food Container Corp., a Delaware corporation, Ball Metal Packaging Sales Corp., a Colorado corporation, Ball Packaging Corp., a Colorado corporation, Ball Plastic Container Corp., a Colorado corporation, Ball Technologies Holdings Corp., a Colorado corporation, Ball Technology Services Corporation, a California corporation, BG Holdings I, Inc., a Delaware corporation, BG Holdings II, Inc., a Delaware corporation, Efratom Holding, Inc., a Colorado corporation, Latas de Aluminio Reynolds, Inc., a Delaware corporation, RCAL Cans, Inc., a Delaware corporation and RIND Cans, Inc., a Delaware corporation (collectively, the "GUARANTORS") and The Bank of New York, a New York banking corporation, as Senior Subordinated Note Trustee (the "SENIOR SUBORDINATED NOTE TRUSTEE").

The Company and the Senior Subordinated Note Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 8 1/4% Series A Senior Subordinated Notes due 2008 (the "SERIES A SENIOR SUBORDINATED NOTES") and the 8 1/4% Series B Senior Subordinated Notes due 2008 (the "SERIES B SENIOR SUBORDINATED NOTES" and, together with the Series A Senior Subordinated Notes, the "SENIOR SUBORDINATED NOTES"):

ARTICLE 1
DEFINITIONS AND INCORPORATION
BY REFERENCE

SECTION 1.01. DEFINITIONS.

"144A GLOBAL SENIOR SUBORDINATED NOTE" means a global note in the form of Exhibit A1 hereto bearing the Global Senior Subordinated Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Senior Subordinated Notes sold in reliance on Rule 144A.

"ACQUIRED DEBT" means, with respect to any specified Person, (i) Indebtedness of any other Person (a) existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person or is otherwise acquired by such specified Person or (b) assumed in connection with the purchase of all or substantially all the assets of such other Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into, acquiring or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"ACQUISITION" means the acquisition by the Company and Ball Metal Beverage Container Corp. of substantially all the assets of the North American beverage can business of Reynolds Metals Company.

"ADDITIONAL ASSETS" means (i) any property or assets (other than Capital Stock, Indebtedness or rights to receive payments over a period greater than 180 days) that is usable by the Company or a Restricted Subsidiary in a Permitted Business or (ii) the Capital Stock of a Person that is at the time, or becomes, a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this

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definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; PROVIDED that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"AGENT" means any Registrar, Paying Agent or co-registrar.

"APPLICABLE PROCEDURES" means, with respect to any transfer or exchange of or for beneficial interests in any Global Senior Subordinated Note, the rules and procedures of the Depositary, Euroclear and Cedel that apply to such transfer or exchange.

"ASSET SALE" means (i) the sale, lease, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) other than in the ordinary course of business consistent with past practices (PROVIDED that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of Section 4.15 and/or Section 5.01 hereof and not by the provisions of Section 4.10 hereof, and (ii) the issue or sale by the Company or any of its Restricted Subsidiaries of Equity Interests of any the Company's Restricted Subsidiaries, in the case of either clause (i) or (ii), whether in a single transaction or a series of related transactions (a) that have a fair market value in excess of \$5.0 million or (b) for Net Proceeds in excess of \$5.0 million. Notwithstanding the foregoing: (i) a transfer of assets by the Company to a Restricted Subsidiary of the Company or by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company, (ii) an issuance or sale of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company that is a Guarantor, (iii) a Restricted Payment that is not prohibited by Section 4.07 hereof, (iv) sales of receivables of the type specified in the definition of "Qualified Securitization Transaction" to a Securitization Entity for the fair market value thereof, including consideration in the amount specified in the proviso to the definition of Qualified Securitization Transaction and (v) the sale or disposition of Cash Equivalents or obsolete equipment, will not be deemed to be Asset Sales.

"ATTRIBUTABLE DEBT" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the

rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"BANKRUPTCY LAW" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"BOARD OF DIRECTORS" means the Board of Directors of the Company, or any authorized committee of the Board of Directors.

"BUSINESS DAY" means any day other than a Legal Holiday.

"CAPITAL LEASE OBLIGATION" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"CAPITAL STOCK" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, all shares, interests, participation, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or

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membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CASH EQUIVALENTS" means (i) United States dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of not more than one year from the date of acquisition, bankers' acceptances with maturities of not more than one year from the date of acquisition and overnight bank deposits, in each case with any domestic commercial bank having capital and surplus in excess of \$500 million and a Thompson Bank Watch Rating of "B" or better, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above and (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or one of the two highest ratings from Standard & Poor's with maturities of not more than six months from the date of acquisition.

"CEDEL" means Cedel Bank, SA.

"CHANGE OF CONTROL" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act; (ii) the adoption of a plan relating to the liquidation or dissolution of the Company; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above) becomes the "beneficial owners" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), directly or indirectly, of more than 50% of the total of the Voting Stock of the Company (measured by voting power rather than number of shares); (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or (v) the Company consolidates with, or merges with or into, any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance).

"COMPANY" means Ball Corporation, and any and all successors thereto.

"CONSOLIDATED CASH FLOW" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus (i)

an amount equal to any extraordinary loss plus any net loss realized in connection with an Asset Sale (to the extent such losses were deducted in computing such Consolidated Net Income), plus (ii) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income, plus (iii) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of

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letter of credit or bankers' acceptance financings and receivables financings, and net payments (if any) pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income, plus (iv) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other noncash expenses (excluding any such noncash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other noncash expenses were deducted in computing such Consolidated Net Income, minus (v) non-cash items increasing such Consolidated Net Income for such period (other than items that were accrued in the ordinary course of business), in each case, on a consolidated basis and determined in accordance with GAAP. Notwithstanding the foregoing, the provision for taxes on the income or profits of, and the depreciation and amortization and other non-cash charges of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company only to the extent (and in same proportion) that the Net Income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"CONSOLIDATED NET INCOME" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries (for such period, on a consolidated basis, determined in accordance with GAAP); PROVIDED that (i) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Restricted Subsidiary, (ii) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, (iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded, and (iv) the cumulative effect of a change in accounting principles shall be excluded.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the date of this Senior Subordinated Note Indenture or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"CORPORATE TRUST OFFICE OF THE SENIOR SUBORDINATED NOTE TRUSTEE" shall be at the address of the Senior Subordinated Note Trustee specified in Section 12.02 hereof or such other address as to which the Senior Subordinated Note Trustee may give notice to the Company.

"CREDIT AGREEMENTS" means (i) the Long-Term Credit Agreement dated as of August 10, 1998 among the Company, the financial institutions from time to time a party thereto as lenders, The First National Bank of Chicago, in its capacity as Administrative Agent, Bank of America National Trust and Savings Association, in its capacity as Syndication Agent, and Lehman Commercial Paper Inc., in its capacity as Documentation Agent (as the same may from time to time be amended, modified, supplemented and/or restated, the "LONG-TERM CREDIT AGREEMENT"), (ii) the Short-Term Credit Agreement dated as of August 10, 1998 among the Company, the financial institutions from time to time a party thereto as lenders, The First National Bank of Chicago, in its capacity

Savings Association, in its capacity as Syndication Agent, and Lehman Commercial Paper Inc., in its capacity as Documentation Agent (as the same may from time to time be amended, modified, supplemented and/or restated, the "SHORT-TERM CREDIT AGREEMENT"), and (iii) the Canadian Revolving Credit Agreement dated as of August 10, 1998 among the Company, Ball Packaging Products Canada, Inc., and the Royal Bank of Canada.

"CREDIT FACILITIES" means, with respect to the Company, one or more debt facilities (including, without limitation, the Credit Agreements) or commercial paper facility with banks or other institutional lenders providing for revolving credit loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"CUSTODIAN" means the Senior Subordinated Note Trustee, as custodian with respect to the Senior Subordinated Notes in global form, or any successor entity thereto.

"DEFAULT" means any event that is or with the passage of time or the giving of notice (or both) would be an Event of Default.

"DEFINITIVE SENIOR SUBORDINATED NOTE" means a certificated Senior Subordinated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, in the form of Exhibit A1 hereto except that such Senior Subordinated Note shall not bear the Global Senior Subordinated Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Senior Subordinated Note" attached thereto.

"DEPOSITARY" means, with respect to the Senior Subordinated Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Senior Subordinated Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Senior Subordinated Note Indenture.

"DESIGNATED NONCASH CONSIDERATION" means the fair market value of noncash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, executed by the principal executive officer and the principal financial officer of the Company, less the amount of cash or Cash Equivalents received in connection with a sale of such Designated Noncash Consideration.

"DESIGNATED SENIOR DEBT" means (i) any Indebtedness of the Company or any of its Restricted Subsidiaries outstanding under Credit Facilities, (ii) any Indebtedness outstanding under the Senior Note Indenture and (iii) any other Senior Debt permitted under this Senior Subordinated Note Indenture the principal amount of which is \$25.0 million or more and that has been designated by the Company as "Designated Senior Debt."

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Senior Subordinated Notes mature, except to the extent that such Capital Stock is solely redeemable with, or solely exchangeable for, any Capital Stock of such Person that is not Disqualified Stock.

"DOMESTIC SUBSIDIARY" means a Subsidiary that is (i) formed under the laws of the United States of America or a state or territory thereof or (ii) as of the date of determination, treated as a domestic entity or a partnership or a division of a domestic entity for United States federal income tax purposes.

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"EUROCLEAR" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

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

"EXCHANGE OFFER" has the meaning set forth in the Subordinated Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" has the meaning set forth in the Subordinated Registration Rights Agreement.

"EXCHANGE SENIOR SUBORDINATED NOTES" means the Senior Subordinated Notes issued in the Exchange Offer pursuant to Section 2.06(f) hereof.

"EXCLUDED SUBSIDIARY" means each of the following Subsidiaries of the Company: Analytic Decisions, Incorporated, a Virginia corporation; Ball Corporation, a Nevada corporation; Ball-Canada Holdings Inc., a Canadian corporation; Ball Glass Containers, Inc., a Delaware corporation; Ball International Sales Corporation, a Delaware corporation; Ball Metal Container Corporation, an Indiana corporation; Ball Technology Licensing Corporation, an Indiana corporation; Heekin Can, Inc., a Colorado corporation; Metropack Containers Corporation, an Indiana corporation; Muncie & Western Railroad Company, an Indiana corporation; Ball Pan Asia Ltd., a corporation organized under the laws of Mauritius; and Ball Brazil Holdings Limited, a Company Limited by Shares organized under the laws of the Cayman Islands; PROVIDED, that each such Subsidiary shall be an Excluded Subsidiary only if and only for so long as (i) each such Subsidiary is in existence solely for the purposes of being a "name-holding" entity, (ii) each such Subsidiary engages in no business, (iii) each such Subsidiary has no liabilities (including any guarantee of Indebtedness of any other Person), and (iv) the aggregate of the assets (including capitalization) of all such Subsidiaries shall not exceed \$5,000,000.00.

"EXISTING INDEBTEDNESS" means Indebtedness of the Company and its Restricted Subsidiaries in existence on the date of this Senior Subordinated Note Indenture.

"FIXED CHARGES" means, with respect to any Person for any period, the sum, without duplication, of (i) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, to the extent properly characterized as interest expense in accordance with GAAP, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Hedging Obligations), (ii) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period, (iii) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (whether, or not such Guarantee or Lien is called upon) and (iv) all dividend payments, whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividend payments on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock).

"FIXED CHARGE COVERAGE RATIO" means with respect to any Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Company or any of its Restricted Subsidiaries incurs, assumes, Guarantees or redeems any Indebtedness (other than revolving credit borrowings under any Credit Facility) or issues preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "CALCULATION DATE"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, Guarantee or redemption of Indebtedness, or such issuance or redemption of preferred stock, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of making the computation referred to above, (i) acquisitions that have been made by the Company or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (iii) of the proviso set forth in the definition of Consolidated Net Income, (ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, and (iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to

such Fixed Charges will not be obligations of the referent Person or any of its Restricted Subsidiaries following the Calculation Date.

"FOREIGN SUBSIDIARIES" means Subsidiaries of the Company that are not Domestic Subsidiaries.

"FTB" means FTB Packaging Limited, a Hong Kong corporation.

"FTB GROUP" means FTB and each of its Subsidiaries, including, without limitation, MCP and each of its Subsidiaries and joint ventures.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, the statements and pronouncements of the Financial Accounting Standards Board and such other statements by such other entities as have been approved by a significant segment of the accounting profession, which are applicable at the date of this Senior Subordinated Note Indenture.

"GLOBAL SENIOR SUBORDINATED NOTE LEGEND" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Senior Subordinated Notes issued under this Senior Subordinated Note Indenture.

"GLOBAL SENIOR SUBORDINATED NOTES" means, individually and collectively, each of the Restricted Global Senior Subordinated Notes and the Unrestricted Global Senior Subordinated Notes, in the form of Exhibits A1 and A2 hereto issued in accordance with Section 2.01, 2.06(b)(iv), 2.06(d)(ii) or 2.06(f) hereof.

"GOVERNMENT SECURITIES" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"GUARANTEE" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

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"GUARANTORS" means each Domestic Subsidiary of the Company as of the date of this Senior Subordinated Note Indenture (other than Ball Capital Corp. and the Excluded Subsidiaries) and each other Subsidiary that becomes a party to a Senior Subsidiary Guarantee.

"HEDGING OBLIGATIONS" means, with respect to any Person, the net payment Obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements and (ii) other agreements or arrangements in the ordinary course of business and pursuant to past practices designed to protect such Person against fluctuations in commodity prices, interest rates or currency exchange rates.

"HOLDER" means a Person in whose name a Senior Subordinated Note is registered.

"IAI GLOBAL SENIOR SUBORDINATED NOTE" means the global Senior Subordinated Note in the form of Exhibit A1 hereto bearing the Global Senior Subordinated Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Senior Subordinated Notes sold to Institutional Accredited Investors.

"INDEBTEDNESS" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all Indebtedness of others secured by a Lien on any asset of such Person (whether or not such Indebtedness is assumed by such Person) and, to the extent not otherwise included, the Guarantee by such Person of any Indebtedness of any other Person, and any liability, whether or not contingent and whether or not it appears on the balance sheet of such other Person. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness that does not require current payments of interest, and (ii) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"INDIRECT PARTICIPANT" means a Person who holds a beneficial interest in a Global Senior Subordinated Note through a Participant.

"INSTITUTIONAL ACCREDITED INVESTOR" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who are not also QIBs.

"INVESTMENTS" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of direct or indirect loans (including Guarantees of Indebtedness or other Obligations), advances of assets or capital contributions (excluding commission, travel and entertainment, moving, and similar advances to officers and employees made in the ordinary course of business, prepaid expenses and accounts receivable), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any of its Restricted Subsidiaries sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a direct or indirect Restricted Subsidiary of the Company, the Company or such Restricted Subsidiary, as the case may be, shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the

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Equity Interests of such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof.

"LEGAL HOLIDAY" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, the city in which the principal office of the Senior Subordinated Note Trustee is located or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"LETTER OF TRANSMITTAL" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Senior Subordinated Notes for use by such Holders in connection with the Exchange Offer.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"LIMITED ORIGINATOR RECOURSE" means a reimbursement obligation to the Company or a Restricted Subsidiary in connection with a drawing on a letter of credit, revolving loan commitment, cash collateral account or other such credit enhancement issued to support Indebtedness of a Securitization Entity under a facility for the financing of trade receivables; PROVIDED that the available amount of any such form of credit enhancement at any time shall not exceed 10.0% of the principal amount of such Indebtedness at such time.

"LIQUIDATED DAMAGES" means all liquidated damages then owing pursuant to Section 5 of the Subordinated Registration Rights Agreement.

"MARKETABLE SECURITIES" means, with respect to any Asset Sale, any readily marketable equity securities that are (i) traded on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market; and (ii) issued by a corporation having a total equity market capitalization of not less than \$250.0 million; PROVIDED that the excess of (A) the aggregate amount of securities of any one such corporation held by the Company and any Restricted Subsidiary over (B) ten times the average daily trading volume of such securities during the 20 immediately preceding trading days shall be deemed not to be Marketable Securities; as determined on the date of the contract relating to such Asset Sale.

"MCP" means M.C. Packaging (Hong Kong) Limited, a Hong Kong corporation.

"NET INCOME" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however, (i) any gain or loss together with any related provision for taxes on such gain or loss, realized in connection with the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries, (ii) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss, and (iii) any one-time noncash charges

(including legal, accounting and debt issuance costs) resulting from the Transactions.

"NET PROCEEDS" means the aggregate cash proceeds or Cash Equivalents received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of all costs relating to such Asset Sale (including, without limitation, legal, accounting, investment banking and

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brokers fees, and sales and underwriting commissions) and any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"NON-RECOURSE DEBT" means Indebtedness (i) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable (as a guarantor or otherwise), or (c) constitutes the lender; and (ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness (other than the Senior Subordinated Notes being offered hereby) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (iii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

"NON-U.S. PERSON" means a Person who is not a U.S. Person.

"OBLIGATIONS" means any principal, premium, if any, interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or its Restricted Subsidiaries whether or not a claim for post-filing interest is allowed in such proceeding), penalties, fees, charges, expenses, indemnifications, reimbursement obligations, damages (including Liquidated Damages), guarantees and other liabilities or amounts payable under the documentation governing any Indebtedness or in respect thereof.

"OFFICER" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"OFFICERS' CERTIFICATE" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be a vice-president, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Sections 12.04 and 12.05 hereof.

"OPINION OF COUNSEL" means an opinion from legal counsel who is acceptable to the Senior Subordinated Note Trustee, that meets the requirements of Sections 12.04 and 12.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Senior Subordinated Note Trustee.

"PARTICIPANT" means, with respect to the Depository, Euroclear or Cedel, a Person who has an account with the Depository, Euroclear or Cedel, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Cedel).

"PARTICIPATING BROKER-DEALER" means a broker-dealer participating in the Exchange Offer.

"PERMITTED BUSINESS" means the lines of business conducted by the Company and its Restricted Subsidiaries on the date of this Senior Subordinated Note Indenture and businesses substantially similar, related or incidental thereto or reasonable extensions thereof.

"PERMITTED INVESTMENTS" means (a) any Investment in the Company or in a Restricted Subsidiary of the Company; (b) any Investment in Cash Equivalents; (c) any Investment by the Company or any Restricted Subsidiary of the Company in a Person engaged in a Permitted Business, if as a result of such Investment (i)

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such Person becomes a Restricted Subsidiary of the Company and a Guarantor or

(ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company that is a Guarantor; (d) any Restricted Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereto; (e) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company; (f) other Investments by the Company or any of its Restricted Subsidiaries in any Person having an aggregate fair market value (measured as of the date made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (f) that are at the time outstanding, not to exceed \$50.0 million; (g) Investments arising in connection with Hedging Obligations that are incurred in the ordinary course of business consistent with past practices, for the purpose of fixing or hedging currency, commodity or interest rate risk (including with respect to any floating rate Indebtedness that is permitted by the terms of this Senior Subordinated Note Indenture to be outstanding) in connection with the conduct of the business of the Company and its Restricted Subsidiaries which are Guarantors; (h) any Investment by the Company or a Subsidiary of the Company in a Securitization Entity or any Investment by a Securitization Entity in any other Person in connection with a Qualified Securitization Transaction; PROVIDED that any Investment in a Securitization Entity is in the form of a Purchase Money Note or an equity interest; (i) any Investment existing on the date of this Senior Subordinated Note Indenture and any amendment, modification, restatement, supplement, extension, renewal, refunding, replacement, refinancing, in whole or in part, thereof; (j) any Investment in FTB Group, the proceeds of which are used to permanently repay Indebtedness of FTB Group that was outstanding on the date of this Senior Subordinated Note Indenture; and (k) Investments in Permitted Joint Ventures of up to \$25 million outstanding at any time.

"PERMITTED JOINT VENTURE" means a joint venture (however structured) engaged in a Permitted Business and in which the Company or a Restricted Subsidiary (a) owns at least 40% of the ownership interest or (b) has a right to receive at least 40% of the profits or distributions; PROVIDED that such joint venture is not a Subsidiary.

"PERMITTED JUNIOR SECURITIES" means Equity Interests in the Company or debt securities that are subordinated to all Senior Debt (and any debt securities issued in exchange for Senior Debt) to substantially the same extent as, or to a greater extent than, the Senior Subordinated Notes are subordinated to Senior Debt pursuant to Article 10 of this Senior Subordinated Note Indenture.

"PERMITTED LIENS" means (i) Liens on assets (including, without limitation, the capital stock of a Subsidiary) of the Company or any of the Guarantors to secure Indebtedness under the Credit Facilities that were permitted by the terms of this Senior Subordinated Note Indenture to be incurred; (ii) Liens on the assets of the Company or any of the Guarantors to secure Hedging Obligations to any Person that is a holder of Senior Debt (or an Affiliate thereof) with respect to Indebtedness under any Credit Facility permitted by this Senior Subordinated Note Indenture to be incurred; (iii) Liens on property of a Person existing at the time such Person is acquired by, merged into or consolidated with the Company or any Restricted Subsidiary of the Company; PROVIDED that such Liens were in existence prior to the contemplation of such acquisition, merger or consolidation and do not extend to any assets other than those of the Person acquired by, merged into or consolidated with the Company; (iv) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary of the Company, PROVIDED that such Liens were in existence prior to the contemplation of such acquisition and only extend to the property so acquired; (v) Liens existing on the date of this Senior Subordinated Note Indenture (including a Lien incurred or to be incurred to secure outstanding Indebtedness under the existing 8.46% Guaranteed ESOP Notes, Series A due January 15, 1999 and 8.83% Guaranteed ESOP Notes, Series B due December 15, 2001 of the Ball Corporation Salary Conversion and Employee Stock Ownership Plan Trust and the related guarantees thereof by the Company); (vi) Liens to secure any Permitted Refinancing Indebtedness incurred to refinance any Indebtedness secured by any Lien referred to in the foregoing clauses (i) through (v), as the case may be, at the time the original

Lien became a Permitted Lien; (vii) Liens in favor of the Company or any Restricted Subsidiary that is a Guarantor; (viii) Liens to secure Indebtedness permitted by clause (xiv) of the second paragraph of Section 4.09 hereof, (ix) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed \$25.0 million in the aggregate at any one time outstanding and that (a) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business and (b) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of business by the Company or such Restricted Subsidiary;

(x) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds, deposits to secure the performance of bids, trade contracts, government contracts, leases or licenses or other obligations of a like nature incurred in the ordinary course of business (including, without limitation, landlord Liens on leased properties); (xi) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; PROVIDED that any reserve or other appropriate provision as shall be required to conform with GAAP shall have been made therefor; (xii) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (v) of the second paragraph of Section 4.09 hereof, covering only the assets acquired with such Indebtedness; (xiii) carriers', warehousemen's, mechanics', landlords' materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations not overdue for a period in excess of 60 days or which are being contested in good faith by appropriate proceedings promptly instituted and diligently prosecuted; PROVIDED that any reserve or other appropriate provision as shall be required to conform with GAAP shall have been made therefor; (xiv) easements, rights-of-way, zoning and similar restrictions and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in any case materially detract from the value of the property subject thereto or do not interfere with or adversely affect in any material respect the ordinary conduct of the business of the Company and its Restricted Subsidiaries taken as a whole; (xv) Liens in favor of customs and revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business and other similar Liens arising in the ordinary course of business; and (xvi) leases or subleases granted to third Persons not interfering with the ordinary course of business of the Company or any of its Restricted Subsidiaries, (xvii) Liens (other than any Lien imposed by ERISA or any rule or regulation promulgated thereunder) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, and other types of social security; (xviii) deposits made in the ordinary course of business to secure liability to insurance carriers; (xix) Liens for purchase money obligations (including refinancings thereof permitted under Section 4.09 hereof, PROVIDED that (A) the Indebtedness secured by any such Lien is permitted under Section 4.09 hereof, and (B) any such Lien encumbers only the asset so purchased; (xx) any attachment or judgment Lien not constituting an Event of Default under clause (i) of the first paragraph of Section 6.01 hereof; (xxi) any interest or title of a lessor or sublessor under any operating lease; (xxii) Liens on assets transferred to a Securitization Entity or on assets of a Securitization Entity, in either case incurred in connection with a Qualified Securitization Transaction; and (xxiii) Liens under licensing agreements for use of Intellectual Property entered into in the ordinary course of business.

"PERMITTED REFINANCING INDEBTEDNESS" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); PROVIDED that: (i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus accrued and unpaid interest and premium, if any, on, any Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of reasonable expenses incurred in connection therewith); (ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is

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subordinated in right of payment to the Senior Subordinated Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to the Senior Subordinated Notes on terms at least as favorable to the Holders of Senior Subordinated Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by the Company or a Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"PRIVATE PLACEMENT LEGEND" means the legend set forth in Section 2.06(g) (i) to be placed on all Senior Subordinated Notes issued under this Senior Subordinated Note Indenture except where otherwise permitted by the provisions of this Senior Subordinated Note Indenture.

"PUBLIC EQUITY OFFERING" means any underwritten primary public offering of the Common Stock or other Voting Stock of the Company (other than Disqualified Stock) pursuant to an effective registration statement (other than a registration statement on Form S-4, Form S-8, or any successor or similar form) under the Securities Act.

"PURCHASE MONEY NOTE" means a promissory note of a Securitization Entity evidencing a line of credit, which may be irrevocable, from the Company or any Restricted Subsidiary of the Company in connection with a Qualified Securitization Transaction, which note shall be repaid from cash available to the Securitization Entity, other than amounts required to be established as reserves pursuant to agreements, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts paid in connection with the purchase of newly generated receivables.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"QUALIFIED SECURITIZATION TRANSACTION" means any transaction or series of transactions pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (a) a Securitization Entity (in the case of a transfer by the Company or any of its Restricted Subsidiaries) and (b) any other Person (in case of a transfer by a Securitization Entity), or may grant a security interest in, any receivables (whether now existing or arising or acquired in the future) of the Company or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such receivables, all contracts and contract rights and all Guarantees or other obligations in respect of such receivables, proceeds of such receivables and other assets (including contract rights) which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables (collectively, "transferred assets"); PROVIDED that in the case of any such transfer by the Company or any of its Restricted Subsidiaries, the transferor receives cash or Purchase Money Notes in an amount which (when aggregated with the cash and Purchase Money Notes received by the Company and its Restricted Subsidiaries upon all other such transfers of transferred assets during the ninety days preceding such transfer) is at least equal to 75% of the aggregate face amount of all receivables so transferred during such day and the ninety preceding days.

"REGULATION S" means Regulation S promulgated under the Securities Act.

"REGULATION S GLOBAL SENIOR SUBORDINATED NOTE" means a Regulation S Temporary Global Senior Subordinated Note or Regulation S Permanent Global Senior Subordinated Note, as appropriate.

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"REGULATION S PERMANENT GLOBAL SENIOR SUBORDINATED NOTE" means a permanent global Senior Subordinated Note in the form of Exhibit A1 hereto bearing the Global Senior Subordinated Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Senior Subordinated Note upon expiration of the Restricted Period.

"REGULATION S TEMPORARY GLOBAL SENIOR SUBORDINATED NOTE" means a temporary global Senior Subordinated Note in the form of Exhibit A2 hereto bearing the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Senior Subordinated Notes initially sold in reliance on Rule 903 of Regulation S.

"REPRESENTATIVE" means the administrative agents under the Credit Agreements or their respective successors thereunder.

"RESPONSIBLE OFFICER," when used with respect to the Senior Subordinated Note Trustee, means any officer within the corporate trust department of the Senior Subordinated Note Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Senior Subordinated Note Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Senior Subordinated Note Indenture.

"RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE" means a Definitive Senior Subordinated Note bearing the Private Placement Legend.

"RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE" means a Global Senior Subordinated Note bearing the Private Placement Legend.

"RESTRICTED INVESTMENT" means an Investment other than a Permitted

Investment.

"RESTRICTED PERIOD" means the 40-day restricted period as defined in Regulation S.

"RESTRICTED SUBSIDIARY" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary; PROVIDED that, on the date of this Senior Subordinated Note Indenture, all Subsidiaries of the Company other than FTB Group, Ball Capital Corp. and the Excluded Subsidiaries shall be Restricted Subsidiaries of the Company.

"RULE 144" means Rule 144 promulgated under the Securities Act.

"RULE 144A" means Rule 144A promulgated under the Securities Act.

"RULE 903" means Rule 903 promulgated under the Securities Act.

"RULE 904" means Rule 904 promulgated the Securities Act.

"SEC" means the Securities and Exchange Commission.

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

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"SECURITIZATION ENTITY" means a Wholly Owned Subsidiary of the Company (or another Person in which the Company or any Restricted Subsidiary of the Company makes an Investment and to which the Company or any Restricted Subsidiary of the Company transfers receivables and related assets) that engages in no activities other than in connection with the financing of receivables and that is designated by the Board of the Directors of the Company (as provided below) as a Securitization Entity (a) no portion of the Indebtedness or any other Obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any Restricted Subsidiary of the Company other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse, (ii) is recourse to or obligates the Company or any Restricted Subsidiary of the Company (other than the Securitization Entity) in any way other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse or (iii) subjects any property or asset of the Company or any Restricted Subsidiary of the Company (other than the Securitization Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse, (b) with which neither the Company nor any Restricted Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing receivables of such entity and (c) to which neither the Company nor any Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Board of Directors of the Company shall be evidenced to the Senior Subordinated Note Trustee by filing with the Senior Subordinated Note Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"SENIOR DEBT" means (i) all Indebtedness outstanding under the Credit Facility permitted under clauses (i) and (ii) of the second paragraph of Section 4.09 hereof, (ii) any other Indebtedness permitted to be incurred by the Company under the terms of this Senior Subordinated Note Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Senior Subordinated Notes and (iii) all Obligations with respect to the foregoing. Notwithstanding anything to the contrary in the foregoing, Senior Debt will not include (w) any liability for federal, state, local or other taxes owed or owing by the Company, (x) any Indebtedness of the Company to any of its Subsidiaries or other Affiliates, (y) any trade payables or (z) any Indebtedness that is incurred in violation of this Senior Subordinated Note Indenture.

"SENIOR NOTE INDENTURE" means that certain Senior Note Indenture, dated as of the date of this Senior Subordinated Note Indenture, between the Company, the Guarantors and The Bank of New York as Senior Note Trustee, as amended or supplemented from time to time, relating to the Senior Notes.

"SENIOR NOTES" means the Company's 7 3/4% Senior Subordinated Notes due 2006 issued concurrently pursuant to the Senior Note Indenture.

"SENIOR SUBORDINATED NOTE INDENTURE" means this Senior Subordinated Note Indenture, as amended or supplemented from time to time, relating to the Senior Subordinated Notes.

"SENIOR SUBORDINATED NOTES" has the meaning assigned to it in the preamble to this Senior Subordinated Note Indenture.

"SENIOR SUBORDINATED NOTE TRUSTEE" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Senior Subordinated Note Indenture and thereafter means the successor serving hereunder.

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"SENIOR SUBSIDIARY GUARANTEE" means the Guarantee of the Senior Notes by each of the Guarantors pursuant to the Senior Note Indenture and any additional Guarantee of the Senior Notes to be executed by any Restricted Subsidiary of the Company pursuant to the Senior Note Indenture.

"SERIES A SENIOR SUBORDINATED NOTES" has the meaning assigned to it in the preamble to this Senior Subordinated Note Indenture.

"SERIES B SENIOR SUBORDINATED NOTES" has the meaning assigned to it in the preamble to this Senior Subordinated Note Indenture.

"SHELF REGISTRATION STATEMENT" means the Shelf Registration Statement as defined in the Subordinated Registration Rights Agreement.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Senior Subordinated Note Indenture.

"STANDARD SECURITIZATION UNDERTAKINGS" means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary of the Company that are reasonably customary in receivables securitization transactions.

"STATED MATURITY" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the Credit Agreements or other original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"SUBORDINATED REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement with respect to the Senior Subordinated Notes, dated as of August 10, 1998, by and among the Company and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time.

"SUBSIDIARY" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person and (ii) any partnership (a) the sole general partner or the managing general partner of which is such Person or an entity described in clause (i) and related to such Person or (b) the only general partners of which are such Person or of one or more entities described in clause (i) and related to such Person (or any combination thereof).

"SUBORDINATED SUBSIDIARY GUARANTEE" means the Guarantee of the Senior Subordinated Notes by each of the Guarantors pursuant to Article 12 hereof and in the form of Guarantee endorsed on the forms of Senior Subordinated Note attached as Exhibits A1 and A2 hereto and any additional Guarantee of the Senior Subordinated Notes to be executed by any Restricted Subsidiary of the Company pursuant to Section 4.16 hereof.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Senior Subordinated Note Indenture is qualified under the TIA.

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"TOTAL ASSETS" means the total assets of the Company and its Restricted Subsidiaries on a consolidated basis determined in accordance with GAAP, as shown on the most recently available consolidated balance sheet of the Company and its Restricted Subsidiaries.

"TRANSACTIONS" means the entering into the Credit Agreements; the issuance of the Senior Notes and the Senior Subordinated Notes; and the Acquisition.

"UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE" means one or more Definitive Senior Subordinated Notes that do not bear and are not required to

bear the Private Placement Legend.

"UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTE" means a permanent global Senior Subordinated Note in the form of Exhibit A1 attached hereto that bears the Global Senior Subordinated Note Legend and that has the "Schedule of Exchanges of Interests in the Global Senior Subordinated Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Senior Subordinated Notes that do not bear the Private Placement Legend.

"UNRESTRICTED SUBSIDIARY" means each of FTB Group, Ball Capital Corp. and the Excluded Subsidiaries. In addition, "Unrestricted Subsidiary" means (i) any Subsidiary that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution; but only to the extent that such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (c) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Equity Interests or (y) to maintain or preserve such Person's net worth; and (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; PROVIDED, HOWEVER, that the Company and its Restricted Subsidiaries may guarantee the performance of Unrestricted Subsidiaries in the ordinary course of business except for guarantees of Obligations in respect of borrowed money. Any such designation by the Board of Directors shall be evidenced to the Senior Subordinated Note Trustee by filing with the Senior Subordinated Note Trustee a certified copy of the board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions and was permitted by Section 4.07 hereof.

"U.S. PERSON" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"WHOLLY OWNED SUBSIDIARY" means a Restricted Subsidiary, 100% of the outstanding Capital Stock and other Equity Interests of which is directly or indirectly owned by the Company.

SECTION 1.02. OTHER DEFINITIONS.

<TABLE>

<CAPTION>

TERM	DEFINED IN SECTION
<S>	<C>
"AFFILIATE TRANSACTION"	4.11
"AUTHENTICATION ORDER".	2.02
"CALCULATION DATE".	1.01
"CHANGE OF CONTROL OFFER"	4.15
"CHANGE OF CONTROL PAYMENT"	4.15
"CHANGE OF CONTROL PAYMENT DATE".	4.15
"COVENANT DEFEASANCE"	8.03
"DTC"	2.03
"EVENT OF DEFAULT".	6.01
"EXCESS PROCEEDS"	4.10
"INCUR"	4.09
"INVESTMENT GRADE RATINGS".	4.20
"LEGAL DEFEASANCE".	8.02
"LONG-TERM CREDIT AGREEMENT".	1.01
"MOODY'S"	4.20
"OFFER AMOUNT".	3.09
"OFFER PERIOD".	3.09
"OTHER INDEBTEDNESS".	4.16
"PAYING AGENT".	2.03
"PAYMENT BLOCKAGE NOTICE"	10.03

"PAYMENT DEFAULT"	6.01
"PERMITTED DEBT".	4.09
"PURCHASE DATE"	3.09
"RATING AGENCIES"	4.20
"REGISTRAR"	2.03
"RESTRICTED PAYMENTS"	4.07
"S&P"	4.20
"SENIOR SUBORDINATED ASSET SALE OFFER".	4.10
"SHORT-TERM CREDIT AGREEMENT"	1.01
"SUSPENDED COVENANTS"	4.20
"SUSPENSION PERIOD"	4.20

</TABLE>

SECTION 1.03. INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Senior Subordinated Note Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Senior Subordinated Note Indenture.

The following TIA terms used in this Senior Subordinated Note Indenture have the following meanings:

"INDENTURE SECURITIES" means the Senior Subordinated Notes;

"INDENTURE SECURITY HOLDER" means a Holder of a Senior Subordinated Note;

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"INDENTURE TO BE QUALIFIED" means this Senior Subordinated Note Indenture;

"INDENTURE TRUSTEE" or "INSTITUTIONAL TRUSTEE" means the Senior Subordinated Note Trustee; and

"OBLIGOR" on the Senior Subordinated Notes and the Subordinated Subsidiary Guarantees means the Company and the Guarantors, respectively, and any successor obligor upon the Senior Subordinated Notes and the Subordinated Subsidiary Guarantees, respectively.

All other terms used in this Senior Subordinated Note Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.04. RULES OF CONSTRUCTION.

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with GAAP;
- (3) "OR" is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular;
- (5) provisions apply to successive events and transactions; and
- (6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time.

ARTICLE 2

THE SENIOR SUBORDINATED NOTES

SECTION 2.01. FORM AND DATING.

(a) GENERAL. The Senior Subordinated Notes and the Senior Subordinated Note Trustee's certificate of authentication shall be substantially in the form of Exhibits A1 and A2 hereto. The Senior Subordinated Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Senior Subordinated Note shall be dated the date of its authentication. The Senior Subordinated Notes shall be in denominations of \$1,000 and integral multiples thereof.

The terms and provisions contained in the Senior Subordinated Notes shall constitute, and are hereby expressly made, a part of this Senior Subordinated Note Indenture and the Company, the Guarantors and the Senior Subordinated Note Trustee, by their execution and delivery of this Senior Subordinated Note Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Senior

Subordinated Note conflicts with the express provisions of this Senior Subordinated Note Indenture, the provisions of this Senior Subordinated Note Indenture shall govern and be controlling.

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(b) GLOBAL SENIOR SUBORDINATED NOTES. Senior Subordinated Notes issued in global form shall be substantially in the form of Exhibits A1 or A2 attached hereto (including the Global Senior Subordinated Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Senior Subordinated Note" attached thereto). Senior Subordinated Notes issued in definitive form shall be substantially in the form of Exhibit A1 attached hereto (but without the Global Senior Subordinated Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Senior Subordinated Note" attached thereto). Each Global Senior Subordinated Note shall represent such of the outstanding Senior Subordinated Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Senior Subordinated Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Senior Subordinated Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Senior Subordinated Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Senior Subordinated Notes represented thereby shall be made by the Senior Subordinated Note Trustee or the Custodian, at the direction of the Senior Subordinated Note Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) TEMPORARY GLOBAL SENIOR SUBORDINATED NOTES. Senior Subordinated Notes offered and sold in reliance on Regulation S shall be issued initially in the form of the Regulation S Temporary Global Senior Subordinated Note, which shall be deposited on behalf of the purchasers of the Senior Subordinated Notes represented thereby with the Senior Subordinated Note Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Cedel Bank, duly executed by the Company and authenticated by the Senior Subordinated Note Trustee as hereinafter provided. The Restricted Period shall be terminated upon the receipt by the Senior Subordinated Note Trustee of (i) a written certificate from the Depositary, together with copies of certificates from Euroclear and Cedel Bank certifying that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Senior Subordinated Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who will take delivery of a beneficial ownership interest in a 144A Global Senior Subordinated Note or an IAI Global Senior Subordinated Note bearing a Private Placement Legend, all as contemplated by Section 2.06(a)(ii) hereof), and (ii) an Officers' Certificate from the Company. Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Senior Subordinated Note shall be exchanged for beneficial interests in Regulation S Permanent Global Senior Subordinated Notes pursuant to the Applicable Procedures. Simultaneously with the authentication of Regulation S Permanent Global Senior Subordinated Notes, the Senior Subordinated Note Trustee shall cancel the Regulation S Temporary Global Senior Subordinated Note. The aggregate principal amount of the Regulation S Temporary Subordinated Note and the Regulation S Permanent Global Senior Subordinated Notes may from time to time be increased or decreased by adjustments made on the records of the Senior Subordinated Note Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) EUROCLEAR AND CEDEL PROCEDURES APPLICABLE. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Cedel Bank" and "Customer Handbook" of Cedel Bank shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Senior Subordinated Note and the Regulation S Permanent Global Senior Subordinated Notes that are held by Participants through Euroclear or Cedel Bank.

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SECTION 2.02. EXECUTION AND AUTHENTICATION.

One Officer shall sign the Senior Subordinated Notes for the Company by manual or facsimile signature. If an Officer whose signature is on a Senior Subordinated Note no longer holds that office at the time a Senior Subordinated Note is authenticated, the Senior Subordinated Note shall nevertheless be valid.

A Senior Subordinated Note shall not be valid until authenticated by the manual signature of the Senior Subordinated Note Trustee. The signature

shall be conclusive evidence that the Senior Subordinated Note has been authenticated under this Senior Subordinated Note Indenture.

The Senior Subordinated Note Trustee shall, upon a written order of the Company signed by one Officer (an "AUTHENTICATION ORDER"), authenticate Senior Subordinated Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the Senior Subordinated Notes. The aggregate principal amount of Senior Subordinated Notes outstanding at any time may not exceed such amount except as provided in Section 2.07 hereof.

The Senior Subordinated Note Trustee may appoint an authenticating agent acceptable to the Company to authenticate Senior Subordinated Notes. An authenticating agent may authenticate Senior Subordinated Notes whenever the Senior Subordinated Note Trustee may do so. Each reference in this Senior Subordinated Note Indenture to authentication by the Senior Subordinated Note Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

SECTION 2.03. REGISTRAR AND PAYING AGENT.

The Company shall maintain an office or agency where Senior Subordinated Notes may be presented for registration of transfer or for exchange ("REGISTRAR") and an office or agency where Senior Subordinated Notes may be presented for payment ("PAYING AGENT"). The Registrar shall keep a register of the Senior Subordinated Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company shall notify the Senior Subordinated Note Trustee in writing of the name and address of any Agent not a party to this Senior Subordinated Note Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Senior Subordinated Note Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Senior Subordinated Notes.

The Company initially appoints the Senior Subordinated Note Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Senior Subordinated Notes.

SECTION 2.04. PAYING AGENT TO HOLD MONEY IN TRUST.

The Company shall require each Paying Agent other than the Senior Subordinated Note Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Senior Subordinated Note Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Senior Subordinated Notes, and will notify the Senior Subordinated Note Trustee of any default by the Company in making any such payment. While any such default continues, the Senior Subordinated Note Trustee may require a Paying Agent to pay all money held by it to the Senior Subordinated Note Trustee. The Company at any time may require a Paying Agent to pay all money held

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by it to the Senior Subordinated Note Trustee. Upon payment over to the Senior Subordinated Note Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Senior Subordinated Note Trustee shall serve as Paying Agent for the Senior Subordinated Notes.

SECTION 2.05. HOLDER LISTS.

The Senior Subordinated Note Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Senior Subordinated Note Trustee is not the Registrar, the Company shall furnish to the Senior Subordinated Note Trustee at least seven Business Days before each interest payment date and at such other times as the Senior Subordinated Note Trustee may request in writing, a list in such form and as of such date as the Senior Subordinated Note Trustee may reasonably require of the names and addresses of the Holders of Senior Subordinated Notes and the Company shall otherwise comply with TIA Section 312(a).

SECTION 2.06. TRANSFER AND EXCHANGE.

(a) TRANSFER AND EXCHANGE OF GLOBAL SENIOR SUBORDINATED NOTES. A

Global Senior Subordinated Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Senior Subordinated Notes will be exchanged by the Company for Definitive Senior Subordinated Notes if (i) the Company delivers to the Senior Subordinated Note Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary or (ii) the Company in its sole discretion determines that the Global Senior Subordinated Notes (in whole but not in part) should be exchanged for Definitive Senior Subordinated Notes and delivers a written notice to such effect to the Senior Subordinated Note Trustee; provided that in no event shall the Regulation S Temporary Global Senior Subordinated Note be exchanged by the Company for Definitive Senior Subordinated Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(c)(3)(ii)(B) under the Securities Act. Upon the occurrence of either of the preceding events in (i) or (ii) above, Definitive Senior Subordinated Notes shall be issued in such names as the Depositary shall instruct the Senior Subordinated Note Trustee. Global Senior Subordinated Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Senior Subordinated Note authenticated and delivered in exchange for, or in lieu of, a Global Senior Subordinated Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Senior Subordinated Note. A Global Senior Subordinated Note may not be exchanged for another Senior Subordinated Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Senior Subordinated Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN THE GLOBAL SENIOR SUBORDINATED NOTES. The transfer and exchange of beneficial interests in the Global Senior Subordinated Notes shall be effected through the Depositary, in accordance with the provisions of this Senior Subordinated Note Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Senior Subordinated Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Senior Subordinated Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

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- (i) TRANSFER OF BENEFICIAL INTERESTS IN THE SAME GLOBAL SENIOR SUBORDINATED NOTE. Beneficial interests in any Restricted Global Senior Subordinated Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Senior Subordinated Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Temporary Regulation S Global Senior Subordinated Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Senior Subordinated Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Subordinated Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).
- (ii) ALL OTHER TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS IN GLOBAL SENIOR SUBORDINATED NOTES. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Senior Subordinated Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Senior Subordinated Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing

information regarding the Person in whose name such Definitive Senior Subordinated Note shall be registered to effect the transfer or exchange referred to in (1) above; provided that in no event shall Definitive Senior Subordinated Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Senior Subordinated Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Senior Subordinated Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Senior Subordinated Notes contained in this Senior Subordinated Note Indenture and the Senior Subordinated Notes or otherwise applicable under the Securities Act, the Senior Subordinated Note Trustee shall adjust the principal amount of the relevant Global Senior Subordinated Note(s) pursuant to Section 2.06(h) hereof.

- (iii) TRANSFER OF BENEFICIAL INTERESTS TO ANOTHER RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE. A beneficial interest in any Restricted Global Senior Subordinated Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Senior Subordinated Note if the transfer

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complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

- (A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Senior Subordinated Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;
- (B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Senior Subordinated Note or the Regulation S Global Senior Subordinated Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and
- (C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Senior Subordinated Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates and Opinion of Counsel required by item (3) thereof, if applicable.

- (iv) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE FOR BENEFICIAL INTERESTS IN THE UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTE. A beneficial interest in any Restricted Global Senior Subordinated Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Senior Subordinated Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Subordinated Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and:

- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Subordinated Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal or via the Depository's book-entry system that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Subordinated Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Subordinated Registration Rights Agreement;
- (C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in

accordance with the Subordinated Registration Rights Agreement; or

(D) the Registrar receives the following:

- (1) if the holder of such beneficial interest in a Restricted Global Senior Subordinated Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Senior Subordinated Note, a certificate from such holder in the form of

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Exhibit C hereto, including the certifications in item (1)(a) thereof; or

- (2) if the holder of such beneficial interest in a Restricted Global Senior Subordinated Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Subordinated Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Senior Subordinated Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Senior Subordinated Note Trustee shall authenticate one or more Unrestricted Global Senior Subordinated Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Senior Subordinated Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Senior Subordinated Note.

(c) TRANSFER OR EXCHANGE OF BENEFICIAL INTERESTS FOR DEFINITIVE SENIOR SUBORDINATED NOTES.

- (i) Beneficial Interests in Restricted Global Senior Subordinated Notes to Restricted Definitive Senior Subordinated Notes. If any holder of a beneficial interest in a Restricted Global Senior Subordinated Note proposes to exchange such beneficial interest for a Restricted Definitive Senior Subordinated Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Senior Subordinated Note, then, upon receipt by the Registrar of the following documentation:

- (A) if the holder of such beneficial interest in a Restricted Global Senior Subordinated Note proposes to exchange such beneficial interest for a Restricted Definitive Senior Subordinated Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;
- (B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

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- (C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;
- (D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the

Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

- (E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;
- (F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or
- (G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Senior Subordinated Note Trustee shall cause the aggregate principal amount of the applicable Global Senior Subordinated Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Senior Subordinated Note Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Senior Subordinated Note in the appropriate principal amount. Any Definitive Senior Subordinated Note issued in exchange for a beneficial interest in a Restricted Global Senior Subordinated Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Senior Subordinated Note Trustee shall deliver such Definitive Senior Subordinated Notes to the Persons in whose names such Senior Subordinated Notes are so registered. Any Definitive Senior Subordinated Note issued in exchange for a beneficial interest in a Restricted Global Senior Subordinated Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Senior Subordinated Note may not be exchanged for a Definitive Senior Subordinated Note or transferred to a Person who takes delivery thereof in the form of a Definitive Senior Subordinated Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(c)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

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- (ii) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR SUBORDINATED NOTES TO UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. A holder of a beneficial interest in a Restricted Global Senior Subordinated Note may exchange such beneficial interest for an Unrestricted Definitive Senior Subordinated Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Senior Subordinated Note only if:
 - (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Subordinated Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Subordinated Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
 - (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Subordinated Registration Rights Agreement;
 - (C) such transfer is effected by a Participating Broker-Dealer

pursuant to the Exchange Offer Registration Statement in accordance with the Subordinated Registration Rights Agreement; or

(D) the Registrar receives the following:

- (1) if the holder of such beneficial interest in a Restricted Global Senior Subordinated Note proposes to exchange such beneficial interest for a Definitive Senior Subordinated Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or
- (2) if the holder of such beneficial interest in a Restricted Global Senior Subordinated Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Senior Subordinated Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

- (iii) BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTES TO UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. If any holder of a beneficial interest in an Unrestricted Global Senior Subordinated Note proposes to exchange such beneficial interest for a Definitive Senior Subordinated Note or to transfer such

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beneficial interest to a Person who takes delivery thereof in the form of a Definitive Senior Subordinated Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Senior Subordinated Note Trustee shall cause the aggregate principal amount of the applicable Global Senior Subordinated Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Senior Subordinated Note Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Senior Subordinated Note in the appropriate principal amount. Any Definitive Senior Subordinated Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Senior Subordinated Note Trustee shall deliver such Definitive Senior Subordinated Notes to the Persons in whose names such Senior Subordinated Notes are so registered. Any Definitive Senior Subordinated Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iii) shall not bear the Private Placement Legend.

(d) TRANSFER AND EXCHANGE OF DEFINITIVE SENIOR SUBORDINATED NOTES FOR BENEFICIAL INTERESTS.

- (i) RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES TO BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR SUBORDINATED NOTES. If any Holder of a Restricted Definitive Senior Subordinated Note proposes to exchange such Senior Subordinated Note for a beneficial interest in a Restricted Global Senior Subordinated Note or to transfer such Restricted Definitive Senior Subordinated Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Senior Subordinated Note, then, upon receipt by the Registrar of the following documentation:

- (A) if the Holder of such Restricted Definitive Senior Subordinated Note proposes to exchange such Senior Subordinated Note for a beneficial interest in a Restricted

Global Senior Subordinated Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2) (b) thereof;

- (B) if such Restricted Definitive Senior Subordinated Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;
- (C) if such Restricted Definitive Senior Subordinated Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;
- (D) if such Restricted Definitive Senior Subordinated Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) (a) thereof;

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- (E) if such Restricted Definitive Senior Subordinated Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;
- (F) if such Restricted Definitive Senior Subordinated Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) (b) thereof; or
- (G) if such Restricted Definitive Senior Subordinated Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) (c) thereof;

the Senior Subordinated Note Trustee shall cancel the Restricted Definitive Senior Subordinated Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Senior Subordinated Note, in the case of clause (B) above, the 144A Global Senior Subordinated Note, in the case of clause (c) above, the Regulation S Global Senior Subordinated Note, and in all other cases, the IAI Global Senior Subordinated Note.

- (ii) RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTES. A Holder of a Restricted Definitive Senior Subordinated Note may exchange such Senior Subordinated Note for a beneficial interest in an Unrestricted Global Senior Subordinated Note or transfer such Restricted Definitive Senior Subordinated Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Subordinated Note only if:
 - (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Subordinated Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Subordinated Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
 - (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Subordinated Registration Rights Agreement;
 - (C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Subordinated Registration Rights Agreement; or
 - (D) the Registrar receives the following:

- (1) if the Holder of such Definitive Senior Subordinated Notes proposes to exchange such Senior Subordinated Notes for a beneficial interest in the Unrestricted Global Senior Subordinated

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Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1) (c) thereof; or

- (2) if the Holder of such Definitive Senior Subordinated Notes proposes to transfer such Senior Subordinated Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Senior Subordinated Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Senior Subordinated Note Trustee shall cancel the Definitive Senior Subordinated Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Senior Subordinated Note.

- (iii) UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTES. A Holder of an Unrestricted Definitive Senior Subordinated Note may exchange such Senior Subordinated Note for a beneficial interest in an Unrestricted Global Senior Subordinated Note or transfer such Definitive Senior Subordinated Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Senior Subordinated Note at any time. Upon receipt of a request for such an exchange or transfer, the Senior Subordinated Note Trustee shall cancel the applicable Unrestricted Definitive Senior Subordinated Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Senior Subordinated Notes.

If any such exchange or transfer from a Definitive Senior Subordinated Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Senior Subordinated Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Senior Subordinated Note Trustee shall authenticate one or more Unrestricted Global Senior Subordinated Notes in an aggregate principal amount equal to the principal amount of Definitive Senior Subordinated Notes so transferred.

(e) TRANSFER AND EXCHANGE OF DEFINITIVE SENIOR SUBORDINATED NOTES FOR DEFINITIVE SENIOR SUBORDINATED NOTES. Upon request by a Holder of Definitive Senior Subordinated Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Senior Subordinated Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Senior Subordinated Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any

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additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

- (i) RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES TO RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. Any Restricted Definitive Senior Subordinated Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Senior Subordinated Note if the Registrar receives the following:

- (A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;
 - (B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and
 - (C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.
- (ii) RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES TO UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. Any Restricted Definitive Senior Subordinated Note may be exchanged by the Holder thereof for an Unrestricted Definitive Senior Subordinated Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Senior Subordinated Note if:

- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Subordinated Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Senior Subordinated Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Subordinated Registration Rights Agreement;
- (C) any such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Subordinated Registration Rights Agreement; or
- (D) the Registrar receives the following:
 - (1) if the Holder of such Restricted Definitive Senior Subordinated Notes proposes to exchange such Senior Subordinated Notes for an Unrestricted Definitive Senior Subordinated Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

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- (2) if the Holder of such Restricted Definitive Senior Subordinated Notes proposes to transfer such Senior Subordinated Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Senior Subordinated Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and state "blue sky" laws and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

- (iii) UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES TO UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. A Holder of Unrestricted Definitive Senior Subordinated Notes may transfer such Senior Subordinated Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Senior Subordinated Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Senior Subordinated Notes pursuant to the instructions from the Holder thereof.

(f) EXCHANGE OFFER. Upon the occurrence of the Exchange Offer in accordance with the Subordinated Registration Rights Agreement, the Company shall issue and, upon receipt of an Authentication Order in accordance with

Section 2.02, the Senior Subordinated Note Trustee shall authenticate (i) one or more Unrestricted Subordinated Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Senior Subordinated Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Senior Subordinated Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (ii) Definitive Senior Subordinated Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Senior Subordinated Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Senior Subordinated Notes, the Senior Subordinated Note Trustee shall cause the aggregate principal amount of the applicable Restricted Global Senior Subordinated Notes to be reduced accordingly, and the Company shall execute and the Senior Subordinated Note Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Senior Subordinated Notes so accepted Definitive Senior Subordinated Notes in the appropriate principal amount.

(g) LEGENDS. The following legends shall appear on the face of all Subordinated Notes and Definitive Senior Subordinated Notes issued under this Senior Subordinated Note Indenture unless specifically stated otherwise in the applicable provisions of this Senior Subordinated Note Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Senior Subordinated Note and each Definitive Senior Subordinated Note (and all Senior Subordinated Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS
ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM

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REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE."

(B) Notwithstanding the foregoing, any Global Senior Subordinated Note or Definitive Senior Subordinated Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Senior Subordinated Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) GLOBAL SENIOR SUBORDINATED NOTE LEGEND. Each Global Senior Subordinated Note shall bear a legend in substantially the following form:

"THIS GLOBAL SENIOR SUBORDINATED NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE SENIOR SUBORDINATED NOTE INDENTURE GOVERNING THIS SENIOR SUBORDINATED NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE SENIOR SUBORDINATED NOTE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY

BE REQUIRED PURSUANT TO SECTION 2.06 OF THE SENIOR SUBORDINATED NOTE INDENTURE, (II) THIS GLOBAL SENIOR SUBORDINATED NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE SENIOR SUBORDINATED NOTE INDENTURE, (III) THIS GLOBAL SENIOR SUBORDINATED NOTE

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MAY BE DELIVERED TO THE SENIOR SUBORDINATED NOTE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE SENIOR SUBORDINATED NOTE INDENTURE AND (IV) THIS GLOBAL SENIOR SUBORDINATED NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY."

(iii) REGULATION S TEMPORARY GLOBAL SENIOR SUBORDINATED NOTE

LEGEND. The Regulation S Temporary Global Senior Subordinated Note shall bear a legend in substantially the following form:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL SENIOR SUBORDINATED NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED SENIOR SUBORDINATED NOTES, ARE AS SPECIFIED IN THE SENIOR SUBORDINATED NOTE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL SENIOR SUBORDINATED NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON."

(h) CANCELLATION AND/OR ADJUSTMENT OF GLOBAL SENIOR SUBORDINATED NOTES.

At such time as all beneficial interests in a particular Global Senior Subordinated Note have been exchanged for Definitive Senior Subordinated Notes or a particular Global Senior Subordinated Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Senior Subordinated Note shall be returned to or retained and canceled by the Senior Subordinated Note Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Senior Subordinated Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Senior Subordinated Note or for Definitive Senior Subordinated Notes, the principal amount of Senior Subordinated Notes represented by such Global Senior Subordinated Note shall be reduced accordingly and an endorsement shall be made on such Global Senior Subordinated Note by the Senior Subordinated Note Trustee or by the Depositary at the direction of the Senior Subordinated Note Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Senior Subordinated Note, such other Global Senior Subordinated Note shall be increased accordingly and an endorsement shall be made on such Global Senior Subordinated Note by the Senior Subordinated Note Trustee or by the Depositary at the direction of the Senior Subordinated Note Trustee to reflect such increase.

(i) GENERAL PROVISIONS RELATING TO TRANSFERS AND EXCHANGES.

- (i) To permit registrations of transfers and exchanges, the Company shall execute and the Senior Subordinated Note Trustee shall authenticate Global Senior Subordinated Notes and Definitive Senior Subordinated Notes upon the Company's order or at the Registrar's request.
- (ii) No service charge shall be made to a holder of a beneficial interest in a Global Senior Subordinated Note or to a Holder of a Definitive Senior Subordinated Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

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- (iii) The Registrar shall not be required to register the transfer of or exchange any Senior Subordinated Note selected for redemption in whole or in part, except the unredeemed portion of any Senior Subordinated Note being redeemed in part.
- (iv) All Global Senior Subordinated Notes and Definitive Senior Subordinated Notes issued upon any registration of transfer or exchange of Global Senior Subordinated Notes or Definitive Senior Subordinated Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Senior Subordinated Note Indenture, as the Global Senior Subordinated Notes or Definitive Senior Subordinated Notes surrendered upon such registration of transfer or exchange.

- (v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Senior Subordinated Notes during a period beginning at the opening of business 15 days before the day of any selection of Senior Subordinated Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Senior Subordinated Note so selected for redemption in whole or in part, except the unredeemed portion of any Senior Subordinated Note being redeemed in part or (C) to register the transfer of or to exchange a Senior Subordinated Note between a record date and the next succeeding Interest Payment Date.
- (vi) Prior to due presentment for the registration of a transfer of any Senior Subordinated Note, the Senior Subordinated Note Trustee, any Agent and the Company may deem and treat the Person in whose name any Senior Subordinated Note is registered as the absolute owner of such Senior Subordinated Note for the purpose of receiving payment of principal of and interest on such Senior Subordinated Notes and for all other purposes, and none of the Senior Subordinated Note Trustee, any Agent or the Company shall be affected by notice to the contrary.
- (vii) The Senior Subordinated Note Trustee shall authenticate Global Senior Subordinated Notes and Definitive Senior Subordinated Notes in accordance with the provisions of Section 2.02 hereof.
- (viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

SECTION 2.07. REPLACEMENT SENIOR SUBORDINATED NOTES.

If any mutilated Senior Subordinated Note is surrendered to the Senior Subordinated Note Trustee or the Company and the Senior Subordinated Note Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Senior Subordinated Note, the Company shall issue and the Senior Subordinated Note Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Senior Subordinated Note if the Senior Subordinated Note Trustee's requirements are met. If required by the Senior Subordinated Note Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Senior Subordinated Note Trustee and the Company to protect the Company, the Senior Subordinated Note Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Senior Subordinated Note is replaced. The Company may charge for its expenses in replacing a Senior Subordinated Note.

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Every replacement Senior Subordinated Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Senior Subordinated Note Indenture equally and proportionately with all other Senior Subordinated Notes duly issued hereunder.

SECTION 2.08. OUTSTANDING SENIOR SUBORDINATED NOTES.

The Senior Subordinated Notes outstanding at any time are all the Senior Subordinated Notes authenticated by the Senior Subordinated Note Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Senior Subordinated Note effected by the Senior Subordinated Note Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Senior Subordinated Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Senior Subordinated Note.

If a Senior Subordinated Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Senior Subordinated Note Trustee receives proof satisfactory to it that the replaced Senior Subordinated Note is held by a bona fide purchaser.

If the principal amount of any Senior Subordinated Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Senior Subordinated Notes payable on that date, then on and after that date such Senior Subordinated Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.09. TREASURY SENIOR SUBORDINATED NOTES.

In determining whether the Holders of the required principal amount of

Senior Subordinated Notes have concurred in any direction, waiver or consent, Senior Subordinated Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Senior Subordinated Note Trustee shall be protected in relying on any such direction, waiver or consent, only Senior Subordinated Notes that a Responsible Officer of the Senior Subordinated Note Trustee actually knows are so owned shall be so disregarded.

SECTION 2.10. TEMPORARY SENIOR SUBORDINATED NOTES.

Until certificates representing Senior Subordinated Notes are ready for delivery, the Company may prepare and the Senior Subordinated Note Trustee, upon receipt of an Authentication Order, shall authenticate temporary Senior Subordinated Notes. Temporary Senior Subordinated Notes shall be substantially in the form of certificated Senior Subordinated Notes but may have variations that the Company considers appropriate for temporary Senior Subordinated Notes and as shall be reasonably acceptable to the Senior Subordinated Note Trustee. Without unreasonable delay, the Company shall prepare and the Senior Subordinated Note Trustee shall authenticate definitive Senior Subordinated Notes in exchange for temporary Senior Subordinated Notes.

Holders of temporary Senior Subordinated Notes shall be entitled to all of the benefits of this Senior Subordinated Note Indenture.

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SECTION 2.11. CANCELLATION.

The Company at any time may deliver Senior Subordinated Notes to the Senior Subordinated Note Trustee for cancellation. The Registrar and Paying Agent shall forward to the Senior Subordinated Note Trustee any Senior Subordinated Notes surrendered to them for registration of transfer, exchange or payment. The Senior Subordinated Note Trustee and no one else shall cancel all Senior Subordinated Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall return such canceled Senior Subordinated Notes to the Company. The Company may not issue new Senior Subordinated Notes to replace Senior Subordinated Notes that it has paid or that have been delivered to the Senior Subordinated Note Trustee for cancellation.

SECTION 2.12. DEFAULTED INTEREST.

If the Company defaults in a payment of interest on the Senior Subordinated Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Senior Subordinated Notes and in Section 4.01 hereof. The Company shall notify the Senior Subordinated Note Trustee in writing of the amount of defaulted interest proposed to be paid on each Senior Subordinated Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date, PROVIDED that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Senior Subordinated Note Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.13. CUSIP NUMBER.

The Company in issuing the Senior Subordinated Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Senior Subordinated Note Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Senior Subordinated Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Senior Subordinated Notes, and any such redemption shall not be affected by any defect in or the omission of such numbers. The Company will promptly notify the Senior Subordinated Note Trustee of any change in the CUSIP numbers.

ARTICLE 3 REDEMPTION AND PREPAYMENT

SECTION 3.01. NOTICES TO SENIOR SUBORDINATED NOTE TRUSTEE.

If the Company elects to redeem Senior Subordinated Notes pursuant to the redemption provisions of Section 3.07 hereof, it shall furnish to the Senior Subordinated Note Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Senior Subordinated Note Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Senior Subordinated Notes to be redeemed, (iv) the redemption price and (v) the CUSIP numbers of the Senior Subordinated Notes to be redeemed.

SECTION 3.02. SELECTION OF SENIOR SUBORDINATED NOTES TO BE REDEEMED.

If less than all of the Senior Subordinated Notes are to be redeemed or purchased in an offer to purchase at any time, the Senior Subordinated Note Trustee shall select the Senior Subordinated Notes to be redeemed or purchased among the Holders of the Senior Subordinated Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Senior Subordinated Notes are listed or, if the Senior Subordinated Notes are not so listed, on a PRO RATA basis, by lot or in accordance with any other method the Senior Subordinated Note Trustee shall deem fair and appropriate; PROVIDED that no Senior Subordinated Notes of \$1,000 or less shall be redeemed in part. In the event of partial redemption by lot, the particular Senior Subordinated Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Senior Subordinated Note Trustee from the outstanding Senior Subordinated Notes not previously called for redemption.

The Senior Subordinated Note Trustee shall promptly notify the Company in writing of the Senior Subordinated Notes selected for redemption and, in the case of any Senior Subordinated Note selected for partial redemption, the principal amount thereof to be redeemed. Senior Subordinated Notes and portions of Senior Subordinated Notes selected shall be in amounts of \$1,000 or whole multiples of \$1,000; except that if all of the Senior Subordinated Notes of a Holder are to be redeemed, the entire outstanding amount of Senior Subordinated Notes held by such Holder, even if not a multiple of \$1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Senior Subordinated Note Indenture that apply to Senior Subordinated Notes called for redemption also apply to portions of Senior Subordinated Notes called for redemption.

SECTION 3.03. NOTICE OF REDEMPTION.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Senior Subordinated Notes are to be redeemed at its registered address.

The notice shall identify the Senior Subordinated Notes to be redeemed, including the CUSIP numbers, and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) if any Senior Subordinated Note is being redeemed in part, the portion of the principal amount of such Senior Subordinated Note to be redeemed and that, after the redemption date upon surrender of such Senior Subordinated Note, a new Senior Subordinated Note or Senior Subordinated Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Senior Subordinated Note;
- (d) the name and address of the Paying Agent;
- (e) that Senior Subordinated Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
- (f) that, unless the Company defaults in making such redemption payment, interest on Senior Subordinated Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Senior Subordinated Notes and/or Section of this Senior Subordinated Note Indenture pursuant to which the Senior Subordinated Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Senior Subordinated Notes.

At the Company's request, the Senior Subordinated Note Trustee shall give the notice of redemption in the Company's name and at its expense; PROVIDED, HOWEVER, that the Company shall have delivered to the Senior Subordinated Note Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Senior Subordinated Note Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

SECTION 3.04. EFFECT OF NOTICE OF REDEMPTION.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Senior Subordinated Notes called for redemption become irrevocably due and

payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

SECTION 3.05. DEPOSIT OF REDEMPTION PRICE.

One Business Day prior to the redemption date, the Company shall deposit with the Senior Subordinated Note Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Senior Subordinated Notes to be redeemed on that date. The Senior Subordinated Note Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Senior Subordinated Note Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Senior Subordinated Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Senior Subordinated Notes or the portions of Senior Subordinated Notes called for redemption. If a Senior Subordinated Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Senior Subordinated Note was registered at the close of business on such record date. If any Senior Subordinated Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Senior Subordinated Notes and in Section 4.01 hereof.

SECTION 3.06. SENIOR SUBORDINATED NOTES REDEEMED IN PART.

Upon surrender of a Senior Subordinated Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Senior Subordinated Note Trustee shall authenticate for the Holder at the expense of the Company a new Senior Subordinated Note equal in principal amount to the unredeemed portion of the Senior Subordinated Note surrendered.

SECTION 3.07. OPTIONAL REDEMPTION.

(a) The Senior Subordinated Notes will not be subject to redemption at the option of the Company prior to August 1, 2003. Thereafter, the Senior Subordinated Notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days'

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notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on August 1 of the years indicated below:

<TABLE>
<CAPTION>

YEAR	PERCENTAGE
<S>	<C>
2003	104.125%
2004	102.750%
2005	101.375%
2006 and thereafter	100.000%

</TABLE>

(b) Notwithstanding the provisions of clause (a) of this Section 3.07, during the first 36 months after August 5, 1998, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Senior Subordinated Notes issued under this Senior Subordinated Note Indenture at a redemption price of 108.250% of the principal amount thereof, plus in such case accrued and unpaid interest and Liquidated Damages thereon, if any, to the redemption date, with the net cash proceeds of any Public Equity Offering; PROVIDED that at least 65% of the aggregate principal amount of Senior Subordinated Notes issued remain outstanding immediately after the occurrence of such redemption (excluding Senior Subordinated Notes held by the Company and its Subsidiaries); and PROVIDED, further, that such redemption shall occur within 90 days of the date of the closing of such Public Equity Offering.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

SECTION 3.08. MANDATORY REDEMPTION.

Except as set forth in Sections 3.09, 4.10 and 4.15 hereof, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Senior Subordinated Notes.

SECTION 3.09. OFFER TO PURCHASE BY APPLICATION OF EXCESS PROCEEDS.

In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence a Senior Subordinated Asset Sale Offer, it shall follow the procedures specified below.

The Senior Subordinated Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "OFFER PERIOD"). No later than five Business Days after the termination of the Offer Period (the "PURCHASE DATE"), the Company shall purchase the principal amount of Senior Subordinated Notes required to be purchased pursuant to Section 4.10 hereof (the "OFFER AMOUNT") or, if less than the Offer Amount has been tendered, all Senior Subordinated Notes tendered in response to the Senior Subordinated Asset Sale Offer. Payment for any Senior Subordinated Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Senior Subordinated Note is registered at the close of business on such record date, and no additional interest shall be payable to Holders who tender Senior Subordinated Notes pursuant to the Senior Subordinated Asset Sale Offer.

Upon the commencement of a Senior Subordinated Asset Sale Offer, the Company shall send, by first class mail, a notice to the Senior Subordinated Note Trustee and each of the Holders. The notice shall contain all instructions and materials necessary to enable such Holders to tender Senior Subordinated Notes pursuant

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to the Senior Subordinated Asset Sale Offer. The Senior Subordinated Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Senior Subordinated Asset Sale Offer, shall state:

(a) that the Senior Subordinated Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Senior Subordinated Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Senior Subordinated Note not tendered or accepted for payment shall continue to accrete or accrue interest;

(d) that, unless the Company defaults in making such payment, any Senior Subordinated Note accepted for payment pursuant to the Senior Subordinated Asset Sale Offer shall cease to accrete or accrue interest after the Purchase Date;

(e) that Holders electing to have a Senior Subordinated Note purchased pursuant to a Senior Subordinated Asset Sale Offer may only elect to have all of such Senior Subordinated Note purchased and may not elect to have only a portion of such Senior Subordinated Note purchased;

(f) that Holders electing to have a Senior Subordinated Note purchased pursuant to any Senior Subordinated Asset Sale Offer shall be required to surrender the Senior Subordinated Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Senior Subordinated Note completed, or transfer by book-entry transfer, to the Company, a depository, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Company, the depository or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Senior Subordinated Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Senior Subordinated Note purchased;

(h) that, if the aggregate principal amount of Senior Subordinated Notes surrendered by Holders exceeds the Offer Amount, the Company shall select the Senior Subordinated Notes to be purchased on a PRO RATA basis (with such adjustments as may be deemed appropriate by the Company so that only Senior Subordinated Notes in denominations of \$1,000, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Senior Subordinated Notes were purchased only in part shall be issued new Senior Subordinated Notes equal in principal amount to the unpurchased portion of the Senior Subordinated Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a PRO RATA basis to the extent necessary, the Offer Amount of Senior Subordinated Notes or portions thereof tendered pursuant to the Senior Subordinated Asset Sale Offer, or if less than the Offer Amount has been tendered, all Senior Subordinated Notes tendered, and shall deliver to the

Senior Subordinated Note Trustee an Officers' Certificate stating that such Senior Subordinated Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Senior Subordinated Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Senior Subordinated Note, and the Senior Subordinated Note Trustee, upon written request from the Company shall authenticate and mail or deliver such new Senior Subordinated Note

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to such Holder, in a principal amount equal to any unpurchased portion of the Senior Subordinated Note surrendered. Any Senior Subordinated Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Senior Subordinated Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4 COVENANTS

SECTION 4.01. PAYMENT OF SENIOR SUBORDINATED NOTES.

The Company or a Guarantor shall pay or cause to be paid the principal of, premium, if any, and interest and Liquidated Damages, if any, on the Senior Subordinated Notes on the dates and in the manner provided in the Senior Subordinated Notes. Principal, premium, if any, and interest and Liquidated Damages, if any, shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest and Liquidated Damages, if any, then due. The Company shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Subordinated Registration Rights Agreement.

The Company or a Guarantor shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Senior Subordinated Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02. MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Senior Subordinated Note Trustee or an affiliate of the Senior Subordinated Note Trustee, Registrar or co-registrar) where Senior Subordinated Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Senior Subordinated Notes and this Senior Subordinated Note Indenture may be served. The Company shall give prompt written notice to the Senior Subordinated Note Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Senior Subordinated Note Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Administration Office of the Senior Subordinated Note Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Senior Subordinated Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company shall give prompt written notice to the Senior Subordinated Note Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

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The Company hereby designates the Corporate Trust Office of the Senior Subordinated Note Trustee as one such office or agency of the Company in accordance with Section 2.03.

SECTION 4.03. REPORTS.

(a) Whether or not the Company is required by the rules and regulations of the SEC, so long as any Senior Subordinated Notes are outstanding, the Company

will furnish to each of the Holders of Senior Subordinated Notes and the Senior Subordinated Note Trustee (i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such financial information, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and any consolidated Restricted Subsidiaries and, with respect to the annual information only, reports thereon by the Company's independent public accountants (which shall be firm(s) of established national reputation) and (ii) all information that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports. All such information and reports shall be filed with the SEC (unless the SEC will not accept such a filing) on or prior to the dates on which such filings would have been required to be made had the Company been subject to the rules and regulations of the SEC. In addition, whether or not required by the rules and regulations of the SEC, the Company shall file a copy of all such information and reports with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. The Company shall at all times comply with TIA Section 314(a). Delivery of such reports, information and documents to the Senior Subordinated Note Trustee is for informational purposes only and the Senior Subordinated Note Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Senior Subordinated Note Trustee is entitled to rely exclusively on Officers' Certificates).

(b) For so long as any Senior Subordinated Notes remain outstanding, the Company and the Guarantors shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SECTION 4.04. COMPLIANCE CERTIFICATE.

(a) The Company and each Guarantor (to the extent that such Guarantor is so required under the TIA) shall deliver to the Senior Subordinated Note Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Senior Subordinated Note Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Senior Subordinated Note Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Senior Subordinated Note Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Senior Subordinated Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03(a) above

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shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Senior Subordinated Notes are outstanding, deliver to the Senior Subordinated Note Trustee, as soon as possible, but in no event later than five days after any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

SECTION 4.05. TAXES.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect

to the Holders of the Senior Subordinated Notes.

SECTION 4.06. STAY, EXTENSION AND USURY LAWS.

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Senior Subordinated Note Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Senior Subordinated Note Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.07. RESTRICTED PAYMENTS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company); (ii) purchase, redeem or otherwise acquire or retire for value (including without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company or other Affiliate of the Company; (iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any subordinated Indebtedness, except a payment of interest or principal at Stated Maturity; or (iv) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "RESTRICTED PAYMENTS"), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period,

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have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company or any of its Restricted Subsidiaries after the date of this Senior Subordinated Note Indenture (excluding Restricted Payments permitted by clauses (ii), (iii), (iv), (v) or (x) of the next succeeding paragraph), is less than the sum, without duplication, of (i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter immediately following the date of this Senior Subordinated Note Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus (ii) 100% of the aggregate Net Cash Proceeds or the fair market value of property other than cash received by the Company as a contribution to its common equity capital or from the issue or sale since the date of this Senior Subordinated Note Indenture of Equity Interests of the Company (other than Disqualified Stock), or of Disqualified Stock or debt securities of the Company that have been converted into such Equity Interests (other than Equity Interests (or Disqualified Stock or convertible debt securities) sold to a Restricted Subsidiary of the Company and other than Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock), plus (iii) to the extent not already included in Consolidated Net Income of the Company for such period and without duplication, any Restricted Investment that was made by the Company or any of its Restricted Subsidiaries after the date of this Senior Subordinated Note Indenture is sold for cash or otherwise liquidated or repaid for cash, or any Unrestricted Subsidiary which is designated as an Unrestricted Subsidiary subsequent to the date of this Senior Subordinated Note Indenture is sold for cash or otherwise liquidated or repaid for cash, 100% of the cash return of capital with respect to such Restricted Investment or Unrestricted Subsidiary (less the cost of disposition, if any) and 50% of the excess of the fair market value of the Company's Investment in such Unrestricted Subsidiary as of the date of such redesignation over the amount of the Restricted Investment that reduced this clause (c); PROVIDED FURTHER, that any amounts that increase this clause (c) shall not duplicatively increase amounts available as Permitted Investments.

The foregoing provisions shall not prohibit:

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Senior Subordinated Note Indenture;

(ii) the redemption, repurchase, retirement, defeasance or other acquisition of any Indebtedness which is subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, other Equity Interests of the Company (other than any Disqualified Stock); PROVIDED that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (c) (ii) of the preceding paragraph;

(iii) the defeasance, redemption, repurchase or other acquisition of Indebtedness which is subordinated Indebtedness with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(iv) the payment of any dividend or distribution by a Restricted Subsidiary of the Company to the holders of its common Equity Interests so long as the Company or such Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

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(v) the payment of dividends on the Company's Common Stock and Series B ESOP Convertible Preferred Stock of up to a combined amount of \$25.0 million per annum; PROVIDED that any amount not utilized by the Company to pay dividends in any calendar year will not be carried forward to any subsequent year;

(vi) (a) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company that are held by any member of the Company's (or any of its Restricted Subsidiaries) management pursuant to any management equity subscription agreement or stock option agreement or (b) the repurchase of Equity Interests of the Company or any Restricted Subsidiary of the Company held by employee benefits plans (whether directly or for employees, directors or former directors) pursuant to the terms of agreements (other than management equity subscription agreements or stock option agreements) approved by the Company's Board of Directors; PROVIDED that, in the case of foregoing clause (a) the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed \$10.0 million in the aggregate since the date of this Senior Subordinated Note Indenture and, in the case of foregoing clause (b), the aggregate purchase price paid for all such repurchased Equity Interests shall not exceed \$15.0 million in any twelve-month period;

(vii) repurchases of Equity Interests deemed to occur upon exercise of stock options if such Equity Interests represent a portion of the exercise price of such options;

(viii) other Restricted Payments in an aggregate amount since the date of this Senior Subordinated Note Indenture not to exceed \$50.0 million under this clause (x);

PROVIDED that, with respect to clauses (ii), (iii), (v), (vi) and (viii) above, no Default or Event of Default shall have occurred and be continuing immediately after such transaction or as a consequence thereof.

As of the date of this Senior Subordinated Note Indenture, all of the Company's Subsidiaries other than the FTB Group, Ball Capital Corp. and the Excluded Subsidiaries will be Restricted Subsidiaries. The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause a Default. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under the first paragraph of this Section 4.07. All such outstanding Investments will be deemed to constitute Investments in an amount equal to the fair market value of such Investments at the time of such designation. Such designation will only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

If, at any time, any Unrestricted Subsidiary would fail to meet the requirements in the definition of "Unrestricted Subsidiary" as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Senior Subordinated Note Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be

incurred as of such date under Section 4.09 hereof, the Company shall be in default of such covenant). The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; PROVIDED that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (i) such Indebtedness is permitted under Section 4.09 hereof calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period, (ii) if such Subsidiary is a Domestic Subsidiary, such Subsidiary shall have executed and delivered a supplemental indenture pursuant to which it will become a

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Guarantor under this Senior Subordinated Note Indenture, and (iii) no Default or Event of Default would be in existence following such designation.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary of the Company, pursuant to the Restricted Payment. The fair market value of any noncash Restricted Payment or any adjustment made pursuant to paragraph (c) of this Section 4.07 shall be determined by the Board of Directors of the Company whose resolution with respect thereto shall be delivered to the Senior Subordinated Note Trustee, such determination to be based upon an opinion or appraisal issued by an investment banking firm (or, if an investment banking firm is generally not qualified to give such an opinion or appraisal, by an appraisal firm) of national standing if such fair market value exceeds \$25.0 million. Not later than the date of making any Restricted Payment, the Company shall deliver to the Senior Subordinated Note Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Senior Subordinated Note Indenture.

If any Restricted Investment is sold or otherwise liquidated or repaid or any dividend or payment is received by the Company or a Restricted Subsidiary and such amounts may be credited to clause (c) above, then such amounts will be credited only to the extent of amounts not otherwise included in Consolidated Net Income and that do not otherwise increase the amount available as a Permitted Investment.

SECTION 4.08. DIVIDENDS AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company or the Company to (i)(x) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries (1) on its Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits, or (y) pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its Restricted Subsidiaries or (iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of (a) Existing Indebtedness as in effect on the date of this Senior Subordinated Note Indenture, (b) the Credit Facility as in effect as of the date of this Senior Subordinated Note Indenture, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, PROVIDED that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive with respect to such dividend and other payment restrictions than those contained in the Credit Facility as in effect on the date of this Senior Subordinated Note Indenture, (c) the Senior Note Indenture, this Senior Subordinated Note Indenture, the Senior Notes and the Senior Subordinated Notes, (d) applicable law or any applicable rule, regulation or order, (e) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, PROVIDED that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Senior Subordinated Note Indenture to be incurred, (f) by reason of customary non-assignment provisions in leases or other contracts entered into in the ordinary course of business and consistent with past practices, (g) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (iii) above on the property so acquired, (h) Indebtedness of Guarantors, PROVIDED that such Indebtedness was permitted to be incurred pursuant to this Senior Subordinated Note Indenture, (i) Permitted Refinancing Indebtedness,

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PROVIDED that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced, (j) secured Indebtedness otherwise permitted to be incurred pursuant to the provisions of Section 4.12 hereof that limits the right of the debtor to dispose of assets securing such Indebtedness, (k) provisions with respect to the disposition or distribution of assets or property in joint venture or similar agreements entered into in the ordinary course of business or (l) any Purchase Money Note, or other Indebtedness or other contractual requirements of a Securitization Entity in connection with a Qualified Securitization Transaction; PROVIDED that such restrictions apply only to such Securitization Entity.

SECTION 4.09. INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "INCUR") any Indebtedness (including Acquired Debt) and that the Company shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; PROVIDED, HOWEVER, that the Company may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock and any of the Company's Restricted Subsidiaries may incur Indebtedness if the Company's Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.00 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

The provisions of the first paragraph of this Section 4.09 shall not apply to the incurrence of any of the following items of Indebtedness (collectively, "PERMITTED DEBT"):

(i) the incurrence by the Company or its Restricted Subsidiaries of term Indebtedness under the Credit Facility, letters of credit (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) and related Guarantees under the Credit Facility; PROVIDED that the aggregate principal amount of all term Indebtedness and letters of credit of the Company and its Restricted Subsidiaries (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) outstanding under the Credit Facility after giving effect to such incurrence, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (i) does not exceed an amount equal to \$550.0 million;

(ii) the incurrence by the Company or its Restricted Subsidiaries of revolving credit Indebtedness under the Credit Facility, letters of credit (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) and related Guarantees under the Credit Facility; PROVIDED that the aggregate principal amount of all revolving Indebtedness and letters of credit of the Company and its Restricted Subsidiaries (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) outstanding under the Credit Facility after giving effect to such incurrence, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (ii), does not exceed \$700.0 million less the aggregate amount of Asset Sale proceeds applied by the Company and its Restricted Subsidiaries to permanently reduce the availability of revolving credit Indebtedness under the Credit Agreements pursuant to the provisions of Section 4.10 hereof;

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(iii) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(iv) the incurrence by the Company and the Guarantors of Indebtedness represented by the Senior Notes, the Senior Subordinated Notes, the Senior Subsidiary Guarantees and the Subordinated Subsidiary Guarantees limited in aggregate principal amount, without duplication, to amounts outstanding under the Senior Note Indenture and this Senior Subordinated Note Indenture as of their respective dates;

(v) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost

of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace Indebtedness incurred pursuant to this clause (v), not to exceed 5% of Total Assets;

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness;

(vii) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; PROVIDED, HOWEVER, that (i) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Senior Subordinated Note and this Senior Subordinated Note Indenture, (ii) if a Restricted Subsidiary of the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of such Restricted Subsidiary's Senior Subsidiary Guarantee and (iii) (A) any subsequent event or issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (B) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vii);

(viii) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred in the normal course of business for the purpose of fixing or hedging currency, commodity or interest rate risk (including with respect to any Indebtedness that is permitted by the terms of this Senior Subordinated Note Indenture to be outstanding in connection with the conduct of their respective businesses and not for speculative purposes);

(ix) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in the ordinary course of business solely in respect of performance, surety and similar bonds, completion or performance guarantees or standby letters of credit issued for the purpose of supporting workers' compensation liabilities of the Company or any of its Restricted Subsidiaries, to the extent that such incurrence does not result in the incurrence of any obligation for the payment of borrowed money to others;

(x) the incurrence of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary;

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(xi) the incurrence by a Restricted Subsidiary of the Company of Indebtedness in connection with and in contemplation of, the concurrent disposition of such Restricted Subsidiary to the stockholders of the Company; PROVIDED that such disposition occurs concurrently with such incurrence and following such disposition, neither the Company nor any of its Restricted Subsidiaries has any liability with respect to such Indebtedness;

(xii) the incurrence by a Securitization Entity of Indebtedness in a Qualified Securitization Transaction that is Non-Recourse Debt with respect to the Company and its other Restricted Subsidiaries (except for Standard Securitization Undertakings and Limited Originator Recourse);

(xiii) the guarantee by the Company or any of the Guarantors of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09; and

(xiv) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness incurred pursuant to this clause (xiv), not to exceed \$75.0 million.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xiv) above as of the date of incurrence thereof or is entitled to be incurred pursuant to the first paragraph of this Section 4.09 as of the date of incurrence thereof, the Company shall, in its sole discretion, classify or reclassify such item of Indebtedness as of the date of incurrence thereof in any manner that complies with this Section 4.09 and such item of Indebtedness shall be treated as having been incurred pursuant to only one of such clauses or pursuant to the first

paragraph of this Section 4.09. Accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this Section 4.09.

SECTION 4.10. ASSETS SALES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless (i) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Senior Subordinated Note Trustee with respect to any Asset Sale determined to have a fair market value greater than \$25.0 million) of the assets or Equity Interests issued or sold or otherwise disposed of and (ii) at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents; PROVIDED that the following amounts shall be deemed to be cash: (w) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet), of the Company or any Restricted Subsidiary of the Company (other than contingent liabilities and liabilities that are by their terms subordinated to the Senior Subordinated Notes or any Guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability, (x) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days after the consummation of such Asset Sale (to the extent of the cash received), (y) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale; PROVIDED that the aggregate fair market value (as determined above) of such Designated Noncash Consideration, taken together with the fair market value at the time of receipt of all other Designated Noncash Consideration received pursuant to this clause (y) less the amount of Net Proceeds previously realized in cash from prior Designated Noncash Consideration is less than 5% of Total Assets at the time of the receipt of such

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Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) Additional Assets received in an exchange-of-assets transaction.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds, at its option, (a) to repay Senior Debt of the Company or any Restricted Subsidiary, including, without limitation, Indebtedness under the Senior Notes and any Credit Facility (and to correspondingly permanently reduce the commitments with respect thereto in the case of revolving borrowings), (b) to the acquisition of a controlling interest in another business, the making of a capital expenditure or the acquisition of other long-term assets, in each case, in Permitted Businesses or (c) to an Investment in Additional Assets; PROVIDED, that the Company will have complied with clause (c) if, within 365 days of such Asset Sale, the Company shall have entered into a definitive agreement covering such Investment which is thereafter completed within 365 days after the first anniversary of such Asset Sale. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Indebtedness under any Credit Facility or otherwise invest such Net Proceeds in any manner that is not prohibited by the Indentures. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph shall be deemed to constitute "EXCESS PROCEEDS." When the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company shall be required to make an offer to all Holders of Senior Subordinated Notes and all holders of other Indebtedness that is not Senior Debt that ranks PARI PASSU with the Senior Subordinated Notes containing provisions similar to those set forth in the Senior Subordinated Note Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (a "SENIOR SUBORDINATED ASSET SALE OFFER") to purchase the maximum principal amount of Senior Subordinated Notes and such other Indebtedness that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase, in accordance with the procedures set forth in the Senior Subordinated Note Indenture and such other Indebtedness. To the extent that any Excess Proceeds remain after consummation of a Senior Subordinated Asset Sale Offer, the Company may use any remaining Excess Proceeds for any purpose not otherwise prohibited by the Senior Subordinated Note Indenture. If the aggregate principal amount of Senior Subordinated Notes and such other Indebtedness tendered into such Senior Subordinated Asset Sale Offer surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Senior Subordinated Note Trustee shall select the Senior Subordinated Notes and such other Indebtedness to be purchased on a pro rata basis. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset at zero.

SECTION 4.11. TRANSACTIONS WITH AFFILIATES.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate of any such Person (each of the foregoing, an "AFFILIATE TRANSACTION"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) the Company delivers to the Senior Subordinated Note Trustee (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$5.0 million, a resolution of its Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of its Board of Directors and (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$25.0 million, an opinion as to the fairness to the Holders of such Affiliate Transaction from a financial point of view issued by an investment banking firm (or, if an investment banking firm is generally not qualified to give such an opinion, by an

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appraisal firm) of national standing; PROVIDED that none of the following shall be deemed to be Affiliate Transactions: (1) any employment, severance or termination agreement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary, as the case may be, (2) transactions between or among the Company and/or its Restricted Subsidiaries that are Guarantors, (3) transactions between or among the Company or its Restricted Subsidiaries that are Guarantors with its Restricted Subsidiaries that are not Guarantors, FTB Group and Permitted Joint Ventures on terms that are no less favorable to the Company and/or such Subsidiary than those that would have been obtained in a comparable transaction by the Company and/or such Subsidiary with an unrelated Person, (4) any sale or other issuance of Equity Interests (other than Disqualified Stock) of the Company, (5) Restricted Payments that are permitted by and Investments that are not prohibited by Section 4.07 hereof, (6) fees and compensation paid to members of the Board of Directors of the Company and of its Restricted Subsidiaries in their capacity as such, to the extent such fees and compensation are reasonable and customary, (7) advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business and consistent with past practices, (8) fees and compensation paid to, and indemnity provided on behalf of, officers, directors or employees of the Company or any of its Restricted Subsidiaries, as determined by the Board of Directors of the Company or of any such Restricted Subsidiary, to the extent such fees and compensation are reasonable and customary, shall not be deemed to be Affiliate Transactions and (9) transactions effected as part of a Qualified Securitization Transaction.

SECTION 4.12. LIENS.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness, Attributable Debt, or trade payables (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under this Senior Subordinated Note Indentures and the Senior Subordinated Notes are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

SECTION 4.13. BUSINESS ACTIVITIES.

The Company shall not, and shall not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

SECTION 4.14. CORPORATE EXISTENCE.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Senior

SECTION 4.15. OFFER TO PURCHASE UPON CHANGE OF CONTROL.

(a) Upon the occurrence of a Change of Control, each Holder of Senior Subordinated Notes will have the right to require the Company to repurchase all or any part (equal to \$1,000 or an integral multiple

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thereof) of such Holder's Senior Subordinated Notes pursuant to the offer described below (the "CHANGE OF CONTROL OFFER") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within fifteen days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Senior Subordinated Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "CHANGE OF CONTROL PAYMENT DATE"), pursuant to the procedures required by this Senior Subordinated Note Indenture and described in such notice. The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Senior Subordinated Notes as a result of a Change of Control.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful, (1) accept for payment all Senior Subordinated Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Subordinated Notes or portions thereof so tendered and (3) deliver or cause to be delivered to the Senior Subordinated Note Trustee the Senior Subordinated Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Senior Subordinated Notes or portions thereof being purchased by the Company. The Paying Agent will promptly mail to each Holder of Senior Subordinated Notes so tendered the Change of Control Payment for such Senior Subordinated Notes, and the Senior Subordinated Note Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Senior Subordinated Note equal in principal amount to any unpurchased portion of the Senior Subordinated Notes surrendered, if any; PROVIDED that each such new Senior Subordinated Note will be in a principal amount of \$1,000 or an integral multiple thereof. Prior to complying with the provisions of this Section 4.15, but in any event within 60 days following a Change of Control, the Company will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of Senior Subordinated Notes required by this Section 4.15. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The Change of Control provisions described above will be applicable whether or not any other provisions of this Senior Subordinated Note Indenture are applicable. Except as described above with respect to a Change of Control, this Senior Subordinated Note Indenture does not contain provisions that permit the Holders of the Senior Subordinated Notes to require that the Company repurchase or redeem the Senior Subordinated Notes in the event of a takeover, recapitalization or similar transaction.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Senior Subordinated Note Indenture applicable to a Change of Control Offer made by the Company and purchases all Senior Subordinated Notes validly tendered and not withdrawn under such Change of Control Offer.

SECTION 4.16. ADDITIONAL SUBORDINATED SUBSIDIARY GUARANTEES.

If the Company or any of its Domestic Subsidiaries (i) acquires or creates any Domestic Subsidiary after the date of this Senior Subordinated Indenture that is not a Guarantor or (ii) causes or permits any Foreign Subsidiary that is not a Guarantor to, directly or indirectly, guarantee the payment of any Indebtedness of the Company or any Restricted Subsidiary ("OTHER INDEBTEDNESS") then, in each case the Company shall cause such Subsidiary to simultaneously execute and deliver a supplemental indenture pursuant to which it will become a Guarantor under the Senior Subordinated Note Indenture; PROVIDED,

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HOWEVER, that if such Other Indebtedness is (i) Indebtedness that is ranked PARI PASSU in right of payment with the Senior Subordinated Notes or such Subsidiary's Guarantee of the Senior Subordinated Notes, as the case may be, such Subsidiary's Guarantee of the Senior Subordinated Notes shall be PARI PASSU in right of payment with such Subsidiary's guarantee of the Other

Indebtedness; or (ii) Senior Debt, such Subsidiary's Guarantee of the Senior Subordinated Notes shall be subordinated in right of payment to the guarantee of Other Indebtedness (which guarantee of such Senior Debt shall provide that the guarantee is senior to such Subsidiary's Guarantee of the Senior Subordinated Notes to the same extent and in the same manner as the Other Indebtedness is senior to the Senior Subordinated Notes or such Subsidiary's Guarantee of the Senior Subordinated Notes, as the case may be).

SECTION 4.17. PAYMENT FOR CONSENTS.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Senior Subordinated Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Senior Subordinated Note Indenture or the Senior Subordinated Notes unless such consideration is offered to be paid or is paid to all Holders of the Senior Subordinated Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

SECTION 4.18. SALE AND LEASEBACK TRANSACTIONS.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; PROVIDED that the Company may enter into a sale and leaseback transaction if (i) the Company could have incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to Section 4.09 hereof and (ii) the gross cash proceeds of such sale and leaseback transaction are at least equal to the fair market value (as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Senior Subordinated Note Trustee) of the property that is the subject of such sale and leaseback transaction and (iii) the transfer of assets in such sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10 hereof.

SECTION 4.19. ANTI-LAYERING.

Notwithstanding any other provision of this Senior Subordinated Note Indenture, (i) the Company will not incur, create, issue, assume, guarantee or otherwise become liable directly or indirectly for any Indebtedness (including Acquired Debt) that is subordinate or junior in right of payment to any Senior Debt and senior in any respect in right of payment to the Senior Subordinated Notes and (ii) no Guarantor will incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness (including Acquired Debt) that is subordinate or junior in right of payment to any Senior Debt of a Guarantor and senior in any respect in right of payment to any Subordinated Subsidiary Guarantee.

SECTION 4.20. CERTAIN COVENANTS TO BE SUSPENDED UNDER CERTAIN CONDITIONS.

The covenants set forth in Section 4.01 through Section 4.19, inclusive, of this Senior Subordinated Note Indenture shall be applicable to the Company (and/or its Restricted Subsidiaries, as appropriate) except that during any period of time that (i) the ratings assigned to the Senior Subordinated Notes by both Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service, Inc. ("MOODY'S" and, together with S&P, the "RATING AGENCIES") are equal to or higher than BBB-- and Baa3, or the equivalents thereof, respectively (the "INVESTMENT GRADE RATINGS"), except subsequent to a Change of Control of the Company, and (ii) no Default or Event of Default shall have occurred and be continuing, the Company and its Subsidiaries will not

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be subject to the provisions of this Senior Subordinated Note Indenture described in Sections 4.07 through 4.11, inclusive, and Section 4.18, (collectively, the "SUSPENDED COVENANTS"). In the event that the Company is not subject to the Suspended Covenants for any period of time as a result of the preceding sentence (a "SUSPENSION PERIOD") and, subsequently, one or both Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Senior Subordinated Notes below the required Investment Grade Ratings, then, from and after the date of such withdrawal or downgrade, the Company and its Subsidiaries will again be subject to the Suspended Covenants and compliance with the Suspended Covenants with respect to Restricted Payments made after the time of such withdrawal or downgrade will be calculated in accordance with the terms of Section 4.07 as if such covenant had been in effect during the entire period of time from the date of this Senior Subordinated Note Indenture. Notwithstanding any other provision of this Senior Subordinated Note Indenture, the continued existence, after the date of such withdrawal or downgrade, of facts and circumstances that were incurred or otherwise came into being during a Suspension Period shall not constitute a breach of any covenant set forth in this Senior Subordinated Note Indenture or a Default or Event of Default hereunder.

SECTION 5.01. MERGER, CONSOLIDATION OR SALE OF ASSETS.

The Company shall not, directly or indirectly, consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another Person unless (i) the Company is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Subordinated Registration Rights Agreement, the Senior Subordinated Notes and this Senior Subordinated Note Indenture pursuant to a supplemental indenture in a form reasonably satisfactory to the Senior Subordinated Note Trustee; (iii) immediately before and after such transaction no Default or Event of Default shall have occurred; and (iv) except in the case of a merger of the Company with or into a Subsidiary, the Company or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made will, immediately after such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, (A) be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof or (B) the Fixed Charge Coverage Ratio for the Company or the entity or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made would, immediately after giving pro forma effect thereto as if such transaction had occurred at the beginning of the applicable four-quarter period, not be less than such Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction. The Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. The provisions of this Section 5.01 will not be applicable to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and its Restricted Subsidiaries.

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SECTION 5.02. SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Senior Subordinated Note Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Senior Subordinated Note Indenture with the same effect as if such successor Person had been named as the Company herein; provided, however, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Senior Subordinated Notes except in the case of a sale of all of the Company's assets that meets the requirements of Section 5.01 hereof.

ARTICLE 6 DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT.

An "EVENT OF DEFAULT" occurs if:

(a) the Company defaults in the payment when due of interest on, or Liquidated Damages, if any, with respect to, the Senior Subordinated Notes and such default continues for a period of 30 days (whether or not prohibited by the subordination provisions of Article 10);

(b) the Company defaults in the payment when due of principal of or premium, if any, on the Senior Subordinated Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise (whether or not prohibited by the subordination provisions of Article 10);

(c) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Section 5.01;

(d) the Company or any of its Restricted Subsidiaries fails for 30 days after notice to comply with the provisions of Sections 4.07, 4.09, 4.10 or 4.15

hereof;

(e) the Company or any of its Restricted Subsidiaries fails for 60 days after notice to observe or perform any other covenant, representation, warranty or other agreement in this Senior Subordinated Note Indenture or the Senior Subordinated Notes;

(f) the Company or any of its Restricted Subsidiaries defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity) (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity)) whether such Indebtedness or guarantee now exists, or is created after the date of this Senior Subordinated Note Indenture, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has

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been a Payment Default or the maturity of which has been so accelerated, aggregates without duplication \$20.0 million or more;

(g) the Company or any of its Restricted Subsidiaries fails to pay final judgments aggregating in excess of \$20.0 million (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 days;

(h) the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

(i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a custodian of the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(j) except as permitted by this Senior Subordinated Note Indenture, any Senior Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Senior Subsidiary Guarantee.

SECTION 6.02. ACCELERATION.

If any Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01 hereof with respect to the Company, any Significant Subsidiary that is a Restricted Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary)

occurs and is continuing, the Senior Subordinated Note Trustee or the Holders of at least 25% in principal amount of the

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then outstanding Senior Subordinated Notes may declare all the Senior Subordinated Notes to be due and payable immediately. Upon any such declaration, the Senior Subordinated Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (g) or (h) of Section 6.01 hereof occurs with respect to the Company, any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Senior Subordinated Notes shall be due and payable without further action or notice. Holders of the Senior Subordinated Notes may not enforce this Senior Subordinated Note Indenture or the Senior Subordinated Notes except as provided in this Senior Subordinated Note Indenture.

If an Event of Default occurs prior to August 1, 2003 by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Senior Subordinated Notes prior to August 1, 2003, then the premium specified in this Senior Subordinated Indenture shall also become immediately due and payable to the extent permitted by law upon the acceleration of the Senior Subordinated Notes.

The Company is required to deliver to the Senior Subordinated Note Trustee annually a statement regarding compliance with this Senior Subordinated Note Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Senior Subordinated Note Trustee a statement specifying such Default or Event of Default.

SECTION 6.03. OTHER REMEDIES.

If an Event of Default occurs and is continuing, the Senior Subordinated Note Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest and Liquidated Damages, if any, on the Senior Subordinated Notes or to enforce the performance of any provision of the Senior Subordinated Notes or this Senior Subordinated Note Indenture.

The Senior Subordinated Note Trustee may maintain a proceeding even if it does not possess any of the Senior Subordinated Notes or does not produce any of them in the proceeding. A delay or omission by the Senior Subordinated Note Trustee or any Holder of a Senior Subordinated Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. WAIVER OF PAST DEFAULTS.

The Holders of a majority in aggregate principal amount of the Senior Subordinated Notes then outstanding by notice to the Senior Subordinated Note Trustee may on behalf of the Holders of all of the Senior Subordinated Notes waive any existing Default or Event of Default and its consequences under this Senior Subordinated Note Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Senior Subordinated Notes (including in connection with an offer to purchase); PROVIDED, HOWEVER, that the Holders of a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Senior Subordinated Note Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.06. CONTROL BY MAJORITY.

Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the

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Senior Subordinated Note Trustee or exercising any trust or power conferred on it. However, the Senior Subordinated Note Trustee may refuse to follow any direction that conflicts with law or this Senior Subordinated Note Indenture that the Senior Subordinated Note Trustee determines may be unduly prejudicial to the rights of other Holders of Senior Subordinated Notes or that may involve the Senior Subordinated Note Trustee in personal liability.

SECTION 6.06. LIMITATION ON SUITS.

A Holder of a Senior Subordinated Note may pursue a remedy with respect to this Senior Subordinated Note Indenture or the Senior Subordinated Notes only

if:

(a) the Holder of a Senior Subordinated Note gives to the Senior Subordinated Note Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Senior Subordinated Notes make a written request to the Senior Subordinated Note Trustee to pursue the remedy;

(c) such Holder of a Senior Subordinated Note or Holders of Senior Subordinated Notes offer and, if requested, provide to the Senior Subordinated Note Trustee indemnity satisfactory to the Senior Subordinated Note Trustee against any loss, liability or expense;

(d) the Senior Subordinated Note Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes do not give the Senior Subordinated Note Trustee a direction inconsistent with the request.

A Holder of a Senior Subordinated Note may not use this Senior Subordinated Note Indenture to prejudice the rights of another Holder of a Senior Subordinated Note or to obtain a preference or priority over another Holder of a Senior Subordinated Note.

SECTION 6.07. RIGHTS OF HOLDERS OF SENIOR SUBORDINATED NOTES TO RECEIVE PAYMENT.

Notwithstanding any other provision of this Senior Subordinated Note Indenture, the right of any Holder of a Senior Subordinated Note to receive payment of principal, premium and Liquidated Damages, if any, and interest on the Senior Subordinated Note, on or after the respective due dates expressed in the Senior Subordinated Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. COLLECTION SUIT BY SENIOR SUBORDINATED NOTE TRUSTEE.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Senior Subordinated Note Trustee is authorized to recover judgment in its own name and as Senior Subordinated Note Trustee of an express trust against the Company for the whole amount of principal of, premium and Liquidated Damages, if any, and interest remaining unpaid on the Senior Subordinated Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Senior Subordinated Note Trustee, its agents and counsel.

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SECTION 6.09. SENIOR SUBORDINATED NOTE TRUSTEE MAY FILE PROOFS OF CLAIM.

The Senior Subordinated Note Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Senior Subordinated Note Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Senior Subordinated Note Trustee, its agents and counsel) and the Holders of the Senior Subordinated Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Senior Subordinated Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Senior Subordinated Note Trustee, and in the event that the Senior Subordinated Note Trustee shall consent to the making of such payments directly to the Holders, to pay to the Senior Subordinated Note Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Senior Subordinated Note Trustee, its agents and counsel, and any other amounts due the Senior Subordinated Note Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Senior Subordinated Note Trustee, its agents and counsel, and any other amounts due the Senior Subordinated Note Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Senior Subordinated Note Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Senior Subordinated Notes or the rights of any Holder, or to authorize the Senior Subordinated Note Trustee to vote in

respect of the claim of any Holder in any such proceeding.

SECTION 6.10. PRIORITIES.

If the Senior Subordinated Note Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

FIRST: to the Senior Subordinated Note Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Senior Subordinated Note Trustee and the costs and expenses of collection;

SECOND: to Holders of Senior Subordinated Notes for amounts due and unpaid on the Senior Subordinated Notes for principal, premium and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Senior Subordinated Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

THIRD: to the Company.

The Senior Subordinated Note Trustee may fix a record date and payment date for any payment to Holders of Senior Subordinated Notes pursuant to this Section 6.10.

SECTION 6.11. UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Senior Subordinated Note Indenture or in any suit against the Senior Subordinated Note Trustee for any action taken or omitted by it as a Senior

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Subordinated Note Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Senior Subordinated Note Trustee, a suit by a Holder of a Senior Subordinated Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Senior Subordinated Notes.

ARTICLE 7 SENIOR SUBORDINATED NOTE TRUSTEE

SECTION 7.01. DUTIES OF SENIOR SUBORDINATED NOTE TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Senior Subordinated Note Trustee shall exercise such of the rights and powers vested in it by this Senior Subordinated Note Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Senior Subordinated Note Trustee shall be determined solely by the express provisions of this Senior Subordinated Note Indenture and the Senior Subordinated Note Trustee need perform only those duties that are specifically set forth in this Senior Subordinated Note Indenture and no others, and no implied covenants or obligations shall be read into this Senior Subordinated Note Indenture against the Senior Subordinated Note Trustee; and

(ii) in the absence of bad faith on its part, the Senior Subordinated Note Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Senior Subordinated Note Trustee and conforming to the requirements of this Senior Subordinated Note Indenture, but in the case of any such certificates of opinions which by any provision hereof are specifically required to be furnished to the Senior Subordinated Note Trustee, the Senior Subordinated Note Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Senior Subordinated Note Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Senior Subordinated Note Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Senior Subordinated Note Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Senior Subordinated Note Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Senior Subordinated Note Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

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(d) Whether or not therein expressly so provided, every provision of this Senior Subordinated Note Indenture that in any way relates to the Senior Subordinated Note Trustee is subject to paragraphs (a), (b), (c), (e) and (f) of this Section and Section 7.02.

(e) No provision of this Senior Subordinated Note Indenture shall require the Senior Subordinated Note Trustee to expend or risk its own funds or incur any liability. The Senior Subordinated Note Trustee shall be under no obligation to exercise any of its rights and powers under this Senior Subordinated Note Indenture at the request of any Holders, unless such Holder shall have offered to the Senior Subordinated Note Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Senior Subordinated Note Trustee shall not be liable for interest on any money received by it except as the Senior Subordinated Note Trustee may agree in writing with the Company. Money held in trust by the Senior Subordinated Note Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. RIGHTS OF SENIOR SUBORDINATED NOTE TRUSTEE.

(a) The Senior Subordinated Note Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Senior Subordinated Note Trustee need not investigate any fact or matter stated in the document.

(b) Before the Senior Subordinated Note Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Senior Subordinated Note Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Senior Subordinated Note Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Senior Subordinated Note Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Senior Subordinated Note Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Senior Subordinated Note Indenture.

(e) Unless otherwise specifically provided in this Senior Subordinated Note Indenture, any demand, request, direction or notice from the Company or any Guarantor shall be sufficient if signed by an Officer of the Company or Guarantor issuing such demand, request or notice.

(f) The Senior Subordinated Note Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Senior Subordinated Note Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Senior Subordinated Note Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

SECTION 7.03. INDIVIDUAL RIGHTS OF SENIOR SUBORDINATED NOTE TRUSTEE.

The Senior Subordinated Note Trustee in its individual or any other capacity may become the owner or pledgee of Senior Subordinated Notes and may otherwise deal with the Company or any Affiliate of the

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Company with the same rights it would have if it were not Senior Subordinated Note Trustee. The Senior Subordinated Note Trustee is also subject to Sections 7.10 and 7.11 hereof.

SECTION 7.04. SENIOR SUBORDINATED NOTE TRUSTEE'S DISCLAIMER.

The Senior Subordinated Note Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Senior Subordinated

Note Indenture or the Senior Subordinated Notes, it shall not be accountable for the Company's use of the proceeds from the Senior Subordinated Notes or any money paid to the Company or upon the Company's direction under any provision of this Senior Subordinated Note Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Senior Subordinated Note Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Senior Subordinated Notes or any other document in connection with the sale of the Senior Subordinated Notes or pursuant to this Senior Subordinated Note Indenture other than its certificate of authentication.

SECTION 7.05. NOTICE OF DEFAULTS.

If a Default or Event of Default occurs and is continuing and if it is actually known to a Responsible Officer of the Senior Subordinated Note Trustee, the Senior Subordinated Note Trustee shall mail to Holders of Senior Subordinated Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on any Senior Subordinated Note, the Senior Subordinated Note Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Senior Subordinated Notes.

SECTION 7.06. REPORTS BY SENIOR SUBORDINATED NOTE TRUSTEE TO HOLDERS OF THE SENIOR SUBORDINATED NOTES.

Within 60 days after each August 1 beginning with the August 1 following the date of this Senior Subordinated Note Indenture, and for so long as Senior Subordinated Notes remain outstanding, the Senior Subordinated Note Trustee shall mail to the Holders of the Senior Subordinated Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Senior Subordinated Note Trustee also shall comply with TIA Section 313(b)(2). The Senior Subordinated Note Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders of Senior Subordinated Notes shall be mailed to the Company and filed with the SEC and each stock exchange on which the Senior Subordinated Notes are listed in accordance with TIA Section 313(d). The Company shall promptly notify the Senior Subordinated Note Trustee when the Senior Subordinated Notes are listed on any stock exchange or delisted therefrom.

SECTION 7.07. COMPENSATION AND INDEMNITY.

The Company and the Guarantors shall pay to the Senior Subordinated Note Trustee from time to time such compensation as agreed upon in writing for its acceptance of this Senior Subordinated Note Indenture and services hereunder. The Senior Subordinated Note Trustee's compensation shall not be limited by any law on compensation of a Senior Subordinated Note Trustee of an express trust. The Company and the Guarantors shall reimburse the Senior Subordinated Note Trustee promptly upon request for all disbursements, advances and expenses incurred or made by it in addition to the compensation for its services.

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Such expenses shall include the reasonable compensation, disbursements and expenses of the Senior Subordinated Note Trustee's agents and counsel.

The Company and the Guarantors shall indemnify the Senior Subordinated Note Trustee against any and all losses, liabilities, claims, damages or expenses (including taxes other than taxes based upon the income of the Senior Note Trustee) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Senior Subordinated Note Indenture, including the costs and expenses of enforcing this Senior Subordinated Note Indenture against the Company and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Company and the Guarantors or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or willful misconduct. The Senior Subordinated Note Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Senior Subordinated Note Trustee to so notify the Company shall not relieve the Company and the Guarantors of its obligations hereunder. The Company shall defend the claim and the Senior Subordinated Note Trustee shall cooperate in the defense. The Senior Subordinated Note Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company and the Guarantors under this Section 7.07 shall survive the satisfaction and discharge of this Senior Subordinated Note Indenture.

To secure the Company's and the Guarantors' payment obligations in this Section, the Senior Subordinated Note Trustee shall have a Lien prior to the Senior Subordinated Notes on all money or property held or collected by the Senior Subordinated Note Trustee, except that held in trust to pay principal and interest on particular Senior Subordinated Notes. Such Lien shall survive the satisfaction and discharge of this Senior Subordinated Note Indenture.

When the Senior Subordinated Note Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Senior Subordinated Note Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

SECTION 7.08. REPLACEMENT OF SENIOR SUBORDINATED NOTE TRUSTEE.

A resignation or removal of the Senior Subordinated Note Trustee and appointment of a successor Senior Subordinated Note Trustee shall become effective only upon the successor Senior Subordinated Note Trustee's acceptance of appointment as provided in this Section.

The Senior Subordinated Note Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of Senior Subordinated Notes of a majority in principal amount of the then outstanding Senior Subordinated Notes may remove the Senior Subordinated Note Trustee by so notifying the Senior Subordinated Note Trustee and the Company in writing. The Company may remove the Senior Subordinated Note Trustee if:

(a) the Senior Subordinated Note Trustee fails to comply with Section 7.10 hereof;

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(b) the Senior Subordinated Note Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Senior Subordinated Note Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Senior Subordinated Note Trustee or its property; or

(d) the Senior Subordinated Note Trustee becomes incapable of acting.

If the Senior Subordinated Note Trustee resigns or is removed or if a vacancy exists in the office of Senior Subordinated Note Trustee for any reason, the Company shall promptly appoint a successor Senior Subordinated Note Trustee. Within one year after the successor Senior Subordinated Note Trustee takes office, the Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes may appoint a successor Senior Subordinated Note Trustee to replace the successor Senior Subordinated Note Trustee appointed by the Company.

If a successor Senior Subordinated Note Trustee does not take office within 60 days after the retiring Senior Subordinated Note Trustee resigns or is removed, the retiring Senior Subordinated Note Trustee, the Company, or the Holders of Senior Subordinated Notes of at least 10% in principal amount of the then outstanding Senior Subordinated Notes may petition any court of competent jurisdiction for the appointment of a successor Senior Subordinated Note Trustee.

If the Senior Subordinated Note Trustee, after written request by any Holder of a Senior Subordinated Note who has been a Holder of a Senior Subordinated Note for at least six months, fails to comply with Section 7.10, such Holder of a Senior Subordinated Note may petition at the expense of the Company any court of competent jurisdiction for the removal of the Senior Subordinated Note Trustee and the appointment of a successor Senior Subordinated Note Trustee.

A successor Senior Subordinated Note Trustee shall deliver a written acceptance of its appointment to the retiring Senior Subordinated Note Trustee and to the Company. Thereupon, the resignation or removal of the retiring Senior Subordinated Note Trustee shall become effective, and the successor Senior Subordinated Note Trustee shall have all the rights, powers and duties of the Senior Subordinated Note Trustee under this Senior Subordinated Note Indenture. The successor Senior Subordinated Note Trustee shall mail a notice of its succession to Holders of the Senior Subordinated Notes. The retiring Senior Subordinated Note Trustee shall promptly transfer all property held by it as Senior Subordinated Note Trustee to the successor Senior Subordinated Note Trustee, PROVIDED all sums owing to the Senior Subordinated Note Trustee (including its agents and/or counsel) hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Senior Subordinated Note Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof shall continue for the benefit

of the retiring Senior Subordinated Note Trustee.

SECTION 7.09. SUCCESSOR SENIOR SUBORDINATED NOTE TRUSTEE BY MERGER, ETC.

If the Senior Subordinated Note Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Senior Subordinated Note Trustee.

SECTION 7.10. ELIGIBILITY; DISQUALIFICATION.

There shall at all times be a Senior Subordinated Note Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate Senior Subordinated Note Trustee power, that is subject to

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supervision or examination by federal or state authorities and that has a combined capital and surplus of at least \$50.0 million as set forth in its most recent published annual report of condition.

This Senior Subordinated Note Indenture shall always have a Senior Subordinated Note Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Senior Subordinated Note Trustee is subject to TIA Section 310(b).

SECTION 7.11. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

The Senior Subordinated Note Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Senior Subordinated Note Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

SECTION 7.12. SENIOR SUBORDINATED NOTE TRUSTEE'S APPLICATION FOR INSTRUCTIONS FROM THE COMPANY.

Any application by the Senior Subordinated Note Trustee for written instructions from the Company may, at the option of the Senior Subordinated Note Trustee, set forth in writing any action proposed to be taken or omitted by the Senior Subordinated Note Trustee under this Senior Subordinated Note Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Senior Subordinated Note Trustee shall not be liable for any action taken by, or omission of, the Senior Subordinated Note Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to the taking of such action (or the effective date in the case of an omission), the Senior Subordinated Note Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Senior Subordinated Notes upon compliance with the conditions set forth below in this Article 8.

SECTION 8.02. LEGAL DEFEASANCE AND DISCHARGE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Senior Subordinated Notes and to have each Guarantor's obligation discharged with respect to its Senior Subsidiary Guarantee on the date the conditions set forth below are satisfied (hereinafter, "LEGAL DEFEASANCE"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Senior Subordinated Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Senior Subordinated Note Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Senior Subordinated Notes and this Senior Subordinated Note Indenture (and the Senior Subordinated Note Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged

hereunder: (a) the rights of Holders of outstanding Senior Subordinated Notes to receive solely from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest and Liquidated Damages, if any, on such Senior Subordinated Notes when such payments are due, (b) the Company's obligations with respect to such Senior Subordinated Notes under Article 2 and Section 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Senior Subordinated Note Trustee hereunder and the Company's obligations in connection therewith and (d) this Article 8. Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. COVENANT DEFEASANCE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each Guarantor shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16 and 4.17 hereof with respect to the outstanding Senior Subordinated Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "COVENANT DEFEASANCE"), and the Senior Subordinated Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Senior Subordinated Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Senior Subordinated Notes, the Company and each Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Senior Subordinated Note Indenture and such Senior Subordinated Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(d) through 6.01(f) hereof shall not constitute Events of Default.

SECTION 8.04. CONDITIONS TO LEGAL OR COVENANT DEFEASANCE.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Senior Subordinated Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Senior Subordinated Note Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium and Liquidated Damages, if any, and interest on the outstanding Senior Subordinated Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Senior Subordinated Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Company shall have delivered to the Senior Subordinated Note Trustee an Opinion of Counsel in the United States reasonably acceptable to the Senior Subordinated Note Trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Senior Subordinated Note Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that,

and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Senior Subordinated Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Company shall have delivered to the Senior Subordinated Note Trustee an Opinion of Counsel in the United States reasonably acceptable to the Senior Subordinated Note Trustee confirming that the Holders of the outstanding Senior Subordinated Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been

the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the incurrence of Indebtedness all or a portion of the proceeds of which will be used to defease the Senior Subordinated Notes pursuant to this Article 8 concurrently with such incurrence) or insofar as Sections 6.01(g) or 6.01(h) hereof is concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Senior Subordinated Note Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(f) the Company shall have delivered to the Senior Subordinated Note Trustee an Opinion of Counsel (which may be subject to customary exceptions) to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Company shall have delivered to the Senior Subordinated Note Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(h) the Company shall have delivered to the Senior Subordinated Note Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

SECTION 8.05. DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Senior Subordinated Note Trustee (or other qualifying Senior Subordinated Note Trustee, collectively for purposes of this Section 8.05, the "SENIOR SUBORDINATED NOTE TRUSTEE") pursuant to Section 8.04 hereof in respect of the outstanding Senior Subordinated Notes shall be held in trust and applied by the Senior Subordinated Note Trustee, in accordance with the provisions of such Senior Subordinated Notes and this Senior Subordinated Note Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Senior Subordinated Note Trustee may determine, to the Holders of such Senior Subordinated Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

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The Company and the Guarantors shall pay and indemnify the Senior Subordinated Note Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Senior Subordinated Notes.

Anything in this Article 8 to the contrary notwithstanding, the Senior Subordinated Note Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Senior Subordinated Note Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. REPAYMENT TO COMPANY.

Any money deposited with the Senior Subordinated Note Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Senior Subordinated Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Senior Subordinated Note shall thereafter, as a secured creditor, look only to the Company for payment thereof, and all liability of the Senior Subordinated Note Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as Senior Subordinated Note Trustee thereof, shall thereupon cease; provided, however, that the Senior Subordinated Note Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed

and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 8.07. REINSTATEMENT.

If the Senior Subordinated Note Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Senior Subordinated Note Indenture and the Senior Subordinated Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Senior Subordinated Note Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on any Senior Subordinated Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Senior Subordinated Notes to receive such payment from the money held by the Senior Subordinated Note Trustee or Paying Agent.

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ARTICLE 9 AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. WITHOUT CONSENT OF HOLDERS OF SENIOR SUBORDINATED NOTES.

Notwithstanding Section 9.02 of this Senior Subordinated Note Indenture, the Company, the Guarantors and the Senior Subordinated Note Trustee may amend or supplement this Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes without the consent of any Holder of a Senior Subordinated Note:

- (a) to cure any ambiguity, defect or inconsistency;
- (b) to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;
- (c) to provide for the assumption of the Company's or a Guarantor's obligations to the Holders of the Senior Subordinated Notes by a successor to the Company or a Guarantor pursuant to Article 5 or Article 11 hereof;
- (d) to make any change that would provide any additional rights or benefits to the Holders of the Senior Subordinated Notes or that does not adversely affect the legal rights hereunder of any Holder of the Senior Subordinated Note;
- (e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Senior Subordinated Note Indenture under the TIA; or
- (f) to allow any Guarantor to execute a supplemental Senior Subordinated Note Indenture and/or a Senior Subsidiary Guarantee with respect to the Senior Subordinated Notes.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Senior Subordinated Note Indenture, and upon receipt by the Senior Subordinated Note Trustee of the documents described in Section 7.02 hereof, the Senior Subordinated Note Trustee shall join with the Company and the Guarantors in the execution of any amended or supplemental Senior Subordinated Note Indenture authorized or permitted by the terms of this Senior Subordinated Note Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Senior Subordinated Note Trustee shall not be obligated to enter into such amended or supplemental Senior Subordinated Note Indenture that affects its own rights, duties or immunities under this Senior Subordinated Note Indenture or otherwise.

SECTION 9.02. WITH CONSENT OF HOLDERS OF SENIOR SUBORDINATED NOTES.

Except as provided below in this Section 9.02, the Company and the Senior Subordinated Note Trustee may amend or supplement this Senior Subordinated Note Indenture (including Sections 3.09, 4.10 and 4.15 hereof), the Subordinated Subsidiary Guarantees and the Senior Subordinated Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Senior Subordinated Notes then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Senior Subordinated Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Senior Subordinated

Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Senior Subordinated Notes). Without the consent of at least 75% in principal amount of the Senior Subordinated Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, such Senior Subordinated Notes), no waiver or amendment to this Senior Subordinated Note Indenture may make any change in the provisions of Article 10 hereof that adversely affects the rights of any Holder of Senior Subordinated Notes. Section 2.08 hereof shall determine which Senior Subordinated Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Senior Subordinated Note Indenture, and upon the filing with the Senior Subordinated Note Trustee of evidence satisfactory to the Senior Subordinated Note Trustee of the consent of the Holders of Senior Subordinated Notes as aforesaid, and upon receipt by the Senior Subordinated Note Trustee of the documents described in Section 7.02 hereof, the Senior Subordinated Note Trustee shall join with the Company in the execution of such amended or supplemental Senior Subordinated Note Indenture unless such amended or supplemental Senior Subordinated Note Indenture directly affects the Senior Subordinated Note Trustee's own rights, duties or immunities under this Senior Subordinated Note Indenture or otherwise, in which case the Senior Subordinated Note Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Senior Subordinated Note Indenture.

It shall not be necessary for the consent of the Holders of Senior Subordinated Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders of Senior Subordinated Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Senior Subordinated Note Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Senior Subordinated Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Senior Subordinated Note Indenture or the Senior Subordinated Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Senior Subordinated Notes held by a non-consenting Holder):

(a) reduce the principal amount of Senior Subordinated Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Senior Subordinated Note or alter or waive any of the provisions with respect to the redemption of the Senior Subordinated Notes except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof;

(c) reduce the rate of or change the time for payment of interest, including default interest, on any Senior Subordinated Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages, if any, on the Senior Subordinated Notes (except a rescission of acceleration of the Senior Subordinated Notes by the Holders of at least a majority in aggregate principal amount of the

then outstanding Senior Subordinated Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Senior Subordinated Note payable in money other than that stated in the Senior Subordinated Notes;

(f) make any change in the provisions of this Senior Subordinated Note Indenture relating to waivers of past Defaults or the rights of Holders of Senior Subordinated Notes to receive payments of principal of or premium, interest or Liquidated Damages, if any, on the Senior Subordinated Notes;

(g) waive a redemption payment with respect to any Senior Subordinated Note (other than a payment required pursuant to Section 4.10 or 4.15);

(h) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions; or

(i) release any Guarantor from any of its obligations under its Senior Subsidiary Guarantee or this Senior Subordinated Note Indenture, except in accordance with the terms of this Senior Subordinated Note Indenture.

SECTION 9.03. COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment or supplement to this Senior Subordinated Note Indenture or the Senior Subordinated Notes shall be set forth in a amended or supplemental Senior Subordinated Note Indenture that complies with the TIA as then in effect.

SECTION 9.04. REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Senior Subordinated Note is a continuing consent by the Holder of a Senior Subordinated Note and every subsequent Holder of a Senior Subordinated Note or portion of a Senior Subordinated Note that evidences the same debt as the consenting Holder's Senior Subordinated Note, even if notation of the consent is not made on any Senior Subordinated Note. However, any such Holder of a Senior Subordinated Note or subsequent Holder of a Senior Subordinated Note may revoke the consent as to its Senior Subordinated Note if the Senior Subordinated Note Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

SECTION 9.05. NOTATION ON OR EXCHANGE OF SENIOR SUBORDINATED NOTES.

The Senior Subordinated Note Trustee may place an appropriate notation about an amendment, supplement or waiver on any Senior Subordinated Note thereafter authenticated. The Company in exchange for all Senior Subordinated Notes may issue and the Senior Subordinated Note Trustee shall, upon receipt of an Authentication Order, authenticate new Senior Subordinated Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Senior Subordinated Note shall not affect the validity and effect of such amendment, supplement or waiver.

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SECTION 9.06. SENIOR SUBORDINATED NOTE TRUSTEE TO SIGN AMENDMENTS, ETC.

The Senior Subordinated Note Trustee shall sign any amended or supplemental Senior Subordinated Note Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Senior Subordinated Note Trustee. The Company may not sign an amendment or supplemental Senior Subordinated Note Indenture until the Board of Directors approves it. In executing any amended or supplemental Senior Subordinated Note Indenture, the Senior Subordinated Note Trustee shall be entitled to receive and (subject to Section 7.01 hereof) shall be fully protected in relying upon, in addition to the documents required by Section 12.04 hereof, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental Senior Subordinated Note Indenture is authorized or permitted by this Senior Subordinated Note Indenture.

ARTICLE 10 SUBORDINATION

SECTION 10.01. AGREEMENT TO SUBORDINATE.

The Company and the Guarantors agree, and each Holder by accepting a Senior Subordinated Note agrees, that the Indebtedness evidenced by the Senior Subordinated Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment in full in cash or Cash Equivalents of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

SECTION 10.02. LIQUIDATION; DISSOLUTION; BANKRUPTCY.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or any marshaling of the Company's assets and liabilities:

(a) holders of Senior Debt shall be entitled to receive payment in full in cash or Cash Equivalents of all Obligations due in respect of such Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the agreement or instrument governing the applicable Senior Debt,

whether or not allowed or allowable as a claim in any such proceeding) before Holders of the Senior Subordinated Notes shall be entitled to receive any payment with respect to the Senior Subordinated Notes (except that Holders may receive and retain (i) Permitted Junior Securities and (ii) payments and other distributions made from any defeasance trust created pursuant to Section 8.01 hereof); and

(b) until all Obligations with respect to Senior Debt (as provided in subsection (1) above) are paid in full in cash or Cash Equivalents, any distribution to which Holders would be entitled but for this Article 10 shall be made to holders of Senior Debt (except that Holders of Senior Subordinated Notes may receive (i) Permitted Junior Securities and (ii) payments and other distributions made from any defeasance trust created pursuant to Section 8.01 hereof), as their interests may appear.

A distribution may consist of cash, securities or other property, by set-off or otherwise.

SECTION 10.03. DEFAULT ON DESIGNATED SENIOR DEBT.

The Company may not make any payment or distribution to the Senior Subordinated Note Trustee or any Holder in respect of Obligations upon or in respect of the Senior Subordinated Notes and may not

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acquire from the Senior Subordinated Note Trustee or any Holder any Senior Subordinated Notes for cash or property (other than (i) in Permitted Junior Securities and (ii) from payments and other distributions made from any defeasance trust created pursuant to Section 8.01 hereof) until all principal and other Obligations with respect to the Senior Debt have been paid in full in cash or Cash Equivalents if:

(a) a default in the payment of any principal or other Obligations with respect to Designated Senior Debt occurs and is continuing; or

(b) any other default occurs and is continuing with respect to Designated Senior Debt that permits holders of the Designated Senior Debt as to which such default relates to accelerate its maturity (or that would permit such holders to accelerate with the giving of notice or the passage of time or both) and the Senior Subordinated Note Trustee receives a notice of the default (a "PAYMENT BLOCKAGE NOTICE") from a Person who may give it pursuant to Section 10.11 hereof. If the Senior Subordinated Note Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until (i) 360 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice and (ii) all scheduled payments of principal, premium, if any, and interest and Liquidated Damages, if any, on the Senior Subordinated Notes that have come due have been paid in full in cash. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Senior Subordinated Note Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless such default shall have been waived for a period of not less than 180 days.

The Company may and shall resume payments on and distributions in respect of the Senior Subordinated Notes and may acquire them upon the earlier of:

- (i) the date upon which the default is cured or waived, or
- (ii) in the case of a default referred to in Section 10.03(b) hereof, 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any Designated Senior Debt has been accelerated, if this Article 10 otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

SECTION 10.04. ACCELERATION OF SENIOR SUBORDINATED NOTES.

If payment of the Senior Subordinated Notes is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Debt of such acceleration.

SECTION 10.05. WHEN DISTRIBUTION MUST BE PAID OVER.

In the event that the Senior Subordinated Note Trustee or any Holder receives any payment of any Obligations with respect to the Senior Subordinated Notes at a time when the Senior Subordinated Note Trustee or such Holder, as applicable, has actual knowledge that such payment is prohibited by Article 10 hereof, such payment shall be held by the Senior Subordinated Note Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the holders of Senior Debt as their interests may appear or their Representative under the Senior Subordinated Note Indenture or other agreement (if any) pursuant to which Senior Debt may have

been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

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With respect to the holders of Senior Debt, the Senior Subordinated Note Trustee undertakes to perform only such obligations on the part of the Senior Subordinated Note Trustee as are specifically set forth in this Article 10, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Senior Subordinated Note Indenture against the Senior Subordinated Note Trustee. The Senior Subordinated Note Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to any such holders if the Senior Subordinated Note Trustee shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article 10, except if such payment is made as a result of the willful misconduct or gross negligence of the Senior Subordinated Note Trustee.

SECTION 10.06. NOTICE BY COMPANY.

The Company shall promptly notify the Senior Subordinated Note Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Senior Subordinated Notes to violate this Article 10, but failure to give such notice shall not affect the subordination of the Senior Subordinated Notes to the Senior Debt as provided in this Article 10.

SECTION 10.07. SUBROGATION.

After all Senior Debt is paid in full in cash and until the Senior Subordinated Notes are paid in full, Holders of Senior Subordinated Notes shall be subrogated (equally and ratably with all other Indebtedness PARI PASSU with the Senior Subordinated Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Senior Subordinated Notes have been applied to the payment of Senior Debt. A distribution made under this Article 10 to holders of Senior Debt that otherwise would have been made to Holders of Senior Subordinated Notes is not, as between the Company and Holders, a payment by the Company on the Senior Subordinated Notes.

SECTION 10.08. RELATIVE RIGHTS.

This Article 10 defines the relative rights of Holders of Senior Subordinated Notes and holders of Senior Debt. Nothing in this Senior Subordinated Note Indenture shall:

(a) impair, as between the Company and Holders of Senior Subordinated Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Senior Subordinated Notes in accordance with their terms;

(b) affect the relative rights of Holders of Senior Subordinated Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(c) prevent the Senior Subordinated Note Trustee or any Holder of Senior Subordinated Notes from exercising its available remedies upon a Default or Event of Default, subject to (i) the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Senior Subordinated Notes and (ii) the notice provisions of Section 6.02 hereof.

If the Company fails because of this Article 10 to pay principal of or interest on a Senior Subordinated Note on the due date, the failure is still a Default or Event of Default.

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SECTION 10.09. SUBORDINATION MAY NOT BE IMPAIRED BY COMPANY.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Senior Subordinated Notes shall be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Senior Subordinated Note Indenture.

SECTION 10.10. DISTRIBUTION OR NOTICE TO REPRESENTATIVE.

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 10, the Senior Subordinated Note Trustee and the Holders of Senior Subordinated Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating Senior Subordinated Note Trustee or agent or other Person making any distribution to the Senior Subordinated Note Trustee or to the Holders of Senior Subordinated Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

SECTION 10.11. RIGHTS OF SENIOR SUBORDINATED NOTE TRUSTEE AND PAYING AGENT.

Notwithstanding the provisions of this Article 10 or any other provision of this Senior Subordinated Note Indenture, the Senior Subordinated Note Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Senior Subordinated Note Trustee, and the Senior Subordinated Note Trustee and the Paying Agent may continue to make payments on the Senior Subordinated Notes, unless the Senior Subordinated Note Trustee shall have received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Senior Subordinated Notes to violate this Article 10. Only the Company or a Representative may give the notice. Nothing in this Article 10 shall impair the claims of, or payments to, the Senior Subordinated Note Trustee under or pursuant to Section 7.07 hereof.

The Senior Subordinated Note Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Senior Subordinated Note Trustee. Any Agent may do the same with like rights.

SECTION 10.12. AUTHORIZATION TO EFFECT SUBORDINATION.

Each Holder of Senior Subordinated Notes, by the Holder's acceptance thereof, authorizes and directs the Senior Subordinated Note Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 10, and appoints the Senior Subordinated Note Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Senior Subordinated Note Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the credit agents are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Senior Subordinated Notes.

SECTION 10.13. AMENDMENTS.

The provisions of this Article 10 shall not be amended or modified in a manner that is adverse to the holders of all Senior Debt without the written consent of the holders of all Senior Debt.

ARTICLE 11 SUBORDINATED SUBSIDIARY GUARANTEES

SECTION 11.01. GUARANTEE.

Subject to this Article 11, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Senior Subordinated Note authenticated and delivered by the Senior Subordinated Note Trustee and to the Senior Subordinated Note Trustee and its successors and assigns, irrespective of the validity and enforceability of this Senior Subordinated Note Indenture, the Senior Subordinated Notes or the obligations of the Company hereunder or thereunder, that: (a) the principal of and interest on the Senior Subordinated Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Senior Subordinated Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Senior Subordinated Note Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Senior Subordinated Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the

Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Senior Subordinated Notes or this Senior Subordinated Note Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Senior Subordinated Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Senior Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Senior Subordinated Notes and this Senior Subordinated Note Indenture.

If any Holder or the Senior Subordinated Note Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, Senior Subordinated Note Trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Senior Subordinated Note Trustee or such Holder, this Senior Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Senior Subordinated Note Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Senior Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such

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obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Senior Subsidiary Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Senior Subsidiary Guarantee.

SECTION 11.02. SUBORDINATION OF SUBORDINATED SUBSIDIARY GUARANTEE.

The Obligations of each Guarantor under its Subordinated Subsidiary Guarantee pursuant to this Article 11 shall be junior and subordinated to the Senior Debt of such Guarantor on the same basis as the Senior Subordinated Notes are junior and subordinated to Senior Debt of the Company. For the purposes of the foregoing sentence, the Senior Subordinated Note Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guarantors only at such times as they may receive and/or retain payments in respect of the Senior Subordinated Notes pursuant to this Senior Subordinated Note Indenture, including Article 11 hereof.

SECTION 11.03. LIMITATION ON GUARANTOR LIABILITY.

Each Guarantor, and by its acceptance of Senior Subordinated Notes, each Holder, hereby confirms that it is the intention of all such parties that the Senior Subsidiary Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Senior Subsidiary Guarantee. To effectuate the foregoing intention, the Senior Subordinated Note Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor under its Senior Subsidiary Guarantee and this Article 11 shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 11, result in the obligations of such Guarantor under its Senior Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

SECTION 11.04. EXECUTION AND DELIVERY OF SENIOR SUBSIDIARY GUARANTEE.

To evidence its Senior Subsidiary Guarantee set forth in Section 11.01, each Guarantor hereby agrees that a notation of such Senior Subsidiary Guarantee substantially in the form included in Exhibit E shall be endorsed by an Officer of such Guarantor on each Senior Subordinated Note authenticated and delivered by the Senior Subordinated Note Trustee and that this Senior Subordinated Note Indenture shall be executed on behalf of such Guarantor by its President or one of its Vice Presidents.

Each Guarantor hereby agrees that its Senior Subsidiary Guarantee set forth in Section 11.01 shall remain in full force and effect notwithstanding any failure to endorse on each Senior Subordinated Note a notation of such Senior Subsidiary Guarantee.

If an Officer whose signature is on this Senior Subordinated Note Indenture or on the Senior Subsidiary Guarantee no longer holds that office at the time the Senior Subordinated Note Trustee authenticates the Senior Subordinated Note on which a Senior Subsidiary Guarantee is endorsed, the Senior Subsidiary Guarantee shall be valid nevertheless.

The delivery of any Senior Subordinated Note by the Senior Subordinated Note Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Senior Subsidiary Guarantee set forth in this Senior Subordinated Note Indenture on behalf of the Guarantors.

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In the event that the Company creates or acquires any new Subsidiaries subsequent to the date of this Senior Subordinated Note Indenture, if required by Section 4.16 hereof, the Company shall cause such Subsidiaries to execute supplemental Senior Subordinated Note Indentures to this Senior Subordinated Note Indenture and Subordinated Subsidiary Guarantees in accordance with Section 4.16 hereof and this Article 11, to the extent applicable.

SECTION 11.05. GUARANTORS MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

No Guarantor may consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person whether or not affiliated with such Guarantor unless:

(a) subject to Section 11.04 hereof, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Guarantor, pursuant to a supplemental Senior Subordinated Note Indenture in form and substance reasonably satisfactory to the Senior Subordinated Note Trustee, under the Senior Subordinated Notes, this Senior Subordinated Note Indenture, the Subordinated Registration Rights Agreement and the Senior Subsidiary Guarantee on the terms set forth herein or therein;

(b) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(c) the Company would be permitted, immediately after giving effect to such transaction, to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental Senior Subordinated Note Indenture, executed and delivered to the Senior Subordinated Note Trustee and satisfactory in form to the Senior Subordinated Note Trustee, of the Senior Subsidiary Guarantee endorsed upon the Senior Subordinated Notes and the due and punctual performance of all of the covenants and conditions of this Senior Subordinated Note Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Subordinated Subsidiary Guarantees to be endorsed upon all of the Senior Subordinated Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Senior Subordinated Note Trustee. All the Subordinated Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under this Senior Subordinated Note Indenture as the Subordinated Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of this Senior Subordinated Note Indenture as though all of such Subordinated Subsidiary Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (a) and (b) above, nothing contained in this Senior Subordinated Note Indenture or in any of the Senior Subordinated Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or

another Guarantor.

SECTION 11.06. RELEASES FOLLOWING SALE OF ASSETS.

In the event of (a) a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, (b) a sale or other disposition of all of the capital stock of any Guarantor or (c) the designation of a Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Senior Subordinated Note Indenture, then such Guarantor (in the event of a sale or other disposition, by way of

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merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Senior Subsidiary Guarantee; provided that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Senior Subordinated Note Indenture, including without limitation Section 4.10 hereof. Upon delivery by the Company to the Senior Subordinated Note Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the applicable provisions of this Senior Subordinated Note Indenture, including without limitation Section 4.10 hereof, the Senior Subordinated Note Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Senior Subsidiary Guarantee.

Any Guarantor not released from its obligations under its Senior Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Senior Subordinated Notes and for the other obligations of any Guarantor under this Senior Subordinated Note Indenture as provided in this Article 11.

ARTICLE 12 MISCELLANEOUS

SECTION 12.01. TRUST INDENTURE ACT CONTROLS.

If any provision of this Senior Subordinated Note Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

SECTION 12.02. NOTICES.

Any notice or communication by the Company, any Guarantor or the Senior Subordinated Note Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address.

If to the Company and/or any Guarantor:
Ball Corporation
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Telecopier No.: (303) 460-2691
Attention: Treasurer

With a copy to:
Skadden, Arps, Slate, Meagher & Flom
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
Telecopier No.: (312) 407-0411
Attention: Brian W. Duwe

If to the Senior Subordinated Note Trustee:
The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Telecopier No.: (212) 815-5915
Attention: Corporate Trust Administration

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The Company, any Guarantor or the Senior Subordinated Note Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if

personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail postage prepaid, certified or registered mail, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Senior Subordinated Note Trustee and each Agent at the same time.

SECTION 12.03. COMMUNICATION BY HOLDERS OF SENIOR SUBORDINATED NOTES WITH OTHER HOLDERS OF SENIOR SUBORDINATED NOTES.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Senior Subordinated Note Indenture or the Senior Subordinated Notes. The Company, the Senior Subordinated Note Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 12.04. CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Senior Subordinated Note Trustee to take any action under this Senior Subordinated Note Indenture, the Company shall furnish to the Senior Subordinated Note Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Senior Subordinated Note Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Senior Subordinated Note Indenture relating to the proposed action have been satisfied; and

(b) except with respect to the initial issuance of the Senior Subordinated Notes, an Opinion of Counsel in form and substance reasonably satisfactory to the Senior Subordinated Note Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 12.05. STATEMENTS REQUIRED IN CERTIFICATE.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Senior Subordinated Note Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

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(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

SECTION 12.06. RULES BY SENIOR SUBORDINATED NOTE TRUSTEE AND AGENTS.

The Senior Subordinated Note Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 12.07. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS.

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or such Guarantor under the Senior Subordinated Notes, the Subordinated Subsidiary Guarantees, this Senior Subordinated Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Subordinated Notes.

SECTION 12.08. GOVERNING LAW.

THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SENIOR SUBORDINATED NOTE INDENTURE, THE SENIOR SUBORDINATED NOTES AND THE SUBORDINATED SUBSIDIARY GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 12.09. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Senior Subordinated Note Indenture may not be used to interpret any other Senior Subordinated Note Indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such Senior Subordinated Note Indenture, loan or debt agreement may not be used to interpret this Senior Subordinated Note Indenture.

SECTION 12.10. SUCCESSORS.

All agreements of the Company in this Senior Subordinated Note Indenture and the Senior Subordinated Notes shall bind its successors. All agreements of the Senior Subordinated Note Trustee in this Senior Subordinated Note Indenture shall bind its successors.

SECTION 12.11. SEVERABILITY.

In case any provision in this Senior Subordinated Note Indenture or in the Senior Subordinated Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

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SECTION 12.12. COUNTERPART ORIGINALS.

The parties may sign any number of copies of this Senior Subordinated Note Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 12.13. TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Senior Subordinated Note Indenture have been inserted for convenience of reference only, are not to be considered a part of this Senior Subordinated Note Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

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SIGNATURES

Dated as of August 10, 1998

BALL CORPORATION

By: _____

Name:
Title:

BALL AEROSPACE AND TECHNOLOGIES CORP.

By: _____

Name:
Title:

BALL ASIA PACIFIC LIMITED

By:
Name:
Title:

BALL GLASS CONTAINER CORPORATION

By: _____
Name:
Title:

BALL HOLDINGS CORP.

By: _____
Name:
Title:

BALL METAL BEVERAGE CONTAINER CORP.

By: _____
Name:
Title:

BALL METAL FOOD CONTAINER CORP.

By: _____
Name:
Title:

BALL METAL PACKAGING SALES CORP.

By: _____
Name:
Title:

BALL PACKAGING CORP.

By: _____
Name:
Title:

BALL PLASTIC CONTAINER CORP.

By: _____
Name:
Title:

BALL TECHNOLOGIES HOLDING CORP.

By: _____
Name:
Title:

BALL TECHNOLOGY SERVICES CORPORATION

By: _____
Name:
Title:

BG HOLDINGS I, INC.

By: _____
Name:
Title:

BG HOLDINGS II, INC.

By: _____
Name:
Title:

EFRATOM HOLDING, INC.

By: _____
Name:
Title:

LATAS DE ALUMINIO REYNOLDS, INC.

By: _____
Name:
Title:

RCAL CANS, INC.

By: _____
Name:
Title:

RIND CANS, INC.

By: _____
Name:
Title:

THE BANK OF NEW YORK,
as Senior Subordinated Note Trustee

By: _____
Name:
Title:

EXHIBIT A1
(FACE OF SENIOR SUBORDINATED NOTE)

[INSERT THE GLOBAL SENIOR SUBORDINATED NOTE LEGEND, IF APPLICABLE PURSUANT TO
THE PROVISIONS OF THE SENIOR SUBORDINATED NOTE INDENTURE]
[INSERT THE PRIVATE PLACEMENT LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS
OF THE SENIOR SUBORDINATED NOTE INDENTURE]
CUSIP/CINS

8 1/4% [SERIES A] [SERIES B] SENIOR SUBORDINATED NOTES DUE 2008

NO. _____ \$ _____

BALL CORPORATION

promises to pay to _____ or registered assigns, the principal sum of
_____ Dollars on August 1, 2008.

Interest Payment Dates: February 1 and August 1
Record Dates: January 15 and July 15

BALL CORPORATION

By: _____
Name:
Title:

This is one of the [Global]
Senior Subordinated Notes referred to in the
within-mentioned Senior Subordinated Note Indenture:

Dated: August 10, 1998

THE BANK OF NEW YORK,
as Senior Subordinated Note Trustee

By: _____
Name:
Title:

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(BACK OF SENIOR SUBORDINATED NOTE)
___% [Series A] [Series B] Senior Subordinated Notes due 2008

Capitalized terms used herein shall have the meanings assigned to them in the
Senior Subordinated Note Indenture referred to below unless otherwise indicated.

1. INTEREST. Ball Corporation, an Indiana corporation (the "COMPANY"),
promises to pay interest on the principal amount of this Senior Subordinated
Note at 8 1/4% per annum from August 10, 1998 until maturity and shall pay the
Liquidated Damages payable pursuant to Section 5 of the Subordinated
Registration Rights Agreement referred to below. The Company will pay
interest and Liquidated Damages semi-annually on February 1 and August 1 of
each year, or if any such day is not a Business Day, on the next succeeding
Business Day (each an "INTEREST PAYMENT DATE"). Interest on the Senior
Subordinated Notes will accrue from the most recent date to which interest
has been paid or, if no interest has been paid, from the date of issuance;
PROVIDED that if there is no existing Default in the payment of interest, and

if this Senior Subordinated Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be February 1, 1999. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Senior Subordinated Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest on the Senior Subordinated Notes (except defaulted interest) and Liquidated Damages to the Persons who are registered Holders of Senior Subordinated Notes at the close of business on the January 15 or July 15 next preceding the Interest Payment Date, even if such Senior Subordinated Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Senior Subordinated Note Indenture with respect to defaulted interest. Principal, premium, if any, and interest and Liquidated Damages on the Senior Subordinated Notes will be payable at the office or agency of the Company maintained for such purpose within the City and State of New York or, at the option of the Company, payment of interest and Liquidated Damages may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders of Notes; PROVIDED that all payments of principal, premium, interest and Liquidated Damages thereon, if any, with respect to Notes the Holders of which have given wire transfer instructions to the Trustee will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Senior Subordinated Note Trustee under the Senior Subordinated Note Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. SENIOR SUBORDINATED NOTE INDENTURE. The Company issued the Senior Subordinated Notes under an Senior Subordinated Note Indenture dated as of August 10, 1998 ("SENIOR SUBORDINATED NOTE INDENTURE") between the Company and the Senior Subordinated Note Trustee. The terms of the Senior Subordinated Notes include those stated in the Senior Subordinated Note Indenture and those made part of the Senior Subordinated Note Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbb). The Senior Subordinated Notes are subject to all such terms, and Holders are referred to the Senior Subordinated Note Indenture and such Act for a statement of such terms. To the extent any provision of this Senior Subordinated Note conflicts with the express provisions of the Senior Subordinated Note

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Indenture, the provisions of the Senior Subordinated Note Indenture shall govern and be controlling. The Senior Subordinated Notes are obligations of the Company limited to \$250.0 million in aggregate principal amount.

5. OPTIONAL REDEMPTION.

(a) The Senior Subordinated Notes will not be subject to redemption at the option of the Company prior to August 1, 2003. Thereafter, the Senior Subordinated Notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on August 1 of the years indicated below:

<TABLE>
<CAPTION>

YEAR	PERCENTAGE
----	-----
<S>	<C>
2003	104.125%
2004	102.750%
2005	101.375%
2006 and thereafter	100.000%

</TABLE>

(b) Notwithstanding the provisions of clause (a) of this Paragraph 5, during the first 36 months after August 5, 1998, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Senior Subordinated Notes issued under the Senior Subordinated Note Indenture at a redemption price of 108.250% of the principal amount thereof, plus in such case accrued and unpaid interest and Liquidated Damages thereon, if any, to the redemption date, with the net cash proceeds of any Public Equity Offering; PROVIDED that at least 65% of the aggregate principal amount of Senior Subordinated Notes issued remain outstanding immediately after the occurrence of such redemption (excluding Senior Subordinated Notes held by the Company and its Subsidiaries); and PROVIDED, further, that such redemption shall occur within 90 days of the date of the closing of such Public Equity Offering.

(c) Any redemption pursuant to this Paragraph 5 shall be made pursuant to the provisions of Article 3 of the Senior Subordinated Note Indenture.

6. MANDATORY REDEMPTION. Except as set forth in Sections 3.09, 4.10 and 4.15 of the Senior Subordinated Note Indenture, the Company shall not be required to make mandatory redemption payments with respect to the Senior Subordinated Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company shall be required to make an offer (a "CHANGE OF CONTROL OFFER") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Senior Subordinated Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within 15 days following any Change of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Senior Subordinated Note Indenture.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sales and the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company shall commence an offer to all Holders of Senior Subordinated Notes (a "SENIOR SUBORDINATED ASSET SALE OFFER") pursuant to

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Section 3.09 of the Senior Subordinated Note Indenture to purchase the maximum principal amount of Senior Subordinated Notes that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Senior Subordinated Note Indenture. To the extent that the aggregate amount of Senior Subordinated Notes tendered pursuant to a Senior Subordinated Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not prohibited by the Senior Subordinated Note Indenture. If the aggregate principal amount of Senior Subordinated Notes surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Senior Subordinated Note Trustee shall select the Senior Subordinated Notes to be purchased on a PRO RATA basis. Holders of Senior Subordinated Notes that are the subject of an offer to purchase will receive a Senior Subordinated Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Senior Subordinated Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Senior Subordinated Notes.

9. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Senior Subordinated Notes are to be redeemed at its registered address. Senior Subordinated Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Senior Subordinated Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Senior Subordinated Notes or portions thereof called for redemption.

10. DENOMINATIONS, TRANSFER, EXCHANGE. The Senior Subordinated Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Senior Subordinated Notes may be registered and Senior Subordinated Notes may be exchanged as provided in the Senior Subordinated Note Indenture. The Registrar and the Senior Subordinated Note Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Senior Subordinated Note Indenture. The Company need not exchange or register the transfer of any Senior Subordinated Note or portion of a Senior Subordinated Note selected for redemption, except for the unredeemed portion of any Senior Subordinated Note

being redeemed in part. Also, the Company need not exchange or register the transfer of any Senior Subordinated Notes for a period of 15 days before a selection of Senior Subordinated Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

11. PERSONS DEEMED OWNERS. The registered Holder of a Senior Subordinated Note may be treated as its owner for all purposes.

12. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Senior Subordinated Notes voting as a single class, and any existing default or compliance with any provision of the Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes voting as a single class. Without the consent of any Holder of a Senior Subordinated Note, the Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes, to provide for the assumption of the Company's or Guarantor's obligations to Holders of the Senior Subordinated Notes in case of a merger or consolidation, to make any

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change that would provide any additional rights or benefits to the Holders of the Senior Subordinated Notes or that does not adversely affect the legal rights under the Senior Subordinated Note Indenture of any such Holder, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Senior Subordinated Note Indenture under the Trust Indenture Act or to allow any Guarantor to execute a supplemental Senior Subordinated Note Indenture to the Senior Subordinated Note Indenture and/or a Senior Subsidiary Guarantee with respect to the Senior Subordinated Notes. Without the consent of at least 75% in principal amount of the Senior Subordinated Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, such Senior Subordinated Notes), no waiver or amendment to this Senior Subordinated Note Indenture may make any change in the provisions of Article 10 of the Senior Subordinated Note Indenture that adversely affects the rights of any Holder of Senior Subordinated Notes.

13. DEFAULTS AND REMEDIES. An "EVENT OF DEFAULT" occurs if: (i) the Company defaults in the payment when due of interest on, or Liquidated Damages, if any, with respect to, the Senior Subordinated Notes and such default continues for a period of 30 days (whether or not prohibited by the subordination provisions of Article 10 of the Senior Subordinated Note Indenture); (ii) the Company defaults in the payment when due of principal of or premium, if any, on the Senior Subordinated Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise (whether or not prohibited by the subordination provisions of Article 10 of the Senior Subordinated Note Indenture); (iii) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Sections 5.01; (iv) the Company or any of its Restricted Subsidiaries fails to comply for 30 days after notice to the Company by the Senior Subordinated Note Trustee with any of the provisions of Sections 4.07, 4.09, 4.10 or 4.15 of the Senior Subordinated Note Indenture; (v) the Company or any of its Restricted Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in the Senior Subordinated Note Indenture or the Senior Subordinated Notes for 60 days after notice to the Company by the Senior Subordinated Note Trustee; (vi) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity) (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity)) whether such Indebtedness or guarantee now exists, or is created after the date of this Senior Subordinated Note Indenture, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates without duplication \$20.0 million or more; (vii) the Company or any of its Restricted Subsidiaries fails to pay final judgments aggregating in excess of \$20.0 million (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 days; (viii) certain events of bankruptcy or insolvency occur with respect to the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken

as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law; or (ix) except as permitted by the Senior Subordinated Note Indenture, any Senior Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under such Guarantor's Senior Subsidiary Guarantee.

If any Event of Default occurs and is continuing, the Senior Subordinated Note Trustee or the Holders of at least 25% in principal amount of the then outstanding Senior Subordinated Notes may declare all the Senior Subordinated Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Senior Subordinated Notes will become due and payable without further action or notice. Holders may not enforce the Senior Subordinated

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Note Indenture or the Senior Subordinated Notes except as provided in the Senior Subordinated Note Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes may direct the Senior Subordinated Note Trustee in its exercise of any trust or power. The Senior Subordinated Note Trustee may withhold from Holders of the Senior Subordinated Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Senior Subordinated Notes then outstanding by notice to the Senior Subordinated Note Trustee may on behalf of the Holders of all of the Senior Subordinated Notes waive any existing Default or Event of Default and its consequences under the Senior Subordinated Note Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Senior Subordinated Notes. The Company is required to deliver to the Senior Subordinated Note Trustee annually a statement regarding compliance with the Senior Subordinated Note Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Senior Subordinated Note Trustee a statement specifying such Default or Event of Default.

14. SENIOR SUBORDINATED NOTE TRUSTEE DEALINGS WITH COMPANY. The Senior Subordinated Note Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Senior Subordinated Note Trustee.

15. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, shall not have any liability for any obligations of the Company or such Guarantor under the Senior Subordinated Notes, the Subordinated Subsidiary Guarantees or the Senior Subordinated Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Senior Subordinated Notes.

16. AUTHENTICATION. This Senior Subordinated Note shall not be valid until authenticated by the manual signature of the Senior Subordinated Note Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

18. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL SENIOR SUBORDINATED NOTES AND RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. In addition to the rights provided to Holders of Senior Subordinated Notes under the Senior Subordinated Note Indenture, Holders of Restricted Global Senior Subordinated Notes and Restricted Definitive Senior Subordinated Notes shall have all the rights set forth in the Subordinated Registration Rights Agreement dated as of August 10, 1998, between the Company and the parties named on the signature pages thereof (the "SUBORDINATED REGISTRATION RIGHTS AGREEMENT").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Senior Subordinated Notes and the Senior Subordinated Note Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Senior Subordinated Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Senior Subordinated Note Indenture and/or the Subordinated Registration Rights Agreement. Requests may be made to:

Ball Corporation
 Colorado Office Center
 9300 West 108th Circle
 Broomfield, CO 80021-3682
 Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Senior Subordinated Note, fill in the form below: (I) or (we) assign and transfer this Senior Subordinated Note to

 (Insert assignee's soc. sec. or tax I.D. no.)

 (Print or type assignee's name, address and zip code)

and irrevocably appoint _____
 to transfer this Senior Subordinated Note on the books of the Company. The agent may substitute another to act for him.

 Date: _____ Your Signature: _____
 (SIGN EXACTLY AS YOUR NAME APPEARS ON THE
 FACE OF THIS SENIOR SUBORDINATED NOTE)
 Tax Identification No: _____
 SIGNATURE GUARANTEE: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Option of Holder to Elect Purchase

If you want to elect to have this Senior Subordinated Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Senior Subordinated Note Indenture, check the box below:

/ / Section 4.10 / / Section 4.15

If you want to elect to have only part of the Senior Subordinated Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Senior Subordinated Note Indenture, state the amount you elect to have purchased:
 \$ _____

Date: _____ Your Signature: _____

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SENIOR SUBORDINATED NOTES IN DEFINITIVE FORM, THIS SENIOR SUBORDINATED NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1) (a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

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CUSIP/CINS

8 1/4% SERIES A SENIOR SUBORDINATED NOTES DUE 2008

NO. \$

BALL CORPORATION

promises to pay to _____ or registered assigns, the principal sum of
_____ Dollars on August 1, 2008.

Interest Payment Dates: February 1 and August 1
Record Dates: January 15 and July 15

BALL CORPORATION

By: _____
Name:
Title:

This is one of the [Global]
Senior Subordinated Notes referred to in the
within-mentioned Senior Subordinated Note Indenture:

Dated: August 10, 1998

THE BANK OF NEW YORK,
as Senior Subordinated Note Trustee

By: _____
Name:
Title:

A2-2

(BACK OF REGULATION S TEMPORARY GLOBAL SENIOR SUBORDINATED NOTE)

Capitalized terms used herein shall have the meanings assigned to them in the Senior Subordinated Note Indenture referred to below unless otherwise indicated.

1. INTEREST. Ball Corporation, an Indiana corporation (the "COMPANY"), promises to pay interest on the principal amount of this Senior Subordinated Note at 8 1/4% per annum from August 10, 1998 until maturity and shall pay the Liquidated Damages payable pursuant to Section 5 of the Subordinated Registration Rights Agreement referred to below. The Company will pay interest and Liquidated Damages semi-annually on February 1 and August 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "INTEREST PAYMENT DATE"). Interest on the Senior Subordinated Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that if there is no existing Default in the payment of interest, and if this Senior Subordinated Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be February 1, 1999. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Senior Subordinated Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Until this Regulation S Temporary Global Senior Subordinated Note is exchanged for one or more Regulation S Permanent Global Senior Subordinated Notes, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Senior Subordinated Note shall in all other respects be entitled to the same benefits as other Senior Subordinated Notes under the Senior Subordinated Note Indenture.

2. METHOD OF PAYMENT. The Company will pay interest on the Senior Subordinated Notes (except defaulted interest) and Liquidated Damages to the Persons who are registered Holders of Senior Subordinated Notes at the close of business on the January 15 or July 15 next preceding the Interest Payment Date, even if such Senior Subordinated Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Senior Subordinated Note Indenture with respect to defaulted interest. Principal, premium, if any, and interest and Liquidated Damages on the Senior Subordinated Notes will be payable at the office or agency of the Company maintained for such purpose within the City and State of New York or, at the option of the Company, payment of interest and Liquidated Damages may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders of Notes; PROVIDED that all payments of principal, premium, interest and Liquidated Damages thereon, if any, with respect to Notes the Holders of which have given wire transfer instructions to the Trustee will be required to be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Senior Subordinated Note Trustee under the Senior Subordinated Note Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. SENIOR SUBORDINATED NOTE INDENTURE. The Company issued the Senior Subordinated Notes under an Senior Subordinated Note Indenture dated as of August 10, 1998 ("SENIOR SUBORDINATED NOTE INDENTURE")

A2-3

between the Company and the Senior Subordinated Note Trustee. The terms of the Senior Subordinated Notes include those stated in the Senior Subordinated Note Indenture and those made part of the Senior Subordinated Note Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbb). The Senior Subordinated Notes are subject to all such terms, and Holders are referred to the Senior Subordinated Note Indenture and such Act for a statement of such terms. To the extent any provision of this Senior Subordinated Note conflicts with the express provisions of the Senior Subordinated Note Indenture, the provisions of the Senior Subordinated Note Indenture shall govern and be controlling. The Senior Subordinated Notes are obligations of the Company limited to \$250.0 million in aggregate principal amount.

5. OPTIONAL REDEMPTION.

(a) The Senior Subordinated Notes will not be subject to redemption at the option of the Company prior to August 1, 2003. Thereafter, the Senior Subordinated Notes will be subject to redemption at any time at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on August 1 of the years indicated below:

<TABLE>
<CAPTION>

YEAR	PERCENTAGE
<S>	<C>
2003	104.125%
2004	102.750%
2005	101.375%
2006 and thereafter	100.000%

</TABLE>

(b) Notwithstanding the provisions of clause (a) of this Paragraph 5, during the first 36 months after August 5, 1998, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Senior Subordinated Notes issued under the Senior Subordinated Note Indenture at a redemption price of 108.250% of the principal amount thereof, plus in such case accrued and unpaid interest and Liquidated Damages thereon, if any, to the redemption date, with the net cash proceeds of any Public Equity Offering; PROVIDED that at least 65% of the aggregate principal amount of Senior Subordinated Notes issued remain outstanding immediately after the occurrence of such redemption (excluding Senior Subordinated Notes held by the Company and its Subsidiaries); and PROVIDED, further, that such redemption shall occur within 90 days of the date of the closing of such Public Equity Offering.

(c) Any redemption pursuant to this Paragraph 5 shall be made pursuant to the provisions of Article 3 of the Senior Subordinated Note Indenture.

6. MANDATORY REDEMPTION. Except as set forth in Sections 3.09, 4.10 and 4.15 of the Senior Subordinated Note Indenture, the Company shall not be required to make mandatory redemption payments with respect to the Senior Subordinated Notes.

7. REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company shall be required to make an offer (a "CHANGE OF CONTROL OFFER") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Senior Subordinated Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within 15 days following any Change

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of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Senior Subordinated Note Indenture.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sales and the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company shall commence an offer to all Holders of Senior Subordinated Notes (a "SENIOR SUBORDINATED ASSET SALE OFFER") pursuant to Section 3.09 of the Senior Subordinated Note Indenture to purchase the maximum principal amount of Senior Subordinated Notes that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages thereon, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Senior Subordinated Note Indenture. To the extent that the aggregate amount of Senior Subordinated Notes tendered pursuant to a Senior Subordinated Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not prohibited by the Senior Subordinated Note Indenture. If the aggregate principal amount of Senior Subordinated Notes surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Senior Subordinated Note Trustee shall select the Senior Subordinated Notes to be purchased on a PRO RATA basis. Holders of Senior Subordinated Notes that are the subject of an offer to purchase will receive a Senior Subordinated Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Senior Subordinated Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Senior Subordinated Notes.

9. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Senior Subordinated Notes are to be redeemed at its registered address. Senior Subordinated Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Senior Subordinated Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Senior Subordinated Notes or portions thereof called for redemption.

10. DENOMINATIONS, TRANSFER, EXCHANGE. The Senior Subordinated Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Senior Subordinated Notes may be registered and Senior Subordinated Notes may be exchanged as provided in the Senior Subordinated Note Indenture. The Registrar and the Senior Subordinated Note Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Senior Subordinated Note Indenture. The Company need not exchange or register the transfer of any Senior Subordinated Note or portion of a Senior Subordinated Note selected for redemption, except for the unredeemed portion of any Senior Subordinated Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Senior Subordinated Notes for a period of 15 days before a selection of Senior Subordinated Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

This Regulation S Temporary Global Senior Subordinated Note is exchangeable in whole or in part for one or more Global Senior Subordinated Notes only (i) on or after the termination of the 40-day restricted period (as defined in Regulation S) and (ii) upon presentation of certificates (accompanied by an Opinion of Counsel, if applicable) required by Article 2 of the Senior Subordinated Note Indenture. Upon exchange of this Regulation S Temporary Global Senior Subordinated Note for one or more Global Senior Subordinated Notes, the Senior Subordinated Note Trustee shall cancel this Regulation S Temporary Global Senior Subordinated Note.

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11. PERSONS DEEMED OWNERS. The registered Holder of a Senior Subordinated Note may be treated as its owner for all purposes.

12. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Senior Subordinated Notes voting as a single class, and any existing default or compliance with any provision of the Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes voting as a single class. Without the consent of any Holder of a Senior Subordinated Note, the Senior Subordinated Note Indenture, the Subordinated Subsidiary Guarantees or the Senior Subordinated Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes, to provide for the assumption of the Company's or Guarantor's obligations to Holders of the Senior Subordinated Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Senior Subordinated Notes or that does not adversely affect the legal rights under the Senior Subordinated Note Indenture of any such Holder, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Senior Subordinated Note Indenture under the Trust Indenture Act or to allow any Guarantor to execute a supplemental Senior Subordinated Note Indenture to the Senior Subordinated Note Indenture and/or a Senior Subsidiary Guarantee with respect to the Senior Subordinated Notes. Without the consent of at least 75% in principal amount of the Senior Subordinated Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, such Senior Subordinated Notes), no waiver or amendment to this Senior Subordinated Note Indenture may make any change in the provisions of Article 10 of the Senior Subordinated Note Indenture that adversely affects the rights of any Holder of Senior Subordinated Notes.

13. DEFAULTS AND REMEDIES. An "EVENT OF DEFAULT" occurs if: (i) the Company defaults in the payment when due of interest on, or Liquidated Damages, if any, with respect to, the Senior Subordinated Notes and such default continues for a period of 30 days (whether or not prohibited by the subordination provisions of Article 10 of the Senior Subordinated Note Indenture); (ii) the Company defaults in the payment when due of principal of or premium, if any, on the Senior Subordinated Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise (whether or not prohibited by the subordination provisions of Article 10 of the Senior Subordinated Note

Indenture); (iii) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Sections 5.01; (iv) the Company or any of its Restricted Subsidiaries fails to comply for 30 days after notice to the Company by the Senior Subordinated Note Trustee with any of the provisions of Sections 4.07, 4.09, 4.10 or 4.15 of the Senior Subordinated Note Indenture; (v) the Company or any of its Restricted Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in the Senior Subordinated Note Indenture or the Senior Subordinated Notes for 60 days after notice to the Company by the Senior Subordinated Note Trustee; (vi) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity) (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries (other than a Securitization Entity)) whether such Indebtedness or guarantee now exists, or is created after the date of this Senior Subordinated Note Indenture, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates without duplication \$20.0 million or more; (vii) the Company or any of its

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Restricted Subsidiaries fails to pay final judgments aggregating in excess of \$20.0 million (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed for a period of 60 days; (viii) certain events of bankruptcy or insolvency occur with respect to the Company or any of its Significant Subsidiaries that are Restricted Subsidiaries or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law; or (ix) except as permitted by the Senior Subordinated Note Indenture, any Senior Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under such Guarantor's Senior Subsidiary Guarantee.

If any Event of Default occurs and is continuing, the Senior Subordinated Note Trustee or the Holders of at least 25% in principal amount of the then outstanding Senior Subordinated Notes may declare all the Senior Subordinated Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Senior Subordinated Notes will become due and payable without further action or notice. Holders may not enforce the Senior Subordinated Note Indenture or the Senior Subordinated Notes except as provided in the Senior Subordinated Note Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Senior Subordinated Notes may direct the Senior Subordinated Note Trustee in its exercise of any trust or power. The Senior Subordinated Note Trustee may withhold from Holders of the Senior Subordinated Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Senior Subordinated Notes then outstanding by notice to the Senior Subordinated Note Trustee may on behalf of the Holders of all of the Senior Subordinated Notes waive any existing Default or Event of Default and its consequences under the Senior Subordinated Note Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Senior Subordinated Notes. The Company is required to deliver to the Senior Subordinated Note Trustee annually a statement regarding compliance with the Senior Subordinated Note Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Senior Subordinated Note Trustee a statement specifying such Default or Event of Default.

14. SENIOR SUBORDINATED NOTE TRUSTEE DEALINGS WITH COMPANY. The Senior Subordinated Note Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Senior Subordinated Note Trustee.

15. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, shall not have any liability for any obligations of the Company or such Guarantor under the Senior Subordinated Notes, the Subordinated Subsidiary Guarantees or the Senior Subordinated Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Senior Subordinated Notes.

16. AUTHENTICATION. This Senior Subordinated Note shall not be valid until authenticated by the manual signature of the Senior Subordinated Note Trustee or an authenticating agent.

17. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

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18. ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL SENIOR SUBORDINATED NOTES AND RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES. In addition to the rights provided to Holders of Senior Subordinated Notes under the Senior Subordinated Note Indenture, Holders of Restricted Global Senior Subordinated Notes and Restricted Definitive Senior Subordinated Notes shall have all the rights set forth in the Subordinated Registration Rights Agreement dated as of August 10, 1998, between the Company and the parties named on the signature pages thereof (the "SUBORDINATED REGISTRATION RIGHTS AGREEMENT").

19. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Senior Subordinated Notes and the Senior Subordinated Note Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Senior Subordinated Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Senior Subordinated Note Indenture and/or the Subordinated Registration Rights Agreement. Requests may be made to:

Ball Corporation
Colorado Office Center
9300 West 108th Circle
Broomfield, CO 80021-3682
Attention: Chief Financial Officer

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ASSIGNMENT FORM

To assign this Senior Subordinated Note, fill in the form below: (I) or (we) assign and transfer this Senior Subordinated Note to

- -----
(Insert assignee's soc. sec. or tax I.D. no.)
- -----
- -----
- -----
- -----
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Senior Subordinated Note on the books of the Company. The agent may substitute another to act for him.

- -----
Date: _____

Your Signature: _____
(SIGN EXACTLY AS YOUR NAME APPEARS ON THE FACE OF THIS SENIOR SUBORDINATED NOTE)
Tax Identification No: _____
SIGNATURE GUARANTEE: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance

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EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Ball Corporation
Colorado Office Center
9300 West 108th Circle
Broomfield, CO 80021-3682

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Attention: Corporate Trust Administration

Re: 8 1/4% SENIOR SUBORDINATED NOTES DUE 2008 (CUSIP)

Reference is hereby made to the Senior Subordinated Note Indenture, dated as of August __, 1998 (the "SENIOR SUBORDINATED NOTE INDENTURE"), between Ball Corporation, as issuer (the "COMPANY"), and The Bank of New York, as Senior Subordinated Note Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Subordinated Note Indenture.

_____, (the "TRANSFEROR") owns and proposes to transfer the Senior Subordinated Note[s] or interest in such Senior Subordinated Note[s] specified in Annex A hereto, in the principal amount of \$_____ in such Senior Subordinated Note[s] or interests (the "TRANSFER"), to _____ (the "TRANSFeree"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. / / CHECK IF TRANSFeree WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL SENIOR SUBORDINATED NOTE OR A DEFINITIVE SENIOR SUBORDINATED NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "SECURITIES ACT"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Senior Subordinated Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Senior Subordinated Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Subordinated Note Indenture, the transferred beneficial interest or Definitive Senior Subordinated Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Senior Subordinated Note and/or the Definitive Senior Subordinated Note and in the Senior Subordinated Note Indenture and the Securities Act.

2. / / CHECK IF TRANSFeree WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE TEMPORARY REGULATION S GLOBAL SENIOR SUBORDINATED NOTE, THE REGULATION S GLOBAL SENIOR SUBORDINATED NOTE OR A DEFINITIVE SENIOR SUBORDINATED NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y)

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the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Senior Subordinated Note Indenture, the transferred beneficial interest or Definitive Senior Subordinated Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Senior Subordinated Note, the Temporary Regulation S Global Senior Subordinated Note and/or the Definitive Senior Subordinated Note and in the

3. / / CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE IAI GLOBAL SENIOR SUBORDINATED NOTE OR A DEFINITIVE SENIOR SUBORDINATED NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Senior Subordinated Notes and Restricted Definitive Senior Subordinated Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) such Transfer is being effected to the Company or a subsidiary thereof; or

(c) such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d) such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Senior Subordinated Note or Restricted Definitive Senior Subordinated Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Senior Subordinated Note Indenture and (2) if such Transfer is in respect of a principal amount of Senior Subordinated Notes at the time of transfer of less than \$250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Senior Subordinated Note Indenture, the transferred beneficial interest or Definitive Senior Subordinated Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Senior Subordinated Note and/or the Definitive Senior Subordinated Notes and in the Senior Subordinated Note Indenture and the Securities Act.

4. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTE OR OF AN UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE.

(a) CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer

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restrictions contained in the Senior Subordinated Note Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Subordinated Note Indenture, the transferred beneficial interest or Definitive Senior Subordinated Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Senior Subordinated Notes, on Restricted Definitive Senior Subordinated Notes and in the Senior Subordinated Note Indenture.

(b) CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Senior Subordinated Note Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Subordinated Note Indenture, the transferred beneficial interest or Definitive Senior Subordinated Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Senior Subordinated Notes, on Restricted Definitive Senior Subordinated Notes and in the Senior Subordinated Note Indenture.

(c) CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Senior Subordinated Note Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Senior Subordinated Note Indenture, the transferred beneficial interest or Definitive Senior Subordinated Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Senior Subordinated Notes or Restricted Definitive Senior Subordinated Notes and in the Senior Subordinated Note Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[INSERT NAME OF TRANSFEROR]

By: _____

Name:
Title:

Dated: _____, _____

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ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

- (a) / / a beneficial interest in the:

(i) / / 144A Global Senior Subordinated Note (CUSIP _____), or

(ii) / / Regulation S Global Senior Subordinated Note (CUSIP _____), or

(iii) / / IAI Global Senior Subordinated Note (CUSIP _____); or

- (b) / / a Restricted Definitive Senior Subordinated Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

- (a) / / a beneficial interest in the:

(i) / / 144A Global Senior Subordinated Note (CUSIP _____), or

(ii) / / Regulation S Global Senior Subordinated Note (CUSIP _____), or

(iii) / / IAI Global Senior Subordinated Note (CUSIP _____); or

(iv) / / Unrestricted Global Senior Subordinated Note (CUSIP _____); or

- (b) / / a Restricted Definitive Senior Subordinated Note; or

- (c) / / an Unrestricted Definitive Senior Subordinated Note, in accordance with the terms of the Senior Subordinated Note Indenture.

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EXHIBIT C
FORM OF CERTIFICATE OF EXCHANGE

Ball Corporation
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Attention: Treasurer

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Attention: Corporate Trust Administration

Re: 8 1/4% SENIOR SUBORDINATED NOTES DUE 2008 (CUSIP _____)

Reference is hereby made to the Senior Subordinated Note Indenture, dated as of August 10, 1998 (the "SENIOR SUBORDINATED NOTE INDENTURE"), between Ball Corporation, as issuer (the "COMPANY"), and The Bank of New York, as Senior Subordinated Note Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Subordinated Note Indenture.

_____, (the "OWNER") owns and proposes to exchange the Senior Subordinated Note[s] or interest in such Senior Subordinated Note[s] specified herein, in the principal amount of \$_____ in such Senior Subordinated Note[s] or interests (the "EXCHANGE"). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE FOR UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTE

(a) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Senior Subordinated Note for a beneficial interest in an Unrestricted Global Senior Subordinated Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Senior Subordinated Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "SECURITIES ACT"), (iii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Senior Subordinated Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE TO UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Senior Subordinated Note for an Unrestricted Definitive Senior Subordinated Note, the Owner hereby certifies (i) the Definitive Senior Subordinated Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Senior

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Subordinated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Senior Subordinated Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SENIOR SUBORDINATED NOTE. In connection with the Owner's Exchange of a Restricted Definitive Senior Subordinated Note for a beneficial interest in an Unrestricted Global Senior Subordinated Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Senior Subordinated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE TO UNRESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE. In connection with the Owner's Exchange of a Restricted Definitive Senior Subordinated Note for an Unrestricted Definitive Senior Subordinated Note, the Owner hereby certifies (i) the Unrestricted Definitive Senior Subordinated Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Senior Subordinated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Senior Subordinated Note Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities

Act and (iv) the Unrestricted Definitive Senior Subordinated Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR SUBORDINATED NOTES FOR RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SENIOR SUBORDINATED NOTES

(a) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE TO RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Senior Subordinated Note for a Restricted Definitive Senior Subordinated Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Senior Subordinated Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Senior Subordinated Note Indenture, the Restricted Definitive Senior Subordinated Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Senior Subordinated Note and in the Senior Subordinated Note Indenture and the Securities Act.

(b) / / CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SENIOR SUBORDINATED NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SENIOR SUBORDINATED NOTE. In connection with the Exchange of the Owner's Restricted Definitive Senior Subordinated Note for a beneficial interest in the [CHECK ONE] / / 144A Global Senior Subordinated Note, / / Regulation S Global Senior Subordinated Note, / / IAI Global Senior Subordinated Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Senior Subordinated Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in

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accordance with the terms of the Senior Subordinated Note Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Senior Subordinated Note and in the Senior Subordinated Note Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[INSERT NAME OF OWNER]

By: _____

Name:

Title:

Dated: _____, _____

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EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Ball Corporation
10 Longs Peak Drive
Broomfield, Colorado 80021-2510
Attention: Treasurer

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286
Attention: Corporate Trust Administration

Re: 8 1/4% SENIOR SUBORDINATED NOTES DUE 2008 (CUSIP _____)

Reference is hereby made to the Senior Subordinated Note Indenture, dated as of August 10, 1998 (the "SENIOR SUBORDINATED NOTE INDENTURE"), between Ball Corporation, as issuer (the "COMPANY"), and The Bank of New York, as Senior Subordinated Note Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Subordinated Note Indenture.

In connection with our proposed purchase of \$ _____ aggregate principal amount of:

- (a) / / a beneficial interest in a Global Senior Subordinated Note, or
- (b) / / a Definitive Senior Subordinated Note,

we confirm that:

1. We understand that any subsequent transfer of the Senior Subordinated Notes or any interest therein is subject to certain restrictions and conditions set forth in the Senior Subordinated Note Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Senior Subordinated Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "SECURITIES ACT").

2. We understand that the offer and sale of the Senior Subordinated Notes have not been registered under the Securities Act, and that the Senior Subordinated Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Senior Subordinated Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (c) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Senior Subordinated Notes, at the time of transfer of less than \$250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Senior Subordinated Note or beneficial interest in a Global Senior Subordinated Note from us in a transaction meeting the requirements

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of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Senior Subordinated Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Senior Subordinated Notes purchased by us will bear a legend to the foregoing effect. We further understand that any subsequent transfer by us of the Senior Subordinated Notes or beneficial interest therein acquired by us must be effected through one of the Placement Agents.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Senior Subordinated Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Senior Subordinated Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[INSERT NAME OF ACCREDITED INVESTOR]

By: _____

Name:
Title:

Dated: _____, _____

EXHIBIT E

FORM OF NOTATION OF SENIOR SUBSIDIARY GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Senior Subordinated Note Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Senior Subordinated Note Indenture and subject to the provisions in the Senior Subordinated Note Indenture dated as of August 10, 1998 (the "SENIOR SUBORDINATED NOTE INDENTURE") among Ball Corporation, the Guarantors listed on Schedule I thereto and The Bank of New York, as Senior Subordinated Note Trustee (the "SENIOR SUBORDINATED NOTE TRUSTEE"), (a) the due and punctual payment of the principal of, premium, if any, and interest on the Senior Subordinated Notes (as defined in the Senior Subordinated Note Indenture), whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal and premium, and, to the extent permitted by law, interest, and the due and punctual performance of all other obligations of the Company to the Holders or the Senior Subordinated Note Trustee all in accordance with the terms of the Senior Subordinated Note Indenture and (b) in case of any extension of time of payment or renewal of any Senior Subordinated Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Senior Subordinated Notes and to the Senior Subordinated Note Trustee pursuant to the Senior Subsidiary Guarantee and the Senior Subordinated Note Indenture are expressly set forth in Article 11 of the Senior Subordinated Note Indenture and reference is hereby made to the Senior Subordinated Note Indenture for the precise terms of the Senior Subsidiary Guarantee. Each Holder of a Senior Subordinated Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Senior Subordinated Note Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Senior Subordinated Note Indenture and (c) appoints the Senior Subordinated Note Trustee attorney-in-fact of such Holder for such purpose; PROVIDED, HOWEVER, that the Indebtedness evidenced by this Senior Subsidiary Guarantee shall cease to be so subordinated and subject in right of payment upon any defeasance of this Senior Subordinated Note in accordance with the provisions of the Senior Subordinated Note Indenture.

[Name of Guarantor(s)]

By: _____

Name:

Title:

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EXHIBIT F

FORM OF SUPPLEMENTAL SENIOR SUBORDINATED NOTE INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL SENIOR SUBORDINATED NOTE INDENTURE (this "SUPPLEMENTAL SENIOR SUBORDINATED NOTE INDENTURE"), dated as of _____, among _____ (the "GUARANTEEING SUBSIDIARY"), a subsidiary of Ball Corporation (or its permitted successor), an Indiana corporation (the "COMPANY"), the Company, the other Guarantors (as defined in the Senior Subordinated Note Indenture referred to herein) and The Bank of New York, as Senior Subordinated Note Trustee under the Senior Subordinated Note Indenture referred to below (the "SENIOR SUBORDINATED NOTE TRUSTEE").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Senior Subordinated Note Trustee an Senior Subordinated Note Indenture (the "SENIOR SUBORDINATED NOTE INDENTURE"), dated as of August 10, 1998 providing for the issuance of an aggregate principal amount of up to \$250.0 million of 8 1/4% Senior Subordinated Notes due 2008 (the "SENIOR SUBORDINATED NOTES");

WHEREAS, the Senior Subordinated Note Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Senior Subordinated Note Trustee a supplemental Senior Subordinated Note Indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Senior Subordinated Notes and the Senior Subordinated Note Indenture on the terms and conditions set forth herein (the "SENIOR SUBSIDIARY GUARANTEE"); and

WHEREAS, pursuant to Section 9.01 of the Senior Subordinated Note Indenture,

the Senior Subordinated Note Trustee is authorized to execute and deliver this Supplemental Senior Subordinated Note Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantoring Subsidiary and the Senior Subordinated Note Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Senior Subordinated Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Senior Subordinated Note Indenture.

2. AGREEMENT TO GUARANTEE. The Guarantoring Subsidiary hereby agrees as follows:

(a) Along with all Guarantors named in the Senior Subordinated Note Indenture, to jointly and severally Guarantee to each Holder of a Senior Subordinated Note authenticated and delivered by the Senior Subordinated Note Trustee and to the Senior Subordinated Note Trustee and its successors and assigns, irrespective of the validity and enforceability of the Senior Subordinated Note Indenture, the Senior Subordinated Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of and interest on the Senior Subordinated Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Senior Subordinated Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Senior Subordinated Note Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

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(ii) in case of any extension of time of payment or renewal of any Senior Subordinated Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Senior Subordinated Notes or the Senior Subordinated Note Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Senior Subordinated Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The following is hereby waived: diligence presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Senior Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Senior Subordinated Notes and the Senior Subordinated Note Indenture.

(e) If any Holder or the Senior Subordinated Note Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, Senior Subordinated Note Trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Senior Subordinated Note Trustee or such Holder, this Senior Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guarantoring Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Senior Subordinated Note Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Senior Subordinated Note Indenture for the purposes of this Senior Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Senior Subordinated Note Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors

for the purpose of this Senior Subsidiary Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Senior Subsidiary Guarantee.

(i) Pursuant to Section 11.04 of the Senior Subordinated Note Indenture, after giving effect to any maximum amount and any other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 11 of the Senior Subordinated Note

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Indenture shall result in the obligations of such Guarantor under its Senior Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Subordinated Subsidiary Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Senior Subordinated Note a notation of such Senior Subsidiary Guarantee.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) The Guaranteeing Subsidiary may not consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another corporation, Person or entity whether or not affiliated with such Guarantor unless:

(i) subject to Section 11.04 of the Senior Subordinated Note Indenture, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Guarantor, pursuant to a supplemental Senior Subordinated Note Indenture in form and substance reasonably satisfactory to the Senior Subordinated Note Trustee, under the Senior Subordinated Notes, the Senior Subordinated Note Indenture and the Senior Subsidiary Guarantee on the terms set forth herein or therein; and

(ii) immediately after giving effect to such transaction, no Default or Event of Default exists.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental Senior Subordinated Note Indenture, executed and delivered to the Senior Subordinated Note Trustee and satisfactory in form to the Senior Subordinated Note Trustee, of the Senior Subsidiary Guarantee endorsed upon the Senior Subordinated Notes and the due and punctual performance of all of the covenants and conditions of the Senior Subordinated Note Indenture to be performed by the Guarantor, such successor corporation shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Subordinated Subsidiary Guarantees to be endorsed upon all of the Senior Subordinated Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Senior Subordinated Note Trustee. All the Subordinated Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Senior Subordinated Note Indenture as the Subordinated Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Senior Subordinated Note Indenture as though all of such Subordinated Subsidiary Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Articles 4 and 5 of the Senior Subordinated Note Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Senior Subordinated Note Indenture or in any of the Senior Subordinated Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all to the capital stock of any

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Guarantor, then such Guarantor (in the event of a sale or other

disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Senior Subsidiary Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Senior Subordinated Note Indenture, including without limitation Section 4.10 of the Senior Subordinated Note Indenture. Upon delivery by the Company to the Senior Subordinated Note Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Senior Subordinated Note Indenture, including without limitation Section 4.10 of the Senior Subordinated Note Indenture, the Senior Subordinated Note Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Senior Subsidiary Guarantee.

(b) Any Guarantor not released from its obligations under its Senior Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Senior Subordinated Notes and for the other obligations of any Guarantor under the Senior Subordinated Note Indenture as provided in Article 11 of the Senior Subordinated Note Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Senior Subordinated Notes, any Subordinated Subsidiary Guarantees, the Senior Subordinated Note Indenture or this Supplemental Senior Subordinated Note Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Senior Subordinated Notes by accepting a Senior Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Subordinated Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS SUPPLEMENTAL SENIOR SUBORDINATED NOTE INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. COUNTERPARTS The parties may sign any number of copies of this Supplemental Senior Subordinated Note Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

10. THE SENIOR SUBORDINATED NOTE TRUSTEE. The Senior Subordinated Note Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Senior Subordinated Note Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Senior Subordinated Note Indenture to be duly executed and attested, all as of the date first above written.

Dated: _____, _____

[GUARANTEEING SUBSIDIARY]

By: _____

Name:
Title:

BALL CORPORATION

By: _____

Name:
Title:

[EXISTING GUARANTORS]

By: _____
Name:
Title:

THE BANK OF NEW YORK
as Senior Subordinated Note Trustee

By: _____
Name:
Title:

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SCHEDULE I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Senior Subordinated Note Indenture as of the date of this Senior Subordinated Note Indenture:

1. Ball Aerospace and Technologies Corp., a Delaware corporation
2. Ball Asia Pacific Limited, a Colorado corporation
3. Ball Glass Container Corporation, a Delaware corporation
4. Ball Holdings Corp., a Delaware corporation
5. Ball Metal Beverage Container Corp., a Colorado corporation
6. Ball Metal Food Container Corp., a Delaware corporation
7. Ball Metal Packaging Sales Corp., a Colorado corporation
8. Ball Packaging Corp., a Colorado corporation
9. Ball Plastic Container Corp., a Colorado corporation
10. Ball Technologies Holdings Corp., a Colorado corporation
11. Ball Technology Services Corporation, a California corporation
12. BG Holdings I, Inc., a Delaware corporation
13. BG Holdings II, Inc., a Delaware corporation
14. Efratom Holding, Inc., a Colorado corporation
15. Latas de Aluminio Reynolds, Inc., a Delaware corporation
16. RCAL Cans, Inc., a Delaware corporation
17. RIND Cans, Inc., a Delaware corporation

SHORT-TERM CREDIT AGREEMENT

DATED AS OF AUGUST 10, 1998

among

BALL CORPORATION,

THE INSTITUTIONS FROM TIME TO TIME
PARTIES HERETO AS LENDERS

and

THE FIRST NATIONAL BANK OF CHICAGO,
AS ADMINISTRATIVE AGENT

and

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION,
AS SYNDICATION AGENT
and
LEHMAN COMMERCIAL PAPER INC.,
AS DOCUMENTATION AGENT<TABLE>
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SHORT-TERM CREDIT AGREEMENT

This Short-Term Credit Agreement dated as of August 10, 1998 is entered into among Ball Corporation, an Indiana corporation, the institutions from time to time parties hereto as Lenders, whether by execution of this Agreement or an Assignment Agreement pursuant to SECTION 13.3, The First National Bank of Chicago, in its capacity as Administrative Agent for itself and the other Lenders, Bank of America National Trust and Savings Association, in its capacity as Syndication Agent, and Lehman Commercial Paper Inc., in its capacity as Documentation Agent. The parties hereto agree as follows:

ARTICLE I: DEFINITIONS

1.1 CERTAIN DEFINED TERMS. In addition to the terms defined above, the following terms used in this Agreement shall have the following meanings, applicable both to the singular and the plural forms of the terms defined.

As used in this Agreement:

"ACQUISITION" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only

by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding Equity Interests of another Person.

"ADMINISTRATIVE AGENT" means First Chicago, in its capacity as contractual representative for itself and the Lenders pursuant to ARTICLE XI hereof, and any successor Administrative Agent appointed pursuant to ARTICLE XI hereof.

"ADVANCE" means a borrowing hereunder consisting of the aggregate amount of the several Loans made by the Lenders to the Borrower of the same Type and, in the case of Eurodollar Rate Advances, for the same Interest Period.

"AFFECTED LENDER" is defined in SECTION 2.19 hereof.

"AFFILIATE" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of greater than ten percent (10%) or more of any class of voting securities (or other voting interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of Capital Stock, by contract or otherwise.

"AGENTS" means each of the Administrative Agent, the Syndication Agent and the Documentation Agent.

"AGGREGATE REVOLVING LOAN COMMITMENT" means the aggregate of the Revolving Loan Commitments of all the Lenders, as may be reduced from time to time pursuant to the terms hereof. The initial Aggregate Revolving Loan Commitment is One Hundred Fifty Million and 00/100 Dollars (\$150,000,000.00).

"AGREEMENT" means this Short-Term Credit Agreement, as it may be amended, restated or otherwise modified and in effect from time to time.

"AGREEMENT ACCOUNTING PRINCIPLES" means generally accepted accounting principles in effect from time to time, applied in a manner consistent with that used in preparing the financial statements referred to in SECTION 6.4(B)(1) hereof, PROVIDED, HOWEVER, that with respect to the calculation of financial ratios and other financial tests required by this Agreement, "Agreement Accounting Principles" means generally accepted accounting principles as in effect as of the date of this Agreement, applied in a manner consistent with that used in preparing the financial statements referred to in SECTION 6.4(B)(1) hereof; PROVIDED, FURTHER, HOWEVER, all PRO FORMA financial statements reflecting Acquisitions shall be prepared in accordance with the requirements established by the SEC for acquisition accounting for reporting acquisitions by public companies (whether or not such Acquisitions are required to be publicly reported).

"ALTERNATE BASE RATE" means, for any day, a fluctuating rate of interest per annum equal to the higher of (i) the Corporate Base Rate for such day and (ii) the sum of (a) the Federal Funds Effective Rate for such day and (b) one-half of one percent (0.5%) per annum.

"APPLICABLE COMMITMENT FEE PERCENTAGE" means, as at any date of determination, the rate per annum then applicable in the determination of the amount payable under SECTION 2.14(C)(I) hereof determined in accordance with the provisions of SECTION 2.14(D)(II) hereof.

"APPLICABLE EURODOLLAR MARGIN" means, as at any date of determination, the rate per annum then applicable to Eurodollar Rate Loans which are Revolving Loans, determined in accordance with the provisions of SECTION 2.14(D)(II) hereof.

"APPLICABLE FLOATING RATE MARGIN" means, as at any date of determination, the rate per annum then applicable to Floating Rate Loans which are Revolving Loans, determined in accordance with the provisions of SECTION 2.14(D)(II) hereof.

"APPLICABLE L/C FEE PERCENTAGE" means, as at any date of determination, a rate per annum equal to the Applicable Eurodollar Margin for Revolving Loans in effect on such date.

"APPROVED FUND" means, with respect to any Lender that is a fund or commingled investment vehicle that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

BancAmerica Robertson Stephens, Inc. and Lehman Brothers Inc., in their respective capacities as arrangers for the loan transaction evidenced by this Agreement.

"ASSET PURCHASE AGREEMENT" is defined in the definition of "Reynolds Acquisition" below.

"ASSET SALE" means, with respect to any Person, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including, without limitation, by way of a sale-leaseback transaction and including, without limitation, the sale or other transfer of any of the Equity Interests of any Subsidiary of such Person).

"ASSIGNMENT AGREEMENT" shall mean an assignment and acceptance agreement entered into in connection with an assignment pursuant to SECTION 13.3 hereof in substantially the form of EXHIBIT D.

"AUTHORIZED OFFICER" means any of the President, any Vice President, the Chief Financial Officer or the Treasurer of the Borrower acting singly.

"BALL CANADA" means Ball Packaging Products Canada, Inc., a corporation organized under the federal Laws of Canada, together with its successors and assigns, including a debtor-in-possession on behalf of Ball Canada.

"BALL CAPITAL CORP." means Ball Capital Corp., a Delaware corporation, together with its successors and assigns, including a debtor-in-possession on behalf of Ball Capital Corp.

"BALL CORPORATE GROUP" means the Borrower, each of its Subsidiaries, the Excluded Subsidiaries and the members of the FTB Group.

"BENEFIT PLAN" means a defined benefit plan as defined in Section 3(35) of ERISA (other than a Multiemployer Plan or a Foreign Employee Benefit Plan) in respect of which the Borrower or any other member of the Controlled Group is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"BMBCC" means Ball Metal Beverage Container Corp., a Colorado corporation.

"BORROWER" means Ball Corporation, an Indiana corporation, together with its successors and permitted assigns, including a debtor-in-possession on behalf of the Borrower.

"BORROWING/CONVERSION/CONTINUATION NOTICE" is defined in SECTION 2.8 hereof.

"BORROWING DATE" means a date on which an Advance or Swing Line Loan is made hereunder.

"BUSINESS DAY" means (i) with respect to any borrowing, payment or rate selection of Loans bearing interest at the Eurodollar Rate, a day (other than a Saturday or Sunday) on which banks are open for business in Chicago, Illinois and New York, New York and on which dealings in Dollars are

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carried on in the London interbank market and (ii) for all other purposes a day (other than a Saturday or Sunday) on which banks are open for business in Chicago, Illinois and New York, New York.

"CANADIAN CREDIT FACILITY" means that certain Letter Agreement, dated as of May 21, 1998, by and among Ball Canada, the Borrower, and Royal Bank of Canada as in effect on the Closing Date, and as the same may be modified and restated pursuant to the terms of that certain Commitment Letter and Term Sheet, dated July 16, 1998, by and among Ball Canada the Borrower and Royal Bank of Canada.

"CANADIAN SUBORDINATION AGREEMENT" means that certain Subsidiary Subordination Agreement, dated as of August 10, 1998, by and among Ball Canada and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"CAPITAL EXPENDITURES" is defined in SECTION 7.4(A) hereof.

"CAPITAL STOCK" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CAPITALIZED LEASE" is defined in SECTION 7.4(A) hereof.

"CAPITALIZED LEASE OBLIGATIONS" is defined in SECTION 7.4(A) hereof.

"CASH EQUIVALENTS" means (i) marketable direct obligations issued or unconditionally guaranteed by the United States government and backed by the full faith and credit of the United States government; (ii) domestic and Eurodollar certificates of deposit and time deposits, bankers' acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof or the District of Columbia, any foreign bank, or its branches or agencies (fully protected against currency fluctuations for any such deposits with a term of more than ten (10) days); (iii) shares of money market, mutual or similar funds having assets in excess of \$100,000,000 and the investments of which are limited to investment grade securities (i.e., securities rated at least Baa by Moody's Investors Service, Inc. or at least BBB by Standard & Poor's Ratings Group) and repurchase agreements with respect thereto; and (iv) commercial paper of United States and foreign banks and bank holding companies and their subsidiaries and United States and foreign finance, commercial, industrial or utility companies which, at the time of acquisition, are rated A-1 (or better) by Standard & Poor's Ratings Group or P-1 (or better) by Moody's Investors Services, Inc.; PROVIDED that the maturities of such Cash Equivalents shall not exceed 365 days.

"CASH FLOW PERIOD" means the twelve-month period from January 1, 1999 through the end of the Borrower's fiscal year ending December 31, 1999 and, thereafter, as separate periods, each fiscal year of the Borrower.

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"CHANGE IN CAPITAL ADEQUACY" is defined in SECTION 4.2 hereof.

"CHANGE OF CONTROL" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934), becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of fifty percent (50%) or more of the Voting Stock of the Borrower;

(b) a majority of the members of the board of directors of the Borrower cease to be Continuing Directors;

(c) the Borrower consolidates with or merges into another corporation or conveys, transfers or leases all or substantially all of its property to any Person, or any corporation consolidates with or merges into the Borrower, in either event pursuant to a transaction in which the outstanding Capital Stock of the Borrower is reclassified or changed into or exchanged for cash, securities or other property;

(d) except as otherwise permitted under the terms of this Agreement, the Borrower shall cease to own and control, directly or indirectly, at least (i) such percentage of the economic and voting rights of the Capital Stock of each of its Domestic Incorporated Subsidiaries and Material Foreign Subsidiaries (other than FTB) as is owned as of the Closing Date or such later date as such Person became a Domestic Incorporated Subsidiary or Material Foreign Subsidiary, as applicable, or (ii) ninety percent (90%) of the economic and voting rights of the Capital Stock of FTB;

(e) any "Change of Control" (as such term is defined in the Senior Note Indenture) shall have occurred; or

(f) any "Change of Control" (as such term is defined in the Subordinated Note Indenture) shall have occurred.

"CLOSING DATE" means the date on which the initial Revolving Loans are advanced hereunder.

"CODE" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, or any successor statute.

"COLI INDEBTEDNESS" of any Person shall mean, with respect to any Company Owned Life Insurance Program in which such Person is a participant, Indebtedness of such Person consisting of (i) loans to such Person under life insurance policies taken or made against the available cash surrender values of such policies, which loans are made pursuant to the contract terms of life insurance policies issued in connection with a Company Owned Life Insurance Program or (ii) other obligations for borrowed money of such Person, if and only if the proceeds of such obligations are used solely to pay

policy premiums on life insurance policies issued in connection with a Company Owned Life Insurance Program.

"COLLATERAL" means all property and interests in property now owned or hereafter acquired by the Borrower or any of its Subsidiaries in or upon which a security interest is granted to the Administrative Agent, for the benefit of the Holders of Secured Obligations under the Pledge Agreements or under any of the other Loan Documents.

"COLLATERAL DOCUMENTS" means all agreements, instruments and documents executed in connection with this Agreement that are intended to create or evidence Liens to secure the Secured Obligations, including, without limitation, the Pledge Agreements, together with all agreements and documents referred to therein or contemplated thereby.

"COMPANY OWNED LIFE INSURANCE PROGRAM" means a life insurance program in which the Borrower is a participant, pursuant to which the Borrower is the owner of whole life policies insuring the lives of certain of its employees.

"CONSOLIDATED ASSETS" means, for any Person, the total assets of such Person and its Subsidiaries on a consolidated basis, but excluding therefrom all items that are treated as intangibles under Agreement Accounting Principles.

"CONSOLIDATED NET INCOME" is defined in SECTION 7.4(A) hereof.

"CONSOLIDATED NET WORTH" is defined in SECTION 7.4(A) hereof.

"CONTAMINANT" means any waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, petroleum or petroleum-derived substance or waste, asbestos, polychlorinated biphenyls ("PCBS"), or any constituent of any such substance or waste, as defined in, or used in, Environmental, Health or Safety Requirements of Law.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of the Borrower who (i) was a member of such Board of Directors on the Closing Date or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"CONTRACTUAL OBLIGATION", as applied to any Person, means any provision of any equity or debt securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument, in any case in writing, to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

"CONTROLLED GROUP" means the group consisting of (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower; (ii) a partnership or other trade or business (whether or not incorporated) which is under common control (within the meaning of Section 414(c) of the Code) with the Borrower; (iii) a member

of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in CLAUSE (i) above or any partnership or trade or business described in CLAUSE (ii) above; or (iv) any other Person which is required to be aggregated with the Borrower or any of its Subsidiaries pursuant to regulations promulgated under Section 414(o) of the Code.

"CONTROLLED SUBSIDIARY" of any Person means a Subsidiary of such Person (i) ninety percent (90%) or more of the total Equity Interests or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more wholly-owned Subsidiaries of such Person and (ii) of which such Person possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting securities, by agreement or otherwise.

"CORPORATE BASE RATE" means the corporate base rate of interest announced by First Chicago from time to time, changing when and as said corporate base rate changes.

"CURE LOAN" is defined in SECTION 9.2(iii) hereof.

"CUSTOMARY PERMITTED LIENS" means:

(i) Liens (other than Environmental Liens and Liens in favor of the IRS or the PBGC) with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or (if foreclosure, distraint, sale or other similar proceedings shall not have been commenced) which are being contested in good faith by appropriate proceedings properly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with Agreement Accounting Principles;

(ii) statutory Liens of landlords and Liens of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other similar Liens imposed by law created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings properly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with Agreement Accounting Principles;

(iii) Liens (other than Environmental Liens and Liens in favor of the IRS or the PBGC) incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other types of social security benefits or to secure the performance of bids, tenders, sales, contracts (other than for the repayment of borrowed money), surety, appeal and performance bonds; PROVIDED that (A) all such Liens do not in the aggregate materially detract from the value of the Borrower's or such Subsidiary's assets or property taken as a whole or materially impair the use thereof in the operation of the businesses taken as a whole, and (B) all Liens securing bonds to stay judgments or in connection with appeals do not secure at any time an aggregate amount exceeding \$10,000,000;

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(iv) Liens arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of real property which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(v) Liens of attachment or judgment with respect to judgments, writs or warrants of attachment, or similar process against the Borrower or any of its Subsidiaries which do not constitute a Default under SECTION 8.1(h) hereof; and

(vi) any interest or title of the lessor in the property subject to any operating lease entered into by the Borrower or any of its Subsidiaries in the ordinary course of business.

"DEFAULT" means an event described in ARTICLE VIII hereof.

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the Revolving Loan Termination Date.

"DOL" means the United States Department of Labor and any Person succeeding to the functions thereof.

"DOCUMENTATION AGENT" means Lehman Commercial Paper Inc., in its capacity as documentation agent for the loan transaction evidenced by this Agreement, together with its successors and assigns.

"DOLLAR" and "\$" means dollars in the lawful currency of the United States.

"DOLLAR AMOUNT" of any currency other than Dollars at any date shall mean the equivalent amount of Dollars, calculated on the basis of the then applicable Exchange Rate.

"DOMESTIC INCORPORATED SUBSIDIARY" means a Subsidiary of the Borrower organized under the laws of a jurisdiction located in the United States of America.

"EBITDA" is defined in SECTION 7.4(A) hereof.

"ENVIRONMENTAL AUDIT" means the Phase I and Phase II Environmental Property Assessment reports dated between February 12, 1998, and June 16, 1998 prepared for the Borrower by McLaren Hart, and listed in SCHEDULE 6.19.

"ENVIRONMENTAL, HEALTH OR SAFETY REQUIREMENTS OF LAW" means all Requirements of Law derived from or relating to federal, state, provincial and local laws or regulations relating to or addressing pollution or protection of the environment, or protection of worker health or safety,

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including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 ET SEQ., the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 651 ET SEQ., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 ET SEQ., in each case including any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder, and any state, provincial or local equivalent thereof.

"ENVIRONMENTAL LIEN" means a lien in favor of any Governmental Authority for (a) any liability under Environmental, Health or Safety Requirements of Law, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of a Contaminant.

"ENVIRONMENTAL PROPERTY TRANSFER ACT" means any applicable requirement of law that conditions, restricts, prohibits or requires any notification or disclosure triggered by the closure of any property or the transfer, sale or lease of any property or deed or title for any property for environmental reasons, including, but not limited to, the "Industrial Site Recovery Act," NJSA 13:1K-6 ET SEQ., the "Responsible Property Transfer Act," 765 ILCS 90/1 ET SEQ., or similar laws.

"EQUIPMENT" means all of the Borrower's and its Subsidiaries' present and future (i) equipment, including, without limitation, machinery, manufacturing, distribution, selling, data processing and office equipment, assembly systems, tools, molds, dies, fixtures, appliances, furniture, furnishings, vehicles, vessels, aircraft, aircraft engines, and trade fixtures, (ii) other tangible personal property (other than the Borrower's and its Subsidiaries' Inventory), and (iii) any and all accessions, parts and appurtenances attached to any of the foregoing or used in connection therewith, and any substitutions therefor and replacements, products and proceeds thereof.

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

"EURODOLLAR BASE RATE" means, with respect to a Eurodollar Rate Loan for any specified Interest Period, either (i) the rate of interest per annum equal to the rate for deposits in U.S. Dollars with a maturity approximately equal to such Interest Period which appears on Telerate Page 3750 as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period or (ii) if no such rate of interest appears on Telerate Page 3750 for such specified Interest Period, the rate of interest per annum equal to the rate for deposits in U.S. Dollars with a maturity occurring immediately before or immediately after such specified Interest Period, whichever is higher, as determined by the Administrative Agent from Telerate Page 3750 at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or (iii) if no such rate of interest appears on Telerate Page 3750 for any specified Interest Period, the rate of interest per annum equal to the rate at which deposits in U.S. Dollars are offered by First Chicago to first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such

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Interest Period, in the approximate amount of the Revolving Loan Pro Rata Share of First Chicago of such Eurodollar Rate Loan and having a maturity approximately equal to such Interest Period, in each case, as adjusted for Reserves. The term "Telerate Page 3750" means the display designated as "Page 3750" on the Associated Press-Dow Jones Telerate Service (or such other page as may replace Page 3750 on the Associated Press-Dow Jones Telerate Service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association interest rate settlement rates for U.S. Dollars). Any Eurodollar Base Rate determined on the basis of the rate displayed on Telerate Page 3750 in accordance with the foregoing provisions of this subparagraph shall be subject to corrections, if any, made in such rate and displayed by the Associated Press-Dow Jones Telerate Service within one hour

of the time when such rate is first displayed by such service.

"EURODOLLAR RATE" means, with respect to a Eurodollar Rate Loan for the relevant Interest Period, the Eurodollar Base Rate applicable to such Interest Period PLUS the Applicable Eurodollar Margin. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"EURODOLLAR RATE ADVANCE" means an Advance which bears interest at the Eurodollar Rate.

"EURODOLLAR RATE LOAN" means a Loan, or portion thereof, which bears interest at the Eurodollar Rate.

"EXCESS CASH FLOW" means, for any Cash Flow Period, an amount equal to the Borrower's and its Subsidiaries' consolidated:

- (i) EBITDA for such period,
- MINUS (ii) foreign, federal, state and local taxes paid in cash for such period,
- MINUS (iii) Capital Expenditures paid in cash during such period,
- MINUS (iv) cash dividends paid by the Borrower during such period to the extent permitted under SECTION 7.3(F) hereof and payable in compliance with applicable corporate law,
- MINUS (v) Interest Expense paid in cash during such period,
- MINUS (vi) scheduled amortization of the principal portion of the "Term Loans" (as defined under the Long-Term Credit Agreement) and of the principal portion of all other Indebtedness of the Borrower and its Subsidiaries paid in cash during such period,
- MINUS (vii) for the Cash Flow Periods ending on December 31, 1999, December 31, 2000 and December 31, 2001, the cash portion of Rationalization Costs in an amount not to exceed \$70,000,000 in the aggregate for the period commencing on the

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Closing Date through and including December 31, 2001 only to the extent such Rationalization Costs are not reflected on the Borrower's consolidated income statement as prepared in accordance with Agreement Accounting Principles,

- MINUS (viii) voluntary prepayments of the principal portion of the "Term Loans" (as defined under the Long-Term Credit Agreement), in each case calculated in accordance with Agreement Accounting Principles.

All such amounts shall be calculated assuming that the Borrower and its Subsidiaries have conducted their respective business in the ordinary course and in accordance with past practices; PROVIDED, that (without duplication) there shall be excluded from the calculation of Excess Cash Flow all amounts related to the FTB Group.

"EXCHANGE RATE" means, the rate at which any currency other than Dollars may be exchanged into Dollars, calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange as quoted in the electronic media publication of Bloomberg L.P. for such other currency at or about 11:00 a.m. (Chicago time), on such date of determination for the purchase of Dollars with such other currency for delivery two (2) Business Days later; PROVIDED, HOWEVER, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Borrower may with the consent of the Administrative Agent use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error. For purposes of this agreement, the applicable Exchange Rate shall be determined (x) for any Investment, as of the date of incurrence thereof, (y) for any sale of assets, as of the date of the consummation of the transaction pursuant to which such sale of assets shall occur, and (z) in all other cases, as of such date of determination.

"EXCLUDED SUBSIDIARY" means, each Subsidiary of the Borrower identified on SCHEDULE 6.8 as an Excluded Subsidiary; PROVIDED, that each such Subsidiary shall be an Excluded Subsidiary only if (i) each such Subsidiary is in existence solely for the purposes of being a "name-holding" entity, (ii) each such Subsidiary engages in no business, (iii) each such Subsidiary has no liabilities, and (iv) the aggregate of the assets (including capitalization) of

all such Subsidiaries shall not exceed \$5,000,000.

"FEDERAL FUNDS EFFECTIVE RATE" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FINANCING" means, with respect to any Person, the issuance or sale by such Person of any Equity Interests, or any Indebtedness consisting of debt securities of such Person pursuant to a registered offering or private placement.

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"FIRST CHICAGO" means The First National Bank of Chicago, in its individual capacity, and its successors.

"FIXED CHARGE COVERAGE RATIO" is defined in SECTION 7.4(D) hereof.

"FLOATING RATE" means, for any day for any Loan, a rate per annum equal to the Alternate Base Rate for such day, changing as and when the Alternate Base Rate changes, PLUS the then Applicable Floating Rate Margin.

"FLOATING RATE ADVANCE" means an Advance which bears interest at the Floating Rate.

"FLOATING RATE LOAN" means a Loan, or portion thereof, which bears interest at the Floating Rate.

"FOREIGN EMPLOYEE BENEFIT PLAN" means any employee benefit plan as defined in Section 3(3) of ERISA which is maintained or contributed to for the benefit of the employees of the Borrower, any of its Subsidiaries or any members of its Controlled Group and is not covered by ERISA pursuant to ERISA Section 4(b)(4).

"FOREIGN INCORPORATED SUBSIDIARY" means a Subsidiary of the Borrower which is not a Domestic Incorporated Subsidiary.

"FOREIGN PENSION PLAN" means any employee benefit plan as described in Section 3(3) of ERISA for which the Borrower or any member of its Controlled Group is a sponsor or administrator and which (i) is maintained or contributed to for the benefit of employees of the Borrower, any of its Subsidiaries or any member of its Controlled Group, (ii) is not covered by ERISA pursuant to Section 4(b)(4) of ERISA, and (iii) under applicable local law, is required to be funded through a trust or other funding vehicle.

"FOREIGN SUBSIDIARY INVESTMENT" means the sum of (a) all intercompany loans made on or after the Closing Date from either the Borrower or any Domestic Incorporated Subsidiary to any Foreign Incorporated Subsidiary (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group); (b) all Investments made on or after the Closing Date by either the Borrower or any Domestic Incorporated Subsidiary in any Foreign Incorporated Subsidiary (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group); and (c) an amount equal to the net benefit derived by the Foreign Incorporated Subsidiaries (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group) resulting from any non-arms length transactions between the Borrower and/or any Domestic Incorporated Subsidiary, on the one hand, and such Foreign Incorporated Subsidiaries (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group), on the other hand.

"FTB" means FTB Packaging Limited, a Hong Kong corporation, and its successors and assigns.

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"FTB GROUP" means FTB and each of its Subsidiaries, including, without limitation, MCP and each of its Subsidiaries and joint ventures.

"GOVERNMENTAL ACTS" is defined in SECTION 3.11(a) hereof.

"GOVERNMENTAL AUTHORITY" means any nation or government, any federal, state, provincial, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"GROSS NEGLIGENCE" means recklessness, or actions taken or omitted with conscious indifference to or the complete disregard of consequences. Gross Negligence does not mean the absence of ordinary care or diligence, or an inadvertent act or inadvertent failure to act. If the term "gross negligence" is used with respect to any Agent, any Arranger or any Lender or any indemnitee in any of the other Loan Documents, it shall have the meaning set forth herein.

"GUARANTIED OBLIGATION", as applied to any Person, means any Contractual Obligation, contingent or otherwise, of that Person (i) guaranteeing, directly or indirectly, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof) Indebtedness of another including, without limitation, any Contractual Obligations arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or (ii) to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received (all such Contractual Obligations under this CLAUSE (ii) being "SUPPORT OBLIGATIONS"); PROVIDED, HOWEVER, notwithstanding anything herein to the contrary, any Contractual Obligation of a Person relating to a take-or-pay obligation or supply contract of such Person shall not constitute a Guaranteed Obligation.

"GUARANTORS" means each Domestic Incorporated Subsidiary (other than Ball Capital Corp.) as of the Closing Date, and each other Domestic Incorporated Subsidiary which becomes a party to the Subsidiary Guaranty pursuant to the terms of SECTIONS 7.2(K) or 7.3(G), and in each case its successors and assigns.

"GUARANTY AGREEMENT" means that certain Guaranty Agreement of the Borrower dated as of June 15, 1989 Re: \$44,938,000 8.46% Guaranteed ESOP Notes, Series A, due June 15, 1999 and \$25,062,000 8.83% Guaranteed ESOP Notes, Series B, due December 15, 2001.

"HEDGING AGREEMENTS" is defined in SECTION 7.3(Q) hereof.

"HEDGING OBLIGATIONS" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate

cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"HOLDERS OF SECURED OBLIGATIONS" means the holders of the Secured Obligations from time to time and shall include (i) each Lender in respect of its Loans, (ii) the Issuing Bank in respect of Reimbursement Obligations, (iii) the Agents, the Lenders, the Swing Line Bank and the Issuing Bank in respect of all other present and future obligations and liabilities of the Borrower or any of its Subsidiaries of every type and description arising under or in connection with this Agreement or any other Loan Document, (iv) each Indemnitee in respect of the obligations and liabilities of the Borrower to such Person hereunder, (v) each Lender (or affiliate thereof), in respect of all Hedging Obligations of the Borrower or any of its Subsidiaries to such Lender (or such affiliate) as exchange party or counterparty under any Hedging Agreement, and (vi) their respective successors, transferees and assigns.

"INDEBTEDNESS" of any Person means, without duplication, such Person's (a) obligations for borrowed money (other than the COLI Indebtedness), (b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property or assets now or hereafter owned or acquired by such Person, (d) obligations which are evidenced by notes, acceptances or other instruments, (e) Capitalized Lease Obligations, (f) Guaranteed Obligations, (g) obligations with respect to letters of credit, (h) Off-Balance Sheet Liabilities and (i) Disqualified Stock as provided in SECTION 7.3(M). The amount of Indebtedness of any Person at any date shall be without duplication (i) the outstanding balance at such date of all unconditional obligations as described above and the maximum liability of any such Guaranteed Obligations at such date and (ii) in the case of Indebtedness of others secured by a Lien to which the property or assets owned or held by such Person is subject, the lesser of the fair market value at such date of any asset subject to a Lien securing the Indebtedness of others and the amount of the Indebtedness secured. In the case of Ball Capital Corp., Indebtedness shall include the unrecovered investment of purchasers of

Receivables from Ball Capital Corp. pursuant to the Receivables Purchase Documents, and such Indebtedness shall be deemed to be funded Indebtedness for purposes of SECTION 7.1(G).

"INDEMNIFIED MATTERS" is defined in SECTION 10.7(B) hereof.

"INDEMNITEES" is defined in SECTION 10.7(B) hereof.

"INITIAL ADJUSTMENT DATE" is defined in SECTION 2.14(D)(ii) hereof.

"INTERCOMPANY INDEBTEDNESS" is defined in SECTION 10.14 hereof.

"INTEREST EXPENSE" is defined in SECTION 7.4(A) hereof.

"INTEREST PERIOD" means, with respect to a Eurodollar Rate Loan, a period of one (1), two (2), three (3) or six (6) months or such other period as the Borrower may request and the Lenders, in their

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discretion, shall agree to, commencing on a Business Day selected by the Borrower pursuant to this Agreement; PROVIDED, HOWEVER, notwithstanding anything in this Agreement to the contrary and only at the Administrative Agent's sole option, for the period from the Closing Date to the earlier of (y) the date that is 90 days after the Closing Date and (z) the date upon which the Arrangers confirm that the loan syndication process has been completed (the "SYNDICATION PERIOD"), "Interest Period" means, with respect to a Eurodollar Rate Loan, a period of seven (7) days, provided that during the Syndication Period all Interest Periods shall end on the same day. Other than during the Syndication Period, such Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three or six months thereafter (or as agreed); PROVIDED, HOWEVER, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, PROVIDED, HOWEVER, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"INVENTORY" shall mean any and all goods, including, without limitation, goods in transit, wheresoever located, whether now owned or hereafter acquired by the Borrower or any of its Subsidiaries, which are held for sale or lease, furnished under any contract of service or held as raw materials, work in process or supplies, and all materials used or consumed in the business of the Borrower or any of its Subsidiaries, and shall include all right, title and interest of the Borrower or any of its Subsidiaries in any property the sale or other disposition of which has given rise to Receivables and which has been returned to or repossessed or stopped in transit by the Borrower or any of its Subsidiaries.

"INVESTMENT" means, with respect to any Person, (i) any purchase or other acquisition by that Person of any Indebtedness, Equity Interests or other securities, or of a beneficial interest in any Indebtedness, Equity Interests or other securities, issued by any other Person and (ii) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business; PROVIDED, HOWEVER, notwithstanding anything herein to the contrary, any Contractual Obligation of a Person relating to a take-or-pay obligation or supply contract of such Person shall not constitute an Investment by such Person in the other party to such contract.

"IRS" means the Internal Revenue Service and any Person succeeding to the functions thereof.

"ISSUING BANKS" means First Chicago; Bank of America National Trust and Savings Association; ABN AMRO Bank, N.V.; Bank of Tokyo -- Mitsubishi Ltd., Chicago Branch; Wachovia Bank; and any other Lender which, at the Borrower's request, agrees, in each such Lender's sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit, and their respective successors and assigns, in each case in such Lender's separate capacity as an issuer of Letters of Credit pursuant to ARTICLE III hereof. The designation of any Lender as an Issuing Bank after the date hereof shall be subject to the prior written consent of the Administrative Agent.

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"LATASA" means Latas de Alumino, S.A., a corporation organized under the

laws of Brazil.

"LATASA ACQUISITION" means the Acquisition of the "Latasa Assets" (as defined in the Asset Purchase Agreement).

"L/C DOCUMENTS" is defined in SECTION 3.4 hereof.

"L/C DRAFT" means a draft drawn on an Issuing Bank pursuant to a Letter of Credit.

"L/C INTEREST" is defined in SECTION 3.6 hereof.

"L/C OBLIGATIONS" means, without duplication, an amount equal to the sum of (i) the aggregate of the amount then available for drawing under each of the Letters of Credit, (ii) the face amount of all outstanding L/C Drafts corresponding to the Letters of Credit, which L/C Drafts have been accepted by the applicable Issuing Bank, and (iii) the aggregate outstanding amount of all Reimbursement Obligations at such time.

"LENDERS" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"LENDING INSTALLATION" means, with respect to a Lender or Agent, any office, branch, subsidiary or affiliate of such Lender or Agent.

"LETTER OF CREDIT" means the letters of credit to be issued by the Issuing Banks pursuant to SECTION 3.1 hereof.

"LEVERAGE RATIO" is defined in SECTION 7.4(C) hereof.

"LIEN" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"LOAN(S)" means, with respect to a Lender, such Lender's portion of any Advance made pursuant to SECTION 2.2 hereof and in the case of the Swing Line Bank, any Swing Line Loan made pursuant to SECTION 2.3 hereof, and collectively all Revolving Loans and Swing Line Loans, whether made or continued as or converted to Floating Rate Loans or Eurodollar Rate Loans.

"LOAN ACCOUNT" is defined in SECTION 2.13(a) hereof.

"LOAN DOCUMENTS" means this Agreement, the L/C Documents, the Collateral Documents, the Subsidiary Guaranty, the Canadian Subordination Agreement and all other documents, instruments and agreements executed in connection therewith or contemplated thereby, as the same may be amended, restated or otherwise modified and in effect from time to time.

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"LONG-TERM CREDIT AGREEMENT" means that certain Long-Term Credit Agreement, dated as of August 10, 1998 among the borrower, the agents, the arrangers and the financial institutions from time to time parties thereto as lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"MANUFACTURING SUPPLY AGREEMENT" means that certain Manufacturing Supply Agreement, dated as of January 1, 1994, by and between Ball Canada and Ball Metal Packaging Sales Corp., a Colorado corporation and successor by assignment to the Borrower, as amended, restated, supplemented and otherwise modified as of the date hereof.

"MARGIN STOCK" shall have the meaning ascribed to such term in Regulation U.

"MATERIAL ADVERSE EFFECT" means a material adverse effect upon (a) the business, condition (financial or otherwise), operations, performance, properties, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any of its Subsidiaries to perform their respective obligations under the Loan Documents, or (c) the ability of the Lenders or the Agents to enforce the Obligations or their rights with respect to the Collateral.

"MATERIAL FOREIGN SUBSIDIARY" means (i) Ball Canada, (ii) FTB (but not any other member of the FTB Group), (iii) upon the consummation of the Latasa Acquisition, Latasa and (iv) any other direct or indirect Foreign Incorporated Subsidiary of the Borrower (but not any member of the FTB Group other than FTB), the Consolidated Assets (directly and together with its Subsidiaries) of which are, at any time, greater than \$50,000,000.

"MATERIAL SUBSIDIARY" means any Domestic Incorporated Subsidiary or Material Foreign Subsidiary.

"MCP" means M.C. Packaging (Hong Kong) Limited, a Hong Kong corporation, and its successors and assigns.

"MINORITY INTEREST" shall mean owning or holding less than a majority of the outstanding Voting Stock of any Person.

"MULTIEMPLOYER PLAN" means a "Multiemployer Plan" as defined in Section 4001(a)(3) of ERISA which is, or within the immediately preceding six (6) years was, contributed to by either the Borrower or any member of the Controlled Group.

"NET CASH PROCEEDS" means, with respect to any Asset Sale or Financing by any Person, (a) cash (freely convertible into Dollars) received by such Person or any Subsidiary of such Person from such Asset Sale (including cash received as consideration for the assumption or incurrence of liabilities incurred in connection with or in anticipation of such Asset Sale) or Financing, after (i) provision for all income or other taxes measured by or resulting from such Asset Sale, (ii) payment of all brokerage commissions and other fees and expenses related to such Asset Sale or Financing, and (iii) all amounts used to repay Indebtedness secured by a Lien on any asset disposed of in such Asset Sale or which is or may be required (by the express terms of the instrument governing such Indebtedness) to be repaid

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in connection with such Asset Sale (including payments made to obtain or avoid the need for the consent of any holder of such Indebtedness) or Financing consisting of Permitted Refinancing Indebtedness; and (b) cash payments in respect of any Indebtedness, Equity Interest or other consideration received by such Person or any Subsidiary of such Person from such Asset Sale upon receipt of such cash payments by such Person or such Subsidiary.

"NEW SUBSIDIARY" is defined in SECTION 7.3(G) hereof.

"NON PRO RATA LOAN" is defined in SECTION 9.2 hereof.

"NOTICE OF ASSIGNMENT" is defined in SECTION 13.3(B) hereof.

"OBLIGATIONS" means all Loans, Letters of Credit, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to any Agent, any Lender, any affiliate of any Agent or any Lender, the Swing Line Bank, any Arranger, any Issuing Bank, or any Indemnitee, of any kind or nature, present or future, arising under this Agreement, the L/C Documents, the Collateral Documents or any other Loan Document, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees (in each case whether or not allowed), and any other sum chargeable to the Borrower under this Agreement or any other Loan Document.

"OFF-BALANCE SHEET LIABILITIES" of a Person means (a) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries, including, without limitation, under the Receivables Purchase Documents, (b) any liability of such Person or any of its Subsidiaries under any sale and leaseback transactions which do not create a liability on the consolidated balance sheet of such Person, (c) any liability of such Person or any of its Subsidiaries under any financing lease or so-called "synthetic" lease transaction, including, without limitation, the Synthetic Leases, or (d) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

"OTHER TAXES" is defined in SECTION 2.14(E)(ii) hereof.

"PARTICIPANTS" is defined in SECTION 13.2(A) hereof.

"PAYMENT DATE" means the last Business Day of each fiscal quarter of the Borrower.

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

"PERMITTED ACQUISITION" is defined in SECTION 7.3(G)(iii) hereof.

"PERMITTED ADDITIONAL SUBORDINATED INDEBTEDNESS" is defined in SECTION 7.3(A) (vii) hereof.

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"PERMITTED EXISTING GUARANTIED OBLIGATIONS" means the Guaranteed Obligations of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.2 to this Agreement.

"PERMITTED EXISTING INDEBTEDNESS" means the Indebtedness of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.3 to this Agreement.

"PERMITTED EXISTING INVESTMENTS" means the Investments of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.4 to this Agreement.

"PERMITTED EXISTING LIENS" means the Liens on assets of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.5 to this Agreement, together with Liens on the assets of the Borrower and its Subsidiaries arising out of the replacement, extension or renewal of any Permitted Existing Lien, upon or in the same property and securing the same amount of Indebtedness, in each case, in connection with any Permitted Refinancing Indebtedness incurred in respect of the original Indebtedness secured thereby.

"PERMITTED FOREIGN SUBSIDIARY INVESTMENT AMOUNT" means the sum of (i) \$25,000,000 PLUS (ii) Investments in Foreign Incorporated Subsidiaries made in compliance with SECTION 7.3(D) (xv).

"PERMITTED PURCHASE MONEY INDEBTEDNESS" is defined in SECTION 7.3(A) (xii) hereof.

"PERMITTED RECEIVABLES TRANSFER" means (i) a sale or other transfer by Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC to Ball Capital Corp. of "Receivables" and "Related Security" under and as such terms are defined in the Receivables Sale Agreement, in accordance with the terms of the Receivables Sale Agreement and/or (ii) a sale by Ball Capital Corp. to purchasers in accordance with the terms of the Receivables Purchase Agreement.

"PERMITTED REFINANCING INDEBTEDNESS" means any replacement, renewal, refinancing or extension of any Indebtedness (other than the Subordinated Notes) permitted by this Agreement that (i) does not exceed the aggregate principal amount (plus accrued interest and any applicable premium and associated fees and expenses) of the Indebtedness being replaced, renewed, refinanced or extended, (ii) does not have a Weighted Average Life to Maturity at the time of such replacement, renewal, refinancing or extension that is less than the Weighted Average Life to Maturity of the Indebtedness being replaced, renewed, refinanced or extended, (iii) does not rank at the time of such replacement, renewal, refinancing or extension senior to the Indebtedness being replaced, renewed, refinanced or extended, and (iv) does not contain terms (including, without limitation, terms relating to security, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies) materially less favorable to the Borrower and its Subsidiaries, taken as a whole, or to the Lenders, taken as a whole, than those applicable to the Indebtedness being replaced, renewed, refinanced or extended.

"PERSON" means any individual, corporation, firm, enterprise, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company or other entity

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of any kind, or any government or political subdivision or any agency, department or instrumentality thereof.

"PLAN" means an employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any member of the Controlled Group is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"PLEDGE AGREEMENTS" means each of (a) those certain Pledge Agreements of even date herewith executed by the Borrower in favor of the Administrative Agent, (b) that certain Share Security Deed of even date herewith executed by the Borrower in favor of the Administrative Agent, (c) that certain Pledge Agreement of even date herewith executed by Ball Packaging Corp., a Colorado corporation, in favor of the Administrative Agent, (d) that certain Pledge Agreement of even date herewith executed by Ball Glass Container Corporation, a Delaware corporation, in favor of the Administrative Agent, (e) that certain Pledge Agreement of even date herewith executed by BMBCC, in favor of the Administrative Agent, (f) that certain Pledge Agreement of even date herewith executed by Ball Technologies Holdings Corp., a Colorado corporation, in favor

of the Administrative Agent, (g) that certain Pledge Agreement of even date herewith executed by Ball Aerospace & Technologies Corp., a Delaware corporation, in favor of the Administrative Agent, (h) that certain Pledge Agreement of even date herewith executed by RCAL Cans, Inc., a Delaware corporation, in favor of the Administrative Agent and (i) each other Pledge Agreement executed pursuant to the terms of SECTION 7.2(K), in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"PRELIMINARY FINANCIALS" is defined in SECTION 2.14(D) (ii) hereof.

"PRELIMINARY FINANCIAL COMPLIANCE CERTIFICATE" is defined in SECTION 2.14(D) (ii) hereof.

"PRELIMINARY FINANCIAL PACKAGE" is defined in SECTION 2.14(D) (ii) hereof.

"PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (A) such Lender's Revolving Loan Commitment at such time (as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the Aggregate Revolving Loan Commitment at such time; PROVIDED, HOWEVER, if all of the Revolving Loan Commitments are terminated pursuant to the terms of this Agreement, then "Pro Rata Share" means the percentage obtained by dividing (x) the sum of (A) such Lender's Revolving Loans, PLUS (B) such Lender's share of the obligations to purchase participations in Swing Line Loans and Letters of Credit, by (y) the sum of (A) the aggregate outstanding amount of all Revolving Loans, PLUS (B) the aggregate outstanding amount of all Swing Line Loans and all Letters of Credit.

"PURCHASERS" is defined in SECTION 13.3(A) hereof.

"RATE OPTION" means the Eurodollar Rate or the Floating Rate.

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"RATIONALIZATION COST" means any cash rationalization cost with respect to the Reynolds Acquisition as evidenced by the reduction of the relevant balance sheet liability of the Borrower in accordance with Agreement Accounting Principles.

"RECEIVABLE(S)" means and includes all of the Borrower's and its Subsidiaries' presently existing and hereafter arising or acquired accounts, accounts receivable, and all present and future rights of the Borrower and its Subsidiaries to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guaranties with respect to each of the foregoing, including, without limitation, any right of stoppage in transit; PROVIDED, HOWEVER, that Receivables that are transferred to Ball Capital Corp. pursuant to a Permitted Receivables Transfer shall be deemed not to be Receivables hereunder, until such time, if any, as any such Receivables are repurchased by or otherwise transferred to Ball Metal Food Container Corp., Ball Plastic Container Corp., and BMBCC pursuant to the terms of the Receivables Sale Agreement or otherwise.

"RECEIVABLES PURCHASE AGREEMENT" means that certain Receivables Purchase Agreement dated as of December 29, 1997, among Ball Capital Corp., as seller, the Borrower, as servicer, Old Line Funding Corp., a Delaware corporation, as buyer, and Royal Bank of Canada, as agent, as such agreement may be amended, restated or otherwise modified from time to time in accordance with the terms hereof, or any replacement or substitution therefor.

"RECEIVABLES PURCHASE DOCUMENTS" means the Receivables Sale Agreement and the Receivables Purchase Agreement.

"RECEIVABLES SALE AGREEMENT" means that certain Originator Purchase Agreement dated as of December 29, 1997, between Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC and Ball Capital Corp., pursuant to which Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC shall sell to Ball Capital Corp. all of its "Receivables" and "Related Security" (as such terms are defined therein), as such agreement may be amended, restated or otherwise modified from time to time in accordance with the terms hereof, or any replacement or substitution therefor.

"REGISTER" is defined in SECTION 13.3(C) hereof.

"REGULATION T" means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by and to brokers and dealers of securities for the purpose of purchasing or carrying margin stock (as defined therein).

"REGULATION U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks and nonbank, nonbroker lenders for the purpose of purchasing or carrying Margin Stock.

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"REGULATION X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"REIMBURSEMENT OBLIGATION" is defined in SECTION 3.7 hereof.

"RELEASE" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including the movement of Contaminants through or in the air, soil, surface water or groundwater.

"REMEDIAL ACTION" means any action required to (i) clean up, remove, treat or in any other way address Contaminants in the indoor or outdoor environment; (ii) prevent the Release or threat of Release or minimize the further Release of Contaminants; or (iii) perform pre-remedial studies and investigations and post remedial care.

"RENTALS" of a Person means the aggregate fixed amounts payable by such Person under any lease of real or personal property but does not include any amounts payable under Capitalized Leases of such Person.

"REPLACEMENT LENDER" is defined in SECTION 2.19 hereof.

"REPORTABLE EVENT" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days after such event occurs, PROVIDED, HOWEVER, that a failure to meet the minimum funding standards of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"REQUIRED LENDERS" means Lenders whose Pro Rata Shares, in the aggregate, are greater than fifty percent (50%); PROVIDED, HOWEVER, that, if any of the Lenders shall have failed to fund its Revolving Loan Pro Rata Share of any Revolving Loan requested by the Borrower, or any Swing Line Loan as requested by the Administrative Agent, which such Lenders are obligated to fund under the terms of this Agreement and any such failure has not been cured, then for so long as such failure continues, "REQUIRED LENDERS" means Lenders (excluding all Lenders whose failure to fund their respective Revolving Loan Pro Rata Shares of such Revolving Loans or Swing Line Loans has not been so cured) whose Pro Rata Shares represent greater than fifty percent (50%) of the aggregate Pro Rata Shares of such Lenders; PROVIDED FURTHER, HOWEVER, that, if the Revolving Loan Commitments have been terminated pursuant to the terms of this Agreement, "REQUIRED LENDERS" means Lenders (without regard to such Lenders' performance of their respective obligations hereunder) whose aggregate ratable shares (stated as a percentage) of the aggregate outstanding principal balance of all Loans and L/C Obligations are greater than fifty percent (50%).

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"REQUIREMENTS OF LAW" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, 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 property or to which such Person or any of its property is subject including, without limitation, the Securities Act of 1933, the Securities Exchange Act of 1934, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or permit or environmental, labor, employment, occupational safety or health law, rule or regulation, including Environmental, Health or Safety Requirements of Law.

"RESERVES" shall mean the maximum reserve requirement, as prescribed by the Board of Governors of the Federal Reserve System (or any successor), with respect to "Eurocurrency liabilities" or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined or category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to

United States residents.

"RESTRICTED INVESTMENT" means any Investment other than an Investment permitted by SECTION 7.3(D) (other than CLAUSE (xii) thereof).

"RESTRICTED PAYMENT" means (i) any dividend or other distribution, direct or indirect, on account of any Equity Interests of the Borrower now or hereafter outstanding, except a dividend payable solely in the Borrower's Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock, (ii) any redemption, retirement, purchase or other acquisition for value, direct or indirect, of any Equity Interests of the Borrower now or hereafter outstanding, other than in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Subsidiary of the Borrower) of other Equity Interests of the Borrower (other than Disqualified Stock), (iii) any redemption, purchase, retirement, defeasance, prepayment or other acquisition for value, direct or indirect, of any Indebtedness prior to the stated maturity thereof, other than the Obligations and other than with the proceeds of Permitted Refinancing Indebtedness, and (iv) any Restricted Investment.

"RESTRICTED SUBSIDIARY" is defined in SECTION 10.14 hereof.

"REVOLVING CREDIT AVAILABILITY" means, at any particular time, the amount by which the Aggregate Revolving Loan Commitment at such time exceeds the Revolving Credit Obligations at such time.

"REVOLVING CREDIT OBLIGATIONS" means, at any particular time, the sum of (i) the outstanding principal amount of the Revolving Loans at such time, PLUS (ii) the outstanding principal amount of the Swing Line Loans at such time, PLUS (iii) the L/C Obligations at such time.

"REVOLVING LOAN" is defined in SECTION 2.2(a) hereof.

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"REVOLVING LOAN COMMITMENT" means, for each Lender, the obligation of such Lender to make Revolving Loans and to purchase participations in Letters of Credit not exceeding the amount set forth on EXHIBIT A to this Agreement opposite its name thereon under the heading "Revolving Loan Commitment" or on Schedule 1 of the assignment and acceptance by which it became a Lender, as such amount may be modified from time to time pursuant to the terms of this Agreement or to give effect to any applicable assignment and acceptance.

"REVOLVING LOAN PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (A) the then aggregate amount of such Lender's Revolving Loan Commitment (as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the Aggregate Revolving Loan Commitment at such time; PROVIDED, HOWEVER, if all of the Revolving Loan Commitments are terminated pursuant to the terms of this Agreement, then "Revolving Loan Pro Rata Share" means the percentage obtained by dividing (x) the sum of (A) such Lender's Revolving Loans, PLUS (B) such Lender's share of the obligations to purchase participations in Swing Line Loans and Letters of Credit, by (y) the sum of (A) the aggregate outstanding amount of all Revolving Loans, PLUS (B) the aggregate outstanding amount of all Swing Line Loans and all Letters of Credit.

"REVOLVING LOAN TERMINATION DATE" means August 8, 1999, or any subsequent date to which the Revolving Loan Termination Date may have been extended pursuant to the terms of SECTION 2.18.

"REYNOLDS" means Reynolds Metals Company, a Delaware corporation.

"REYNOLDS ACQUISITION" means the acquisition by the Borrower and certain of its Subsidiaries of certain of the assets and liabilities of the aluminum beverage-can manufacturing business of Reynolds and its Affiliates on the terms and conditions set forth in that certain Asset Purchase Agreement ("ASSET PURCHASE AGREEMENT") dated as of April 22, 1998, as amended through the Closing Date, by and among the Borrower, BMBCC and Reynolds.

"REYNOLDS ACQUISITION DOCUMENTS" means the Asset Purchase Agreement and all other documents, instruments and agreements entered into by the Borrower or any of its Subsidiaries in connection with the Reynolds Acquisition.

"REYNOLDS GROUP" is defined in SECTION 6.4(B).

"RISK-BASED CAPITAL GUIDELINES" is defined in SECTION 4.2.

"SEC" means the Securities and Exchange Commission and any Person succeeding to the functions thereof.

"SECURED OBLIGATIONS" means, collectively, (i) the Obligations and (ii) all Hedging Obligations owing under Hedging Agreements to any Lender or any Affiliate of any Lender.

"SENIOR NOTE INDENTURE" means that certain Indenture dated as of August 10, 1998, between the Borrower and The Bank of New York, as Trustee, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof.

"SENIOR NOTES" means those certain Senior Notes due 2006, issued by the Borrower in the aggregate principal amount of \$300,000,000 pursuant to the Senior Note Indenture, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof, which term shall include and shall constitute the notes issued in exchange therefor as contemplated by the Senior Note Indenture.

"SINGLE EMPLOYER PLAN" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group that is not a Multiemployer Plan.

"SOLVENT" shall mean, when used with respect to any Person, that at the time of determination:

(i) the fair value of its assets (both at fair valuation and at present fair saleable value) is equal to or in excess of the total amount of its liabilities, including, without limitation, contingent liabilities; and

(ii) it is then able and expects to be able to pay its debts as they mature; and

(iii) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

With respect to contingent liabilities (such as litigation, guarantees and pension plan liabilities), such liabilities shall be computed at the amount which, in light of all the facts and circumstances existing at the time, represent the amount which can reasonably be expected to become an actual or matured liability.

"SUBORDINATED INDEBTEDNESS" means, (i) the Subordinated Notes and (ii) any Permitted Additional Subordinated Indebtedness.

"SUBORDINATED NOTE INDENTURE" means that certain Indenture dated as of August 10, 1998, between the Borrower and The Bank of New York, as Trustee, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof.

"SUBORDINATED NOTES" means those certain Senior Subordinated Notes due 2008, issued by the Borrower in the aggregate principal amount of \$250,000,000 pursuant to the Subordinated Note Indenture, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof, which term shall include and shall constitute the notes issued in exchange therefor as contemplated by the Subordinated Note Indenture.

"SUBSIDIARY" of a Person means (i) any corporation more than 50% of the outstanding Voting Stock of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any

partnership, association, joint venture or similar business organization more than 50% of the Voting Stock of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower and any references to Subsidiaries of the Borrower shall not include: (a) any member of the FTB Group or (b) any Excluded Subsidiary.

"SUBSIDIARY GUARANTY" means the Guarantee Agreement of even date herewith entered into by each of the Guarantors in favor of the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"SUPPORT OBLIGATIONS" is defined in the definition of "GUARANTIED OBLIGATIONS".

"SWING LINE BANK" means First Chicago or any other Lender as a successor Swing Line Bank.

"SWING LINE COMMITMENT" means the obligation of the Swing Line Bank to make Swing Line Loans up to a maximum principal amount of \$15,000,000 at any one time outstanding.

"SWING LINE LOAN" means a Loan made available to the Borrower by the Swing Line Bank pursuant to SECTION 2.3 hereof.

"SYNDICATION AGENT" means Bank of America National Trust and Savings Association, in its capacity as syndication agent for the loan transaction evidenced by this Agreement, together with its successors and assigns.

"SYNDICATION PERIOD" is defined in the definition of "Interest Period".

"SYNTHETIC LEASES" means each of (i) that certain Participation Agreement, dated as of September 27, 1996, among Ball Plastic Container Corp., and Ball 1996-A Equipment Trust, the guarantors parties thereto, the certificate purchasers parties thereto, Royal Bank of Canada, as agent, and PNC Bank, Ohio, National Association, as bank and certificate trustee, and the Lease Agreement related thereto, (ii) that certain Participation Agreement, dated as of September 27, 1996, among Ball Aerospace & Technologies Corp., as lessee, Lease Plan North America, Inc., as lessor, ABN AMRO Bank N.V., Chicago Branch, as participant, and ABN AMRO Bank N.V., Chicago Branch, as agent, and the Master Lease related thereto, and (iii) that certain Participation Agreement, dated as of November 15, 1996, among Ball Plastic Container Corp., as lessee, Lease Plan North America, Inc., as lessor, ABN AMRO Bank N.V., Chicago Branch, as agent and participant, and the Master Lease related thereto, in each case, as amended as of the date hereof.

"TAX ALLOCATION AGREEMENT" means the State Tax Sharing Agreement among the Borrower and its Subsidiaries, dated as of December 1, 1990, as amended, modified, supplemented or restated from time to time in compliance with the terms of this Agreement.

"TAXES" is defined in SECTION 2.14(E) (i) hereof.

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"TERMINATION DATE" means the earlier of (a) the Revolving Loan Termination Date, and (b) the date of termination in whole of the Aggregate Revolving Loan Commitment pursuant to SECTION 2.6 hereof or the Revolving Loan Commitments pursuant to SECTION 9.1 hereof.

"TERMINATION EVENT" means (i) a Reportable Event with respect to any Benefit Plan; (ii) the withdrawal of the Borrower or any member of the Controlled Group from a Benefit Plan during a plan year in which the Borrower or such Controlled Group member was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or the cessation of operations which results in the termination of employment of twenty percent (20%) of Benefit Plan participants who are employees of the Borrower or any member of the Controlled Group; (iii) the imposition of an obligation on the Borrower or any member of the Controlled Group under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Benefit Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC or any similar foreign governmental authority of proceedings to terminate a Benefit Plan or Foreign Pension Plan; (v) any event or condition which would constitute grounds under Section 4042 of ERISA (other than subparagraph (a)(4) of such Section) for the termination of, or the appointment of a trustee to administer, any Benefit Plan; (vi) that a foreign governmental authority shall appoint or institute proceedings to appoint a trustee to administer any Foreign Pension Plan in place of the existing administrator; or (vii) the partial or complete withdrawal of the Borrower or any member of the Controlled Group from a Multiemployer Plan or Foreign Pension Plan.

"THIRD-PARTY PAYMENTS" is defined in SECTION 7.3(F) (iii) hereof.

"TOTAL DEBT" is defined in SECTION 7.4(a) hereof.

"TRANSACTION COSTS" means the fees, costs and expenses payable by the Borrower or any of its Subsidiaries in connection with the execution, delivery and performance of the Transaction Documents, the issuance of the Senior Notes and the Subordinated Notes, the extinguishment of term Indebtedness existing immediately prior to the Closing Date, and the consummation of the Reynolds Acquisition.

"TRANSACTION DOCUMENTS" means the Loan Documents, the Reynolds Acquisition Documents, and the documents executed in connection with the Subordinated Notes and the Senior Notes.

"TRANSFeree" is defined in SECTION 13.5 hereof.

"TYPE" means, with respect to any Loan, its nature as a Floating Rate Loan or a Eurodollar Rate Loan.

"UNFUNDED LIABILITIES" means (i) in the case of Single Employer Plans, the amount (if any) by which the present value of all vested nonforfeitable benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans, and (ii) in the case of Multiemployer Plans, the withdrawal liability that would be incurred by the Controlled Group if all

members of the Controlled Group completely withdrew from all Multiemployer Plans.

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"UNMATURED DEFAULT" means an event which, but for the lapse of time or the giving of notice, or both, would constitute a Default.

"VOTING STOCK" means stock or similar interests of any class or classes (however designated), the holders of which are generally and ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) of a corporation or other Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"WHOLLY-OWNED SUBSIDIARY" means any member of the Ball Corporate Group 100% of the Capital Stock and other Equity Interests of which is directly or indirectly owned by the Borrower (other than director's qualifying shares).

"YEAR 2000 ISSUES" means, with respect to any Person, anticipated costs, problems and uncertainties associated with the inability of certain computer applications and imbedded systems to effectively handle data, including dates, prior to, on and after January 1, 2000, as it affects the business, operations, and financial condition of such Person, and such Person's customers, suppliers and vendors.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with Agreement Accounting Principles.

1.2 REFERENCES. Any references to Subsidiaries of the Borrower set forth herein shall (i) with respect to representations and warranties which deal with historical matters be deemed to include the Borrower and its Subsidiaries, together with the businesses acquired pursuant to the Reynolds Acquisition; and (ii) shall not in any way be construed as consent by any Agent or any Lender to the establishment, maintenance or acquisition of any Subsidiary, except as may otherwise be permitted hereunder.

1.3 CURRENCY EQUIVALENTS. If at the time of determination of any amount hereunder, such amount shall be in a currency other than U.S. Dollars, such amount shall be deemed to be equal to the Dollar Amount thereof.

ARTICLE II: THE REVOLVING LOAN FACILITIES

2.1. [RESERVED].

2.2 REVOLVING LOANS. (a) Upon the satisfaction of the conditions precedent set forth in SECTIONS 5.1 and 5.2, as applicable, from and including the date of this Agreement and prior to the

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Termination Date, each Lender severally and not jointly agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to the Borrower from time to time, in Dollars, in an amount not to exceed such Lender's Revolving Loan Pro Rata Share of Revolving Credit Availability at such time (each individually, a "REVOLVING LOAN" and, collectively, the "REVOLVING LOANS"); PROVIDED, HOWEVER, at no time shall the Revolving Credit Obligations exceed the Aggregate Revolving Loan Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Termination Date. The Revolving Loans made on the Closing Date or on or before the third (3rd) Business Day thereafter shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or converted into Eurodollar Rate Loans in the manner provided in SECTION 2.10 and subject to the other conditions and limitations therein set forth, set forth in this ARTICLE II and set forth in the definition of Interest Period. Revolving Loans made after the third (3rd) Business Day after the Closing Date shall be, at the option of the Borrower, selected in accordance with SECTION 2.10, either Floating Rate Loans or Eurodollar Rate Loans. On the Termination Date, the Borrower shall repay in full the outstanding principal balance of the Revolving Loans. Each Advance under this SECTION 2.2 shall consist of Revolving Loans made by each

Lender ratably in proportion to such Lender's respective Revolving Loan Pro Rata Share.

(b) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall deliver to the Administrative Agent a Borrowing/Conversion/Continuation Notice, signed by it, in accordance with the terms of SECTION 2.8. The Administrative Agent shall promptly notify each Lender with a Revolving Loan Commitment greater than zero of such request.

(c) MAKING OF REVOLVING LOANS. Promptly after receipt of the Borrowing/Conversion/Continuation Notice under SECTION 2.8 in respect of Revolving Loans, the Administrative Agent shall notify each Lender with a Revolving Loan Commitment greater than zero by telex or telecopy, or other similar form of transmission, of the requested Revolving Loan. Each Lender with a Revolving Loan Commitment greater than zero shall make available its Revolving Loan in accordance with the terms of SECTION 2.7. The Administrative Agent will promptly make the funds so received from the Lenders available to the Borrower at the Administrative Agent's office in Chicago, Illinois on the applicable Borrowing Date and shall disburse such proceeds in accordance with the Borrower's disbursement instructions set forth in such Borrowing/Conversion/Continuation Notice. The failure of any Lender to deposit the amount described above with the Administrative Agent on the applicable Borrowing Date shall not relieve any other Lender of its obligations hereunder to make its Revolving Loan on such Borrowing Date.

2.3 SWING LINE LOANS. (a) AMOUNT OF SWING LINE LOANS. Upon the satisfaction of the conditions precedent set forth in SECTION 5.1 and 5.2, as applicable, from and including the date of this Agreement and prior to the Termination Date, the Swing Line Bank agrees, on the terms and conditions set forth in this Agreement, to make swing line loans to the Borrower from time to time, in Dollars, in an amount not to exceed the Swing Line Commitment (each, individually, a "SWING LINE LOAN" and collectively, the "SWING LINE LOANS"); PROVIDED, HOWEVER, at no time shall the Revolving Credit Obligations exceed the Aggregate Revolving Loan Commitment; and PROVIDED, FURTHER, that at no time shall the sum of (a) the outstanding amount of the Swing Line Loans, PLUS (b) the outstanding amount of Revolving Loans made by the Swing Line Bank pursuant to SECTION 2.2 (after giving effect to any concurrent repayment of Loans), exceed the Swing Line Bank's Revolving Loan Commitment at

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such time. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Swing Line Loans at any time prior to the Termination Date.

(b) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall deliver to the Administrative Agent and the Swing Line Bank a Borrowing/Conversion/Continuation Notice, signed by it, not later than 1:00 p.m. (Chicago time) on the Borrowing Date of each Swing Line Loan, specifying (i) the applicable Borrowing Date (which date shall be a Business Day and which may be the same date as the date the Borrowing/Conversion/Continuation Notice is given), (ii) the aggregate amount of the requested Swing Line Loan which shall be an amount not less than \$1,000,000 and (iii) instructions for the disbursement of the proceeds of such Swing Line Loan. The Swing Line Loans shall at all times be Floating Rate Loans. The Administrative Agent shall promptly notify the Swing Line Bank of such request.

(c) MAKING OF SWING LINE LOANS. Promptly after receipt of the Borrowing/Conversion/Continuation Notice under SECTION 2.3(b) in respect of Swing Line Loans, the Administrative Agent shall notify the Swing Line Bank by telex or telecopy, or other similar form of transmission, of the requested Swing Line Loan. Not later than 3:00 p.m. (Chicago time) on the applicable Borrowing Date, the Swing Line Bank shall make available its Swing Line Loan, in funds immediately available in Chicago, Illinois to the Administrative Agent at its address specified pursuant to ARTICLE XIV. The Administrative Agent will promptly make the funds so received from the Swing Line Bank available to the Borrower on the Borrowing Date at the Administrative Agent's aforesaid address and shall disburse such funds in accordance with the Borrower's disbursement instructions set forth in the related Borrowing/Conversion/Continuation Notice.

(d) REPAYMENT OF SWING LINE LOANS. Each Swing Line Loan shall be paid in full by the Borrower on or before the fifth Business Day after the Borrowing Date for such Swing Line Loan. The Borrower may at any time pay, without penalty or premium, all outstanding Swing Line Loans or, in a minimum amount of \$1,000,000 and increments of \$100,000 in excess thereof, any portion of the outstanding Swing Line Loans, upon notice to the Administrative Agent and the Swing Line Bank. In addition, the Administrative Agent (i) may at any time in its sole discretion with respect to any outstanding Swing Line Loan, or (ii) shall on the fifth Business Day after the Borrowing Date of any Swing Line Loan, require each Lender (including the Swing Line Bank) to make a Revolving Loan in the amount of such Lender's Revolving Loan Pro Rata Share of such Swing Line Loan, for the purpose of repaying such Swing Line Loan. Not later than 2:00 p.m. (Chicago time) on the date of any notice from the Administrative Agent to

the Lenders received pursuant to this SECTION 2.3(d), each Lender shall make available its required Revolving Loan or Revolving Loans, in funds immediately available in Chicago, Illinois to the Administrative Agent at its address specified pursuant to ARTICLE XIV. Revolving Loans made pursuant to this SECTION 2.3(d) shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or converted into Eurodollar Rate Loans in the manner provided in SECTION 2.10 and subject to the other conditions and limitations therein set forth and set forth in this ARTICLE II. Unless a Lender shall have notified the Swing Line Bank, prior to its making any Swing Line Loan, that any applicable condition precedent set forth in SECTIONS 5.1 and 5.2 had not then been satisfied, such Lender's obligation to make Revolving Loans pursuant to this SECTION 2.3(d) to repay Swing Line Loans shall be unconditional, continuing, irrevocable and absolute and shall not be affected by any circumstances, including, without limitation, (A) any set-off, counterclaim,

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recoupment, defense or other right which such Lender may have against the Administrative Agent, the Swing Line Bank or any other Person, (B) the occurrence and continuance of a Default or Unmatured Default, (C) any adverse change in the condition (financial or otherwise) of the Borrower, or (D) any other circumstance, happening or event whatsoever. In the event that any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.3(d), the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Administrative Agent receives such payment from such Lender or such obligation is otherwise fully satisfied. In addition to the foregoing, if for any reason any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.3(d), such Lender shall be deemed, at the option of the Administrative Agent, to have unconditionally and irrevocably purchased from the Swing Line Bank, without recourse or warranty, an undivided interest and participation in the applicable Swing Line Loan in the amount of such Revolving Loan, and such interest and participation may be recovered from such Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of demand and ending on the date such amount is received. On the Termination Date, the Borrower shall repay in full the outstanding principal balance of the Swing Line Loans.

2.4 RATE OPTIONS FOR ALL ADVANCES. The Swing Line Loans shall be Floating Rate Loans at all times. The Revolving Loans may be Floating Rate Loans or Eurodollar Rate Loans, or a combination thereof, selected by the Borrower in accordance with SECTION 2.10; PROVIDED, HOWEVER, notwithstanding anything herein to the contrary, the Borrower may not without the Administrative Agent's consent select, convert or continue any Loans as Eurodollar Rate Loans during the Syndication Period; and, PROVIDED, FURTHER, that, in the event that the Administrative Agent consents to the selection, conversion or continuation of any Loans as Eurodollar Rate Loans during the Syndication Period, the Borrower may not select Interest Periods for Eurodollar Rate Advances made during the Syndication Period which exceed seven (7) days and all Interest Periods with respect to all such Eurodollar Rate Advances made, converted or continued during the Syndication Period shall be required to expire on the same date. The Borrower may select, in accordance with SECTION 2.10, Rate Options and Interest Periods applicable to portions of the Revolving Loans; PROVIDED that there shall be no more than twelve (12) Interest Periods in effect with respect to all of the Loans at any time.

2.5 OPTIONAL PAYMENTS; MANDATORY PREPAYMENTS.

(A) OPTIONAL PAYMENTS. The Borrower may from time to time and at any time repay or prepay, without penalty or premium all or any part of outstanding Floating Rate Advances. Eurodollar Rate Advances may be voluntarily repaid or prepaid prior to the last day of the applicable Interest Period, subject to the indemnification provisions contained in SECTION 4.4, PROVIDED, that the Borrower may not so prepay Eurodollar Rate Advances unless it shall have provided at least one (1) Business Day's prior written notice to the Administrative Agent of such prepayment. Voluntary prepayments of the Revolving Loans shall be in an aggregate minimum amount of \$5,000,000 and integral multiples of \$1,000,000 in excess of that amount.

(B) MANDATORY PREPAYMENTS.

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(i) MANDATORY PREPAYMENTS OF REVOLVING LOANS. If at any time and for any reason the Revolving Credit Obligations are greater than the Aggregate Revolving Loan Commitment, the Borrower shall immediately make a mandatory prepayment of the Revolving Credit Obligations in an amount equal to such excess.

(ii) Subject to the preceding provisions of this SECTION 2.5(B), all of the mandatory prepayments made under this SECTION 2.5(B) shall be applied first

to the applicable Floating Rate Loans and to any Eurodollar Rate Loans maturing on such date and then to subsequently maturing Eurodollar Rate Loans in order of maturity.

2.6 REDUCTION OF REVOLVING LOAN COMMITMENTS. The Borrower may permanently reduce the Aggregate Revolving Loan Commitment in whole, or in part ratably among the Lenders, in an aggregate minimum amount of \$5,000,000 and integral multiples of \$1,000,000 in excess of that amount (unless the Aggregate Revolving Loan Commitment is reduced in whole), upon at least one (1) Business Day's written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; PROVIDED, HOWEVER, that the amount of the Aggregate Revolving Loan Commitment may not be reduced below the aggregate outstanding principal amount of the outstanding Revolving Credit Obligations. All accrued commitment fees due and payable pursuant to SECTION 2.15(c) shall be payable on the effective date of any termination of the obligations of the Lenders to make Revolving Loans hereunder.

2.7 METHOD OF BORROWING. Not later than 2:00 p.m. (Chicago time) on each Borrowing Date, each Lender shall make available its Revolving Loan, in funds immediately available in Chicago to the Administrative Agent at its address specified pursuant to ARTICLE XIV.

2.8 METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR ADVANCES. The Borrower shall select the Type of Advance and, in the case of each Eurodollar Rate Advance, the Interest Period applicable to each Advance from time to time. The Borrower shall give the Administrative Agent irrevocable notice in substantially the form of EXHIBIT B hereto (a "BORROWING/CONVERSION/CONTINUATION NOTICE") not later than 11:00 a.m. (Chicago time) (a) on or before the Borrowing Date of each Floating Rate Advance and (b) three Business Days before the Borrowing Date for each Eurodollar Rate Advance, specifying: (i) the Borrowing Date (which shall be a Business Day) of such Advance; (ii) the aggregate amount of such Advance; (iii) the Type of Advance selected; and (iv) in the case of each Eurodollar Rate Advance, the Interest Period applicable thereto. Each Floating Rate Advance and all Obligations other than Loans shall bear interest from and including the date of the making of such Advance, in the case of Loans, and the date such Obligation is due and owing in the case of such other Obligations, to (but not including) the date of repayment thereof at the Floating Rate, changing when and as such Floating Rate changes. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Loan will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Rate Advance shall bear interest from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined as applicable to such Eurodollar Rate Advance; PROVIDED, that the Eurodollar Rate applicable to any Eurodollar Rate Advance shall change when and as the Applicable Eurodollar Rate Margin changes.

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2.9 MINIMUM AMOUNT OF EACH ADVANCE. Each Advance (other than an Advance to repay Swing Line Loans pursuant to SECTION 2.3(d) or a Reimbursement Obligation pursuant to SECTION 3.7) shall be in the minimum amount of \$5,000,000 (and in multiples of \$1,000,000 if in excess thereof), PROVIDED, HOWEVER, that any Floating Rate Advance may be in the amount of the unused Aggregate Revolving Loan Commitment.

2.10 METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR CONVERSION AND CONTINUATION OF ADVANCES.

(A) RIGHT TO CONVERT. The Borrower may elect from time to time, subject to the provisions of SECTION 2.4 and this SECTION 2.10, to convert all or any part of a Loan of any Type into any other Type or Types of Loans; PROVIDED that any conversion of any Eurodollar Rate Advance shall be made on, and only on, the last day of the Interest Period applicable thereto.

(B) AUTOMATIC CONVERSION AND CONTINUATION. Floating Rate Loans shall continue as Floating Rate Loans unless and until such Floating Rate Loans are converted into Eurodollar Rate Loans. Eurodollar Rate Loans shall continue as Eurodollar Rate Loans until the end of the then applicable Interest Period therefor, at which time such Eurodollar Rate Loans shall be automatically converted into Floating Rate Loans unless the Borrower shall have given the Administrative Agent notice in accordance with SECTION 2.10(D) requesting that, at the end of such Interest Period, such Eurodollar Rate Loans continue as a Eurodollar Rate Loan.

(C) NO CONVERSION POST-DEFAULT OR POST-UNMATURED DEFAULT. Notwithstanding anything to the contrary contained in SECTION 2.10(A) or SECTION 2.10(B), no Loan may be converted into or continued as a Eurodollar Rate Loan (except with the consent of the Required Lenders) when any Default or Unmatured Default has occurred and is continuing.

(D) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall give the Administrative Agent irrevocable notice, in substantially the form of a

Borrowing/Conversion/Continuation Notice, of each conversion of a Floating Rate Loan into a Eurodollar Rate Loan or continuation of a Eurodollar Rate Loan not later than 11:00 a.m. (Chicago time) three Business Days prior to the date of the requested conversion or continuation, specifying: (1) the requested date (which shall be a Business Day) of such conversion or continuation; (2) the amount and Type of the Loan to be converted or continued; and (3) the amount of Eurodollar Rate Loan(s) into which such Loan is to be converted or continued and the duration of the Interest Period applicable thereto.

2.11 DEFAULT RATE. After the occurrence and during the continuance of a Default, at the option of the Administrative Agent or at the direction of the Required Lenders, the interest rate(s) applicable to the Obligations and the fees payable under SECTION 3.9 with respect to Letters of Credit shall be increased by two percent (2.0%) per annum above the Floating Rate or Eurodollar Rate, as applicable, or, if such increase results in the violation of applicable usury law, shall be increased to the maximum interest rate allowed under such usury law.

2.12 METHOD OF PAYMENT. All payments of principal, interest, and fees hereunder shall be made, without setoff, deduction or counterclaim, in immediately available funds to the Administrative

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Agent at the Administrative Agent's address specified pursuant to ARTICLE XIV, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by (x) 1:00 p.m. (Chicago time) with respect to each Swing Line Loan and (y) 12:00 noon (Chicago time) with respect to all other Loans, in each case, on the date when due and shall be made ratably among the Swing Line Banks and the Lenders, as applicable (unless such amount is not to be shared ratably in accordance with the terms hereof). Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds which the Administrative Agent received at its address specified pursuant to ARTICLE XIV or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender. The Borrower authorizes the Administrative Agent to charge the account of the Borrower maintained with First Chicago for each payment of principal, interest and fees as it becomes due hereunder.

2.13 EVIDENCE OF DEBT, TELEPHONIC NOTICES.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts (a "LOAN ACCOUNT") evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to SUBSECTIONS (a) or (b) of this Section shall be PRIMA FACIE evidence of the existence and amounts of the obligations recorded therein; PROVIDED that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that the Revolving Loans made by it each be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note for such Loans payable to the order of such Lender and in a form approved by the Administrative Agent and consistent with the terms of this Agreement. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to SECTION 13.3) be represented by one or more promissory notes in such form payable to the order of the payee named therein.

(e) The Borrower authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be an Authorized Officer acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation of each telephonic notice signed by an

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Authorized Officer of the Borrower. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error. In case of disagreement concerning such notices, if the Administrative Agent has recorded telephonic borrowing notices, such recordings will be made available to the Borrower upon the Borrower's request therefor.

2.14 PROMISE TO PAY; INTEREST AND COMMITMENT FEES; INTEREST PAYMENT DATES; INTEREST AND FEE BASIS; TAXES; LOAN AND CONTROL ACCOUNTS.

(A) PROMISE TO PAY. The Borrower unconditionally promises to pay when due the principal amount of each Loan and all other Obligations incurred by it, and to pay when due all unpaid interest accrued thereon, in accordance with the terms of this Agreement and the other Loan Documents.

(B) INTEREST PAYMENT DATES. Interest accrued on each Floating Rate Loan shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof, on any date on which the Floating Rate Loan is prepaid, whether due to acceleration or otherwise, and at maturity (whether by acceleration or otherwise). Interest accrued on each Eurodollar Rate Loan shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Rate Loan is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Rate Loan having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest accrued on the principal balance of all other Obligations shall be payable in arrears (i) on the last day of each calendar month, commencing on the first such day following the incurrence of such Obligation, (ii) upon repayment thereof in full or in part, and (iii) if not theretofore paid in full, at the time such other Obligation becomes due and payable (whether by acceleration or otherwise).

(C) COMMITMENT FEES. (i) The Borrower shall pay to the Administrative Agent, for the account of the Lenders in accordance with their Revolving Loan Pro Rata Shares, from and after the Closing Date until the date on which the Aggregate Revolving Loan Commitment shall be terminated in whole, a commitment fee accruing at the rate of the Applicable Commitment Fee Percentage, on the average daily closing amount (as of 2:00 p.m. (Chicago time)) by which (A) the Aggregate Revolving Loan Commitment in effect from time to time exceeds (B) the Revolving Credit Obligations (excluding the outstanding principal amount of the Swing Line Loans) in effect from time to time. All such commitment fees payable under this CLAUSE (C) shall be payable quarterly in arrears on the last day of each fiscal quarter of the Borrower occurring after the Closing Date (with the first such payment being calculated for the period from the Closing Date and ending on September 30, 1998), and, in addition, on the date on which the Aggregate Revolving Loan Commitment shall be terminated in whole.

(ii) The Borrower agrees to pay to the Administrative Agent for the sole account of the Agents and the Arrangers (unless otherwise agreed between the Administrative Agent, the other Agents and the Arrangers and any Lender) the fees set forth in the letter agreement between the Agents, the Arrangers and the Borrower, dated April 22, 1998, payable at the times and in the amounts set forth therein.

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(iii) The Borrower agrees to pay to the Administrative Agent for its sole account the fees set forth in the letter agreement between the Administrative Agent and the Borrower, dated April 22, 1998, payable at the times and in the amounts set forth therein.

(D) INTEREST AND FEE BASIS; APPLICABLE FLOATING RATE MARGINS; APPLICABLE EURODOLLAR MARGINS AND APPLICABLE COMMITMENT FEE PERCENTAGE.

(i) Interest on Floating Rate Loans and the commitment fee payable under SECTION 2.14(C) shall be calculated for actual days elapsed on the basis of a 365/366-day year. All other interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Obligation is incurred but not for the day of any payment on the amount paid if payment is received prior to 2:00 p.m. (Chicago time) at the place of payment. If any payment of principal of or interest on a Loan or any payment of any other Obligations shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

(ii) The Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be determined from time to time by reference to the table set forth below, on the basis of the then applicable Leverage Ratio as described in this SECTION 2.14(D)(ii):

<TABLE>

<CAPTION>

LEVERAGE RATIO	APPLICABLE FLOATING	APPLICABLE EURODOLLAR	APPLICABLE
	RATE MARGINS	MARGINS	COMMITMENT
	REVOLVING LOANS	REVOLVING LOANS	FEE PERCENTAGE
<S>	<C>	<C>	<C>
Greater than or equal to 4.75 to 1.0	0.75%	1.75%	0.325%
Greater than or equal to 4.25 to 1.0 and less than 4.75 to 1.0	0.50%	1.50%	0.325%
Greater than or equal to 3.75 to 1.0 and less than 4.25 to 1.0	0.25%	1.25%	0.250%

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<TABLE>
<CAPTION>

LEVERAGE RATIO	APPLICABLE FLOATING	APPLICABLE EURODOLLAR	APPLICABLE
	RATE MARGINS	MARGINS	COMMITMENT
	REVOLVING LOANS	REVOLVING LOANS	FEE PERCENTAGE
<S>	<C>	<C>	<C>
Greater than or equal to 3.25 to 1.0 and less than 3.75 to 1.0	0.00%	1.00%	0.250%
Greater than or equal to 2.75 to 1.0 and less than 3.25 to 1.0	0.00%	.875%	0.200%
Less than 2.75 to 1.0	0.00%	.750%	0.150%

For purposes of this SECTION 2.14(D) (ii), the Leverage Ratio shall be determined as of the last day of each fiscal quarter based upon (a) for Total Debt, Total Debt as of the last day of each such fiscal quarter; and (b) for EBITDA, the actual amount for the four-quarter period ending on such day, calculated, with respect to Permitted Acquisitions, on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment. Except as provided in CLAUSE (iii) below, upon receipt of (x)(i) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of each fiscal quarter for each fiscal year and the related consolidated statements of income, stockholder's equity and cash flows of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, together with consolidating schedules, in form and substance sufficient to calculate the financial covenants set forth in SECTIONS 7.3(A) through (G), 7.3(L), 7.3(T) and 7.4; and (ii) the consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidating statements of income of the Borrower and its Subsidiaries for such fiscal quarter and for the period from

the beginning of the then current fiscal year to the end of such fiscal quarter, in each case, prepared in a manner consistent with past practice (collectively, the "PRELIMINARY FINANCIALS"), and (y) a compliance certificate signed by the chief financial officer or treasurer of the Borrower substantially in the form of EXHIBIT H attached hereto and made a part hereof, which demonstrates compliance with the provisions of SECTION 7.4 (a "PRELIMINARY FINANCIAL COMPLIANCE CERTIFICATE", and together with the Preliminary Financials, the "PRELIMINARY FINANCIAL PACKAGE") for each quarter of each fiscal year, the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be adjusted, such adjustment being effective five (5) Business Days following the Administrative Agent's receipt of such Preliminary Financial Package (the "INITIAL ADJUSTMENT DATE"); PROVIDED, that, if upon receipt of the

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Borrower's financial statements delivered pursuant to SECTION 7.1(A)(i) for the first three quarters of each fiscal year and pursuant to SECTION 7.1(A)(ii) for the fourth quarter of each fiscal year, such financial statements indicate that the Leverage Ratio as of such fiscal quarter end or fiscal year end, as applicable, was higher or lower, as applicable, than the Leverage Ratio set forth in the Preliminary Financial Compliance Certificate for such fiscal quarter or fiscal year, as applicable, then an appropriate adjustment to the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be made (x) in the case of an adjustment upward, retroactively to the Initial Adjustment Date and the Borrower shall pay adjusted interest and commitment fees to the Administrative Agent for the account of the applicable Lenders for the period from the effective date of such initial adjustment based upon such Preliminary Financial Compliance Certificate to the date of such subsequent adjustment based upon such financial statements, such payment to be made not later than five (5) Business Days following delivery of such financial statements, and (y) in the case of an adjustment downward, retroactively to the Initial Adjustment Date, and an appropriate reduction to the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage for the next succeeding fiscal quarter shall be made such that the Borrower shall pay adjusted interest and commitment fees to the Administrative Agent for the account of the applicable Lenders for such next succeeding fiscal quarter in an amount equal to (i) the then due and payable interest and commitment fees for such next succeeding fiscal quarter MINUS (ii) the excess payment made during the period from the effective date of such initial adjustment based upon such Preliminary Financial Compliance Certificate to the date of such subsequent adjustment based upon such financial statements; PROVIDED, FURTHER, that if the Borrower shall not have timely delivered its financial statements in accordance with SECTION 7.1(A)(i) or SECTION 7.1(A)(ii), as applicable, then commencing on the date upon which such financial statements should have been delivered and continuing until such financial statements are actually delivered, it shall be assumed for purposes of determining the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage that the Leverage Ratio was greater than 4.75 to 1.0.

(iii) Notwithstanding anything herein to the contrary, from the Closing Date to but not including the later of (i) the fifth Business Day following receipt of a Preliminary Financial Package in respect of the fiscal quarter ending December 31, 1998 and (ii) the six month anniversary of the Closing Date, the Applicable Floating Rate Margin, Applicable Eurodollar Margin and Applicable Commitment Fee Percentage shall be determined as though the Leverage Ratio is greater than 4.75 to 1.00. The Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be initially adjusted based upon the Preliminary Financial Package in respect of the fiscal quarter ending December 31, 1998, such initial adjustment being effective on the later of (i) five (5) Business Days following the Administrative Agent's receipt of such Preliminary Financial Package and (ii) the six month anniversary of the Closing Date; PROVIDED, that, if upon receipt of the Borrower's audited financial statements delivered pursuant to SECTION 7.1(A)(ii) for the fiscal year ending December 31, 1998, such audited financial statements indicate that the Leverage Ratio for the fiscal quarter ending December 31, 1998 was higher than the Leverage Ratio set forth in the Preliminary Financial Compliance Certificate for such fiscal quarter, then an appropriate adjustment to the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be made retroactively to the applicable Initial Adjustment Date and the Borrower shall pay adjusted interest and commitment fees to the Administrative Agent for the account of the applicable Lenders for the period from such Initial Adjustment Date based upon such Preliminary

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Financial Compliance Certificate to the date of such subsequent adjustment based upon the audited financial statements, such payment to be made not later than five (5) Business Days following the delivery of such audited

(E) TAXES.

(i) Except as otherwise provided herein, any and all payments by the Borrower hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings or any liabilities with respect thereto including those arising after the date hereof as a result of the adoption of or any change in any law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the interpretation or application thereof by a Governmental Authority but excluding, in the case of each Lender and each Agent, such taxes (including, without limitation, income taxes, franchise taxes and branch profit taxes) as are imposed on or measured by such Lender's or Agent's, as the case may be, income by the United States of America or any political subdivision thereof or any Governmental Authority of the jurisdiction under the laws of which such Lender or Agent, as the case may be, is organized or maintains a Lending Installation (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities applicable to this Agreement, the other Loan Documents, the Revolving Loan Commitments, the Loans or the Letters of Credit being hereinafter referred to as "TAXES"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under the other Loan Documents to any Lender or Agent that has fully complied with all provisions of SECTION 2.14(E)(vi) and has delivered a certificate described in SECTION 2.14(E)(vi)(a) or (c), (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this SECTION 2.14(E)) such Lender or Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any other Loan Documents to any Lender or Agent that has not fully complied with all provisions of SECTION 2.14(E)(vi) or has complied with such provisions by delivering a certificate described in SECTION 2.14(E)(vi)(b), (i) the sum payable shall not be increased as a result of any required deductions, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If a withholding tax of the United States of America or any other Governmental Authority shall be or become applicable (y) after the date of this Agreement, to such payments by the Borrower made to the Lending Installation or any other office that a Lender may claim as its Lending Installation, or (z) after such Lender's selection and designation of any other Lending Installation, to such payments made to such other Lending Installation, such Lender shall use reasonable efforts to make, fund and maintain its Loans through another Lending Installation of such Lender in another jurisdiction so as to reduce the Borrower's liability hereunder, if the making, funding or maintenance of such Loans through such other Lending Installation of such Lender does not, in the good faith judgment of

such Lender, otherwise adversely affect such Loans, or obligations under the Revolving Loan Commitments or such Lender.

(ii) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, goods and services tax, or similar levies which arise from any payment made hereunder, from the issuance of Letters of Credit hereunder, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the other Loan Documents, the Revolving Loan Commitments, the Loans or the Letters of Credit (hereinafter referred to as "OTHER TAXES").

(iii) The Borrower indemnifies each Lender and Agent for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any Governmental Authority on amounts payable under this SECTION 2.14(E)) paid by such Lender or Agent (as the case may be) and any liability (including penalties, interest, and out-of-pocket expenses) arising therefrom or with respect thereto. This indemnification shall be made within thirty (30) days after the date such Lender or Agent (as the case may be) makes written demand therefor. A certificate as to any additional amount payable to any Lender or Agent under this SECTION 2.14(E) submitted to the Borrower and the Administrative Agent (if a Lender is so submitting) by such Lender or Agent shall show in reasonable detail the amount payable and the calculations used to determine such amount and shall, absent manifest error, be final, conclusive and binding upon all parties hereto. With respect to such deduction or withholding for or on account of any Taxes and to confirm that all such Taxes have been paid to the appropriate Governmental Authorities, the Borrower shall promptly (and in any event not later than thirty (30) days after receipt)

furnish to each Lender and Agent such certificates, receipts and other documents as may be required (in the judgment of such Lender or Agent) to establish any tax credit to which such Lender or Agent may be entitled.

(iv) Within thirty (30) days after the date of any payment of Taxes or Other Taxes by the Borrower, the Borrower shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof.

(v) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this SECTION 2.14(E) shall survive the payment in full of principal and interest hereunder, the termination of the Letters of Credit and the termination of this Agreement and shall continue to survive until the expiration of the applicable statute of limitations for collection of the relevant Tax or Other Tax.

(vi) Each Lender and Agent that is not created or organized under the laws of the United States of America or a political subdivision thereof shall deliver to the Borrower and the Administrative Agent on or before the Closing Date, or, in the case of any Person that becomes a Lender or an Agent after the date hereof, on or before the date on which such Person becomes a Lender or an Agent, as applicable, after the date hereof, a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender or Agent, in a form satisfactory to the Borrower and the Administrative Agent, to the effect that such Lender or

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Agent is eligible under the provisions of an applicable tax treaty concluded by the United States of America or other exemption (in which case the certificate shall be accompanied by two executed copies of Form 1001 of the IRS or successor applicable form) or under Section 1442 of the Code (in which case the certificate shall be accompanied by two copies of Form 4224 of the IRS or successor applicable form) or, if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, two completed signed copies of IRS Form W-8 or W-9 or successor applicable form, to receive payments of interest hereunder without deduction or withholding of United States federal income tax. Each such Lender and Agent further agrees to deliver to the Borrower and the Administrative Agent from time to time a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender or Agent substantially in a form satisfactory to the Borrower and the Administrative Agent, before or promptly upon the occurrence of any event requiring a change in the most recent certificate previously delivered by it to the Borrower and the Administrative Agent pursuant to this SECTION 2.14(E)(vi). Further, each Lender or Agent which delivers a certificate accompanied by Form 1001 of the IRS covenants and agrees to deliver to the Borrower and the Administrative Agent within fifteen (15) days prior to January 1, 1999, and every third (3rd) anniversary of such date thereafter on which this Agreement is still in effect, another such certificate and two accurate and complete original signed copies of Form 1001 (or any successor form or forms required under the Code or the applicable regulations promulgated thereunder to establish an exemption from or reduction in the rate of withholding), and each Lender or Agent that delivers a Form W-8 or W-9 as prescribed above or a certificate accompanied by Form 4224 of the IRS covenants and agrees to deliver to the Borrower and the Administrative Agent within fifteen (15) days prior to the beginning of each subsequent taxable year of such Lender or Agent during which this Agreement is still in effect, another such Form W-8 or W-9 or another such certificate and two accurate and complete original signed copies of IRS Form 4224 (or any successor form or forms required under the Code or the applicable regulations promulgated thereunder to establish an exemption from withholding). Each such certificate shall certify as to one of the following:

(a) that such Lender or Agent is eligible to receive payments of interest hereunder without deduction or withholding of United States of America federal income tax;

(b) that such Lender or Agent is not eligible to receive payments of interest hereunder without deduction or withholding of United States of America federal income tax as specified therein but is capable of recovering the full amount of any such deduction or withholding from a source other than the Borrower and will not seek any such recovery from the Borrower; or

(c) that, as a result of the adoption of or any change in any law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the interpretation or application thereof by a Governmental Authority after the date such Lender became a party hereto, such Lender is not eligible to receive payments of interest hereunder without deduction or withholding of United States of America federal income tax as

specified therein and that it is

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not capable of recovering the full amount of the same from a source other than the Borrower.

Each Lender and Agent shall promptly furnish to the Borrower and the Administrative Agent such additional documents as may be reasonably required by the Borrower or the Administrative Agent to establish any exemption from or reduction of any Taxes or Other Taxes required to be deducted or withheld and which may be obtained without undue expense to such Lender.

(F) CONTROL ACCOUNT. The Register maintained by the Administrative Agent pursuant to SECTION 13.3(C) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Advance made hereunder, the type of Loan comprising such Advance and any Interest Period applicable thereto, (ii) the effective date and amount of each Assignment Agreement delivered to and accepted by it and the parties thereto pursuant to SECTION 13.3, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (iv) the amount of any sum received by the Administrative Agent from the Borrower hereunder and each Lender's share thereof, and (v) all other appropriate debits and credits as provided in this Agreement, including, without limitation, all fees, charges, expenses and interest.

(G) ENTRIES BINDING. The entries made in the Register and each Loan Account shall be conclusive and binding for all purposes, absent manifest error, unless the Borrower objects to information contained in the Register and each Loan Account within thirty (30) days of the Borrower's receipt of such information.

2.15 NOTIFICATION OF ADVANCES, INTEREST RATES, PREPAYMENTS AND AGGREGATE REVOLVING LOAN COMMITMENT REDUCTIONS. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Revolving Loan Commitment reduction notice, Borrowing/Conversion/Continuation Notice, and repayment notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Rate Loan promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.16 LENDING INSTALLATIONS. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation. Each Lender may, by written or facsimile notice to the Administrative Agent and the Borrower, designate a Lending Installation through which Loans will be made by it and for whose account Loan payments are to be made.

2.17 NON-RECEIPT OF FUNDS BY THE ADMINISTRATIVE AGENT. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated

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to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of payment by a Lender, the Federal Funds Effective Rate for such day or (ii) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

2.18 TERMINATION DATE; EXTENSION OF TERMINATION DATE. (i) This Agreement shall be effective until the Termination Date. Notwithstanding the termination of this Agreement, until all of the Obligations (other than contingent indemnity obligations) shall have been fully and indefeasibly paid and satisfied, all financing arrangements among the Borrower and the Lenders shall have been terminated (other than under Hedging Agreements or other agreements with respect to Hedging Obligations) and all of the Letters of Credit shall have expired, been canceled or terminated, all of the rights and remedies under this Agreement and the other Loan Documents shall survive.

(ii) The Aggregate Revolving Loan Commitment shall expire on the Termination Date. Within the period beginning 59 days and ending 30 days before the then effective Termination Date, the Borrower may request in writing that the Termination Date be extended for an additional period of 364 days, including the then effective Termination Date as one of the days in the calculation of days elapsed. Within 30 days after such request (such 30th day being the "Consent Date"), each Lender may, in its sole discretion, agree to such extension to a new Termination Date not more than 364 days following such Consent Date by giving written notice of such agreement to the Borrower and the Administrative Agent (and the failure to provide such notice shall be deemed to be a decision not to extend). The Revolving Loan Commitment of each Lender that declines to extend with respect to the Aggregate Revolving Loan Commitment may, at the option of the Borrower, be replaced in accordance with SECTION 13.3 (but only to the extent a replacement Lender is then available) or the Aggregate Revolving Loan Commitment reduced. The Required Lenders must agree to any extension with respect to the Termination Date for any such extension to become effective.

2.19 REPLACEMENT OF CERTAIN LENDERS. In the event a Lender ("AFFECTED LENDER") shall have: (i) failed to fund its Revolving Loan Pro Rata Share of any Advance requested by the Borrower, or to fund a Revolving Loan in order to repay Swing Line Loans pursuant to SECTION 2.3(d), which such Lender is obligated to fund under the terms of this Agreement and which failure has not been cured, (ii) requested compensation from the Borrower under SECTIONS 2.14(E), 4.1 or 4.2 to recover Taxes, Other Taxes or other additional costs incurred by such Lender which are not being incurred generally by the other Lenders, (iii) delivered a notice pursuant to SECTION 4.3 claiming that such Lender is unable to extend Eurodollar Rate Loans to the Borrower for reasons not generally applicable to the other Lenders or (iv) has invoked SECTION 10.2, then, in any such case, the Borrower or the Administrative Agent may make written demand on such Affected Lender (with a copy to the Administrative Agent in the case of a demand by the Borrower and a copy to the Borrower in the case of a demand by the Administrative Agent) for the Affected Lender to assign, and such Affected Lender shall use commercially reasonable efforts to assign pursuant to one or more duly executed Assignment Agreements five (5) Business Days after the date of such demand, to one or more financial institutions

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that comply with the provisions of SECTION 13.3(A) which the Borrower or the Administrative Agent, as the case may be, shall have engaged for such purpose ("REPLACEMENT LENDER"), all of such Affected Lender's rights and obligations under this Agreement and the other Loan Documents (including, without limitation, its Revolving Loan Commitment, all Loans owing to it, all of its participation interests in existing Letters of Credit, and its obligation to participate in additional Letters of Credit hereunder) in accordance with SECTION 13.3. The Administrative Agent agrees, upon the occurrence of such events with respect to an Affected Lender and upon the written request of the Borrower, to use its reasonable efforts to obtain the commitments from one or more financial institutions to act as a Replacement Lender. The Administrative Agent is authorized to execute one or more of such assignment agreements as attorney-in-fact for any Affected Lender failing to execute and deliver the same within five (5) Business Days after the date of such demand. Further, with respect to such assignment the Affected Lender shall have concurrently received, in cash, all amounts due and owing to the Affected Lender hereunder or under any other Loan Document, including, without limitation, the aggregate outstanding principal amount of the Loans owed to such Lender, together with accrued interest thereon through the date of such assignment, amounts payable under SECTIONS 2.14(E), 4.1, and 4.2 with respect to such Affected Lender and compensation payable under SECTION 2.14(C) in the event of any replacement of any Affected Lender under CLAUSE (ii) or CLAUSE (iii) of this SECTION 2.19; PROVIDED that upon such Affected Lender's replacement, such Affected Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of SECTIONS 2.14(E), 4.1, 4.2, 4.4, and 10.7 accrued with respect to the period prior to the date such Affected Lender is replaced, as well as to any fees accrued through the date of such assignment for its account hereunder and not yet paid, and shall continue to be obligated under SECTION 11.8. Upon the replacement of any Affected Lender pursuant to this SECTION 2.19, the provisions of SECTION 9.2 shall continue to apply with respect to Borrowings which are then outstanding with respect to which the Affected Lender failed to fund its Revolving Loan Pro Rata Share, and which failure has not been cured.

ARTICLE III: THE LETTER OF CREDIT FACILITY

3.1 OBLIGATION TO ISSUE. Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants of the Borrower herein set forth, each Issuing Bank hereby agrees to issue upon Borrower's request, for the account of the Borrower or any Guarantor through such Issuing Bank's branches as it and the Borrower may jointly agree, one or more Letters of Credit in accordance with this ARTICLE III, from time to time during the period, commencing on the date hereof and ending on the Business Day prior to the Termination Date; PROVIDED, HOWEVER, that no Issuing Bank shall

have any obligation to issue any Letter of Credit if, after taking into account such issuance, the aggregate L/C Obligations outstanding under Letters of Credit issued by such Issuing Bank would exceed the amount set forth on SCHEDULE 3.1 opposite such Issuing Bank's name. SCHEDULE 3.1 may be updated at any time and from time to time by the Administrative Agent in connection with the addition of any Issuing Bank.

3.2 [RESERVED].

3.3 TYPES AND AMOUNTS. No Issuing Bank shall have any obligation to and no Issuing Bank shall:

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(i) issue any Letter of Credit if on the date of issuance, before or after giving effect to the Letter of Credit requested hereunder, (a) the Revolving Credit Obligations at such time would exceed the Aggregate Revolving Loan Commitment at such time, or (b) the aggregate outstanding amount of the L/C Obligations would exceed \$100,000,000; or

(ii) issue any Letter of Credit which has an expiration date later than the Revolving Loan Termination Date.

3.4 CONDITIONS. In addition to being subject to the satisfaction of the conditions contained in SECTIONS 5.1 and 5.2, the obligation of an Issuing Bank to issue any Letter of Credit is subject to the satisfaction in full of the following conditions:

(i) the Borrower shall have delivered or caused the applicable Guarantor applicant to deliver to the applicable Issuing Bank at such times and in such manner as such Issuing Bank may reasonably prescribe, a request for issuance of such Letter of Credit in substantially the form of EXHIBIT C hereto, duly executed applications for such Letter of Credit, and such other customary documents, instructions and agreements as may be required pursuant to the terms thereof (all such applications, documents, instructions, and agreements being referred to herein as the "L/C Documents"), and the proposed Letter of Credit shall be reasonably satisfactory to such Issuing Bank as to form and content; and

(ii) as of the date of issuance of such Letter of Credit, no order, judgment or decree of any court, arbitrator or Governmental Authority shall purport by its terms to enjoin or restrain the applicable Issuing Bank from issuing such Letter of Credit and no law, rule or regulation applicable to such Issuing Bank and no request or directive (whether or not having the force of law) from a Governmental Authority with jurisdiction over such Issuing Bank shall prohibit or request that such Issuing Bank refrain from the issuance of Letters of Credit generally or the issuance of that Letter of Credit.

To the extent that any provision of any L/C Document cannot reasonably be construed to be consistent with this Agreement, requires greater collateral security or imposes additional obligations not reasonably related to customary letter of credit arrangements, such provision shall be invalid and this Agreement shall control.

3.5 PROCEDURE FOR ISSUANCE OF LETTERS OF CREDIT. (a) Subject to the terms and conditions of this ARTICLE III and provided that the applicable conditions set forth in SECTIONS 5.1 and 5.2 hereof have been satisfied, the applicable Issuing Bank shall, on the requested date, issue a Letter of Credit on behalf of the Borrower or Guarantor, as applicable, in accordance with such Issuing Bank's usual and customary business practices and, in this connection, such Issuing Bank may assume that the applicable conditions set forth in SECTION 5.2 hereof have been satisfied unless it shall have received notice to the contrary from the Administrative Agent or a Lender or has knowledge that the applicable conditions have not been met.

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(b) The applicable Issuing Bank shall give the Administrative Agent written or telex notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance of a Letter of Credit, PROVIDED, HOWEVER, that the failure to provide such notice shall not result in any liability on the part of such Issuing Bank.

(c) No Issuing Bank shall extend or amend any Letter of Credit unless the requirements of this SECTION 3.5 are met as though a new Letter of Credit was being requested and issued.

3.6 LETTER OF CREDIT PARTICIPATION. Immediately upon the issuance of each Letter of Credit hereunder, each Lender with a Revolving Loan Pro Rata Share shall be deemed to have automatically, irrevocably and unconditionally purchased

and received from the applicable Issuing Bank an undivided interest and participation in and to such Letter of Credit, the obligations of the Borrower and/or Guarantor, as applicable, in respect thereof, and the liability of such Issuing Bank thereunder (collectively, an "L/C INTEREST") in an amount equal to the amount available for drawing under such Letter of Credit multiplied by such Lender's Revolving Loan Pro Rata Share. Each Issuing Bank will notify each Lender promptly upon presentation to it of an L/C Draft or upon any other draw under a Letter of Credit. On or before the Business Day on which an Issuing Bank makes payment of each such L/C Draft or, in the case of any other draw on a Letter of Credit, on demand by the Administrative Agent or the applicable Issuing Bank, each Lender shall make payment to the Administrative Agent, for the account of the applicable Issuing Bank, in immediately available funds in an amount equal to such Lender's Revolving Loan Pro Rata Share of the amount of such payment or draw. The obligation of each Lender to reimburse the Issuing Banks under this SECTION 3.6 shall be unconditional, continuing, irrevocable and absolute. In the event that any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 3.6, the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Administrative Agent receives such payment from such Lender or such obligation is otherwise fully satisfied; PROVIDED, HOWEVER, that nothing contained in this sentence shall relieve such Lender of its obligation to reimburse the applicable Issuing Bank for such amount in accordance with this SECTION 3.6.

3.7 REIMBURSEMENT OBLIGATION. The Borrower agrees unconditionally, irrevocably and absolutely to pay promptly upon demand therefor to the Administrative Agent, for the account of the Lenders, the amount of each advance which may be drawn under or pursuant to a Letter of Credit (whether such Letter of Credit was issued for the account of the Borrower or any Guarantor) or an L/C Draft related thereto (such obligation of the Borrower to reimburse the Administrative Agent for an advance made under a Letter of Credit or L/C Draft being hereinafter referred to as a "REIMBURSEMENT OBLIGATION" with respect to such Letter of Credit or L/C Draft). If the Borrower at any time fails to repay when due a Reimbursement Obligation pursuant to this SECTION 3.7, the Borrower shall be deemed to have elected to borrow Revolving Loans from the Lenders, as of the date of the advance giving rise to the Reimbursement Obligation, equal in amount to the amount of the unpaid Reimbursement Obligation. Such Revolving Loans shall be made as of the date of the payment giving rise to such Reimbursement Obligation, automatically, without notice and without any requirement to satisfy the conditions precedent otherwise applicable to an Advance of Revolving Loans. Such Revolving Loans shall constitute a Floating Rate Advance, the proceeds of which Advance shall be used to repay such Reimbursement Obligation. If, for any reason, the Borrower fails

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to repay a Reimbursement Obligation on the day such Reimbursement Obligation arises and, for any reason, the Lenders are unable to make or have no obligation to make Revolving Loans, then such Reimbursement Obligation shall bear interest from and after such day, until paid in full, at the interest rate applicable to a Floating Rate Advance.

3.8 CASH COLLATERAL. Notwithstanding anything to the contrary herein or in any application for a Letter of Credit, after the occurrence and during the continuance of a Default, the Borrower shall, upon the Administrative Agent's demand, deliver to the Administrative Agent for the benefit of the Lenders and the Issuing Banks, cash, or other collateral of a type reasonably satisfactory to the Required Lenders, having a value, as determined by such Lenders, equal to the aggregate outstanding L/C Obligations. Any such collateral shall be held by the Administrative Agent in a separate interest bearing account appropriately designated as a cash collateral account in relation to this Agreement and the Letters of Credit and retained by the Administrative Agent for the benefit of the Lenders and the Issuing Banks as collateral security for the Borrower's obligations in respect of this Agreement and each of the Letters of Credit and L/C Drafts. Such amounts shall be applied to reimburse the Issuing Banks for drawings or payments under or pursuant to Letters of Credit or L/C Drafts, or if no such reimbursement is required, to payment of such of the other Obligations as the Administrative Agent shall determine. If no Default shall be continuing all amounts (including interest income), or, to the extent that L/C Obligations have been paid in full in cash or have otherwise been reduced to \$0 amounts (including interest income) equal to the reduction in such L/C Obligations, in each case, remaining in any cash collateral account established pursuant to this SECTION 3.8 which are not to be applied to reimburse an Issuing Bank for amounts actually paid or to be paid by such Issuing Bank in respect of a Letter of Credit or L/C Draft, shall be returned to the Borrower (after deduction of the Administrative Agent's expenses incurred in connection with such cash collateral account).

3.9 LETTER OF CREDIT FEES. The Borrower agrees to pay (i) on each Payment Date and on the Termination Date, in arrears, to the Administrative Agent for the ratable benefit of the Lenders, except as set forth in SECTION 9.2, a letter of credit fee at a rate per annum equal to the Applicable L/C Fee Percentage on the average daily outstanding face amount available for drawing under all

Letters of Credit, (ii) on each Payment Date and on the Termination Date, in arrears, to the Administrative Agent for the sole account of each Issuing Bank, a letter of credit fronting fee at such percentage rate as may be agreed between the Borrower or Guarantor, as applicable, and each Issuing Bank on the average daily outstanding face amount available for drawing under all Letters of Credit issued by such Issuing Bank, and (iii) to the Administrative Agent for the benefit of each Issuing Bank, all customary fees and other issuance, amendment, document examination, negotiation and presentment expenses and related charges in connection with the issuance, amendment, presentation of L/C Drafts, and the like customarily charged by such Issuing Banks with respect to standby and commercial Letters of Credit, including, without limitation, standard commissions with respect to commercial Letters of Credit, payable at the time of invoice of such amounts.

3.10 ISSUING BANK REPORTING REQUIREMENTS. Each Issuing Bank shall, no later than the tenth Business Day following the last day of each month, provide to the Administrative Agent, upon the Administrative Agent's request, schedules, in form and substance reasonably satisfactory to the Administrative Agent, showing the date of issue, account party, amount, expiration date and the reference number of each Letter of Credit issued by it outstanding at any time during such month and

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the aggregate amount payable by the Borrower and/or any Guarantor during such month. In addition, upon the request of the Administrative Agent, each Issuing Bank shall furnish to the Administrative Agent copies of any Letter of Credit and any application for or reimbursement agreement with respect to a Letter of Credit to which the Issuing Bank is party and such other documentation as may reasonably be requested by the Administrative Agent. Upon the request of any Lender, the Administrative Agent will provide to such Lender information concerning such Letters of Credit.

3.11 INDEMNIFICATION; EXONERATION. (a) In addition to amounts payable as elsewhere provided in this ARTICLE III, the Borrower hereby agrees to protect, indemnify, pay and save harmless the Administrative Agent, each Issuing Bank and each Lender from and against any and all liabilities and costs which the Administrative Agent, such Issuing Bank or such Lender may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit other than, in the case of the applicable Issuing Bank, as a result of its Gross Negligence or willful misconduct, or (ii) the failure of the applicable Issuing Bank to honor a drawing under a Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future DE JURE or DE FACTO Governmental Authority (all such acts or omissions herein called "GOVERNMENTAL ACTS").

(b) As among the Borrower, the Lenders, the Administrative Agent and the Issuing Banks, the Borrower assumes all risks of the acts and omissions of, or misuse of such Letter of Credit by, the beneficiary of any Letters of Credit. In furtherance and not in limitation of the foregoing, subject to the provisions of the Letter of Credit applications and Letter of Credit reimbursement agreements executed by the Borrower or any Guarantor at the time of request for any Letter of Credit, neither the Administrative Agent, any Issuing Bank nor any Lender shall be responsible (in the absence of Gross Negligence or willful misconduct in connection therewith): (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of a Letter of Credit to comply duly with conditions required in order to draw upon such Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, or other similar form of teletransmission or otherwise; (v) for errors in interpretation of technical trade terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Administrative Agent, the Issuing Banks and the Lenders, including, without limitation, any Governmental Acts. None of the above shall affect, impair, or prevent the vesting of any Issuing Bank's rights or powers under this SECTION 3.11.

(c) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by any Issuing Bank under or in connection with the Letters of Credit or any related certificates shall not, in the absence of Gross Negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, put the applicable Issuing Bank,

the Administrative Agent or any Lender under any resulting liability to the Borrower or any Guarantor or relieve the Borrower of any of its obligations hereunder to any such Person.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this SECTION 3.11 shall survive the payment in full of principal and interest hereunder, the termination of the Letters of Credit and the termination of this Agreement.

ARTICLE IV: CHANGE IN CIRCUMSTANCES

4.1 YIELD PROTECTION. If any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) adopted after the date of this Agreement and having general applicability to all banks within the jurisdiction in which such Lender operates (excluding, for the avoidance of doubt, the effect of and phasing in of capital requirements or other regulations or guidelines passed prior to the date of this Agreement), or any interpretation or application thereof by any Governmental Authority charged with the interpretation or application thereof, or the compliance of any Lender therewith,

(i) subjects any Lender or any applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding federal taxation of the overall net income of any Lender or applicable Lending Installation), or changes the basis of taxation of payments to any Lender in respect of its Loans, its L/C Interests, the Letters of Credit or other amounts due it hereunder, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Rate Loans) with respect to its Loans, L/C Interests or the Letters of Credit, or

(iii) imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining the Loans, the L/C Interests or the Letters of Credit or reduces any amount received by any Lender or any applicable Lending Installation in connection with Loans or Letters of Credit, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Loans or L/C Interests held or interest received by it or by reference to the Letters of Credit, by an amount deemed material by such Lender;

and the result of any of the foregoing is to increase the cost to that Lender of making, renewing or maintaining its Loans, L/C Interests or Letters of Credit or to reduce any amount received under this Agreement, then, within 15 days after receipt by the Borrower of written demand by such Lender pursuant to SECTION 4.5, the Borrower shall pay such Lender that portion of such increased expense incurred or reduction in an amount received which such Lender determines is attributable to making,

funding and maintaining its Loans, L/C Interests, Letters of Credit and its Revolving Loan Commitment.

4.2 CHANGES IN CAPITAL ADEQUACY REGULATIONS. If a Lender determines (i) the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a "Change in Capital Adequacy" (as defined below), and (ii) such increase in capital will result in an increase in the cost to such Lender of maintaining its Loans, L/C Interests, the Letters of Credit or its obligation to make Loans hereunder, then, within 15 days after receipt by the Borrower of written demand by such Lender pursuant to SECTION 4.5, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Loans, its L/C Interests, the Letters of Credit or its obligation to make Loans hereunder (after taking into account such Lender's policies as to capital adequacy). "CHANGE IN CAPITAL ADEQUACY" means (i) any change after the date of this Agreement in the "Risk-Based Capital Guidelines" (as defined below) excluding, for the avoidance of doubt, the effect of any phasing in of such Risk-Based Capital Guidelines or any other capital requirements passed prior to the date hereof, or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement and having general

applicability to all banks and financial institutions within the jurisdiction in which such Lender operates which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "RISK-BASED CAPITAL GUIDELINES" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

4.3 AVAILABILITY OF TYPES OF ADVANCES. If (i) any Lender determines that maintenance of its Eurodollar Rate Loans at a suitable Lending Installation would violate any applicable law, rule, regulation or directive, whether or not having the force of law, or (ii) the Required Lenders determine that (x) deposits of a type and maturity appropriate to match fund Eurodollar Rate Advances are not available or (y) the interest rate applicable to a Type of Advance does not accurately reflect the cost of making or maintaining such an Advance, then the Administrative Agent shall suspend the availability of the affected Type of Advance and, in the case of any occurrence set forth in clause (i) require any Advances of the affected Type to be repaid.

4.4 FUNDING INDEMNIFICATION. If any payment of a Eurodollar Rate Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment, or otherwise, or a Eurodollar Rate Advance is not made on the date specified by the Borrower in any Borrowing/Conversion/Continuation Notice for any reason other than default by the Lenders, the Borrower agrees to indemnify each Lender upon such Lender's delivery of written demand therefor to the Borrower in accordance with the terms of SECTION 4.5 for any reasonable loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain the Eurodollar Rate Advance. In connection with any assignment by any

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Lender of any portion of the Loans made pursuant to SECTION 13.3 and made during the Syndication Period, the Borrower shall be deemed to have repaid all outstanding Eurodollar Rate Advances as of such date and reborrowed such amounts as Floating Rate Advances and the indemnification provisions under this SECTION 4.4 shall apply.

4.5 LENDER STATEMENTS; SURVIVAL OF INDEMNITY. If reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Rate Loans to reduce any liability of the Borrower to such Lender under SECTIONS 4.1 and 4.2 or to avoid the unavailability of a Type of Advance under SECTION 4.3, so long as such designation is not disadvantageous to such Lender. Each Lender requiring compensation pursuant to SECTION 2.14(E) or to this ARTICLE IV shall use its best efforts to notify the Borrower and the Administrative Agent in writing of any Change in Capital Adequacy, law, policy, rule, guideline or directive giving rise to such demand for compensation not later than ninety (90) days following the date upon which the responsible account officer of such Lender knows or should have known of such Change in Capital Adequacy, law, policy, rule, guideline or directive. Any demand for compensation pursuant to this ARTICLE IV shall be in writing and shall state the amount due, if any, under SECTION 4.1, 4.2 or 4.4 and shall set forth in reasonable detail the calculations upon which such Lender determined such amount. Such written demand shall be rebuttably presumed correct for all purposes. Determination of amounts payable under SECTION 4.4 in connection with a Eurodollar Rate Loan shall be calculated as though each Lender funded its Eurodollar Rate Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. The obligations of the Borrower under SECTIONS 4.1, 4.2 and 4.4 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE V: CONDITIONS PRECEDENT

5.1 INITIAL ADVANCES AND LETTERS OF CREDIT. The Lenders shall not be required to make the initial Loans or issue any Letters of Credit or purchase any participations therein, in each case, on the Closing Date, unless (i) such initial Loans are made not later than December 31, 1998; (ii) the Subordinated Notes and Senior Notes have been issued and the Borrower has received the net proceeds thereof; (iii) the Reynolds Acquisition has been consummated; and (iv) the Borrower has furnished to the Administrative Agent each of the following, with sufficient copies for the Lenders, all in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

- (1) Copies of the Articles of Incorporation (or equivalent organizational document) of the Borrower, and each of the Guarantors, each of the Material Foreign Subsidiaries which is a party to any of the Loan Documents or the Capital Stock of which is subject to a Pledge Agreement,

together with all amendments and a certificate of good standing (in the case of the Material Foreign Subsidiaries, to the extent applicable), both certified by the appropriate governmental officer in its respective jurisdiction of incorporation;

(2) Copies, certified by the Secretary or Assistant Secretary of each of the Borrower, each Guarantor, and each of the Material Foreign Subsidiaries which is a party to any of the Loan Documents or the Capital Stock of which is subject to a Pledge Agreement of its

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respective By-Laws (or equivalent organizational document) and, for each such Person which is a party to any of the Loan Documents, of its respective Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for any Lender) authorizing its execution of such Loan Documents;

(3) An incumbency certificate, executed by the Secretary or Assistant Secretary of each member of the Ball Corporate Group which is a party to any of the Loan Documents, which shall identify by name and title and bear the signature of the officers of such Person authorized to sign the Loan Documents to which it is a party and, in the case of the Borrower, to make borrowings hereunder, upon which certificate the Lenders shall be entitled to rely until informed of any change in writing by the Borrower;

(4) A certificate, in form and substance reasonably satisfactory to the Administrative Agent, signed by the chief financial officer or treasurer of the Borrower, stating that on the Closing Date all the representations in this Agreement are true and correct and no Default or Unmatured Default has occurred and is continuing;

(5) A written opinion of the Borrower's domestic and foreign counsel, addressed to the Agents, the Arrangers and the Lenders, substantially in the form of EXHIBIT E hereto;

(6) Evidence reasonably satisfactory to the Administrative Agent that (i) all conditions precedent to the consummation of the Reynolds Acquisition (other than the failure to obtain the consents of Paco, Inc. and Independent Beverage Corporation to the consummation of the Reynolds Acquisition) have been satisfied or waived with the approval of the Agents (such approval not to be unreasonably withheld), (ii) the Reynolds Acquisition shall have been consummated in accordance with the Asset Purchase Agreement, as in effect on April 22, 1998, without giving effect to any amendment, modification or waiver thereto which (x) is deemed material by the Agents and (y) to which the Agents shall not have consented in writing, (iii) the Asset Purchase Agreement has been approved by all necessary corporate action of Reynold's and the Borrower's respective Board of Directors and/or shareholders, and (iv) there has not occurred any material breach or default under the Asset Purchase Agreement;

(7) Evidence reasonably satisfactory to the Administrative Agent that there exists no injunction or temporary restraining order which, in the reasonable judgment of the Administrative Agent, would prohibit the making of the Loans or the consummation of the Reynolds Acquisition and the other transactions contemplated by the Transaction Documents or any litigation seeking such an injunction or restraining order;

(8) Written money transfer instructions reasonably requested by the Administrative Agent, addressed to the Administrative Agent and signed by an Authorized Officer of the Borrower;

(9) (x) the audited financial statements of the Reynolds Group for the fiscal years ending December 31, 1996 and December 31, 1997 and (y) the PRO FORMA opening consolidated financial statements of the Borrower and its Subsidiaries, after giving effect to the

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Reynolds Acquisition, which financial statements shall demonstrate, in the reasonable judgement of the Agents and the Required Lenders, together with all other information then available to the Agents and the Required Lenders, the ability of the Borrower and its Subsidiaries to repay their debts and satisfy their respective other obligations as and when due, and to comply with the financial covenants set forth in SECTION 7.4 hereof, has not changed in any material respect from the PRO FORMA financial statements furnished to the Agents on March 5, 1998;

(10) Evidence reasonably satisfactory to the Administrative Agent that (x) all required U.S. governmental approvals related to the Reynolds Acquisition have been obtained and all related filings made and any applicable waiting periods shall have expired or been terminated, including those prescribed by the Hart-Scott-Rodino Antitrust Improvements Act, as

amended, and (y) prior to the consummation of that portion of the Reynolds Acquisition relating to the foreign assets of the Reynolds Group, all material consents (other than governmental approvals) shall have been obtained;

(11) Evidence satisfactory to the Administrative Agent of the payment of all principal, interest, fees and premiums, if any, on all loans outstanding under all outstanding funded debt and credit facilities of the Borrower and each of its Domestic Incorporated Subsidiaries (other than Permitted Existing Indebtedness) and the termination of the applicable agreements, including, without limitation, BMBCC's Long-Term Credit Agreement and Short-Term Credit Agreement, each dated as of February 5, 1996, and the Borrower's and its Subsidiaries' Indebtedness identified on SCHEDULE 5.1 attached hereto;

(12) Evidence reasonably satisfactory to the Agents that the Borrower and each of its Subsidiaries, and the Reynolds Group (a) has made a full and complete assessment of the Year 2000 Issues; (b) has a realistic and achievable program for remediating the Year 2000 Issues, including a timetable and budget of anticipated costs; and (c) has a source of funds as required in such budget;

(13) Such other documents as the Administrative Agent or any Lender or its counsel may have reasonably requested, including, without limitation, all of the documents reflected on the List of Closing Documents attached as EXHIBIT F to this Agreement; and

(14) Evidence satisfactory to the Administrative Agent that the Borrower has paid or caused to be paid (x) to the Agents and the Arrangers the fees agreed to and then due and payable in the fee letter dated April 22, 1998, among the Agents, the Arrangers and the Borrower and (y) to the Administrative Agent the fees agreed to and then due and payable in the letter agreement dated April 22, 1998 among the Administrative Agent and the Borrower.

5.2 EACH ADVANCE AND LETTER OF CREDIT. The Lenders shall not be required to make any Advance or issue any Letter of Credit, unless on the applicable Borrowing Date, or in the case of a Letter of Credit, the date on which the Letter of Credit is to be issued:

(i) There exists no Default or Unmatured Default; and

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(ii) The representations and warranties contained in ARTICLE VI are true and correct in all material respects as of such Borrowing Date except for changes in the Schedules to this Agreement reflecting events, conditions or transactions permitted by or not in violation of this Agreement and except to the extent any such representation or warranty speaks expressly only as of a different date.

Each Borrowing/Conversion/Continuation Notice with respect to each such Advance and the letter of credit application with respect to each Letter of Credit shall constitute a representation and warranty by the Borrower that the conditions contained in SECTIONS 5.2(i) and (ii) have been satisfied. Any Lender may require a duly completed officer's certificate in substantially the form of EXHIBIT G hereto and/or a duly completed compliance certificate in substantially the form of EXHIBIT H hereto as a condition to making an Advance.

ARTICLE VI: REPRESENTATIONS AND WARRANTIES

In order to induce the Agents and the Lenders to enter into this Agreement and to make the Loans and the other financial accommodations to the Borrower and to issue the Letters of Credit described herein, the Borrower represents and warrants as follows to each Lender and Agent as of the Closing Date, giving effect to the Reynolds Acquisition and the consummation of the other transactions contemplated by the Transaction Documents on the Closing Date, and thereafter on each date as required by SECTION 5.2:

6.1 ORGANIZATION; CORPORATE POWERS. The Borrower and each of its Subsidiaries (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect, and (iii) has all requisite corporate power and authority to own, operate and (to the extent contemplated hereby) encumber its property and to conduct its business as presently conducted and as proposed to be conducted.

6.2 AUTHORITY.

(A) The Borrower and each of its Subsidiaries has the requisite corporate power and authority (i) to execute, deliver and perform each of the Transaction Documents which are to be executed by it in connection with the Reynolds

Acquisition or which have been executed by it as required by this Agreement and the other Loan Documents on or prior to Closing Date and (ii) to file the Transaction Documents which must be filed by it in connection with the Reynolds Acquisition or which have been filed by it as required by this Agreement, the other Loan Documents or otherwise on or prior to the Closing Date with any Governmental Authority.

(B) The execution, delivery, performance and filing, as the case may be, of each of the Transaction Documents which must be executed or filed by the Borrower or any of its Subsidiaries in connection with the Reynolds Acquisition or which have been executed or filed as required by this Agreement, the other Loan Documents or otherwise on or prior to the Closing Date and to which the Borrower or any of its Subsidiaries is party, and the consummation of the transactions contemplated

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thereby, have been duly approved by the respective boards of directors and, if necessary, the shareholders of the Borrower and its Subsidiaries, and such approvals have not been rescinded. No other corporate action or proceedings on the part of the Borrower or its Subsidiaries are necessary to consummate such transactions.

(C) Each of the Transaction Documents to which the Borrower or any of its Subsidiaries is a party has been duly executed, delivered or filed, as the case may be, by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally and general principles of equity, regardless of whether such enforcement is sought at equity or at law), is in full force and effect and no material term or condition thereof has been amended, modified or waived from the terms and conditions contained in the Transaction Documents delivered to the Administrative Agent pursuant to SECTION 5.1 without the prior written consent of the Required Lenders.

6.3 NO CONFLICT; GOVERNMENTAL CONSENTS. The execution, delivery and performance of each of the Loan Documents and other Transaction Documents to which the Borrower or any of its Subsidiaries is a party do not and will not (i) conflict with the certificate or articles of incorporation or by-laws of the Borrower or any such Subsidiary, (ii) conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law (including, without limitation, any Environmental Property Transfer Act) or material Contractual Obligation of the Borrower or any such Subsidiary, or require termination of any material Contractual Obligation, (iii) with respect to the Loan Documents, conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law (including, without limitation, any Environmental Property Transfer Act) or material Contractual Obligation of the Borrower or any such Subsidiary, or require termination of any material Contractual Obligation, except such breach, default or termination which individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect, or (iv) result in or require the creation or imposition of any Lien whatsoever upon any of the property or assets of the Borrower or any such Subsidiary, other than Liens permitted by the Loan Documents. Except as set forth on SCHEDULE 6.3 to this Agreement, the execution, delivery and performance of each of the Transaction Documents to which the Borrower or any of its Subsidiaries is a party do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by any Governmental Authority, including under any Environmental Property Transfer Act, except (a) filings, consents or notices which have been made, obtained or given, or which, if not made, obtained or given, individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect, and (b) filings necessary to create or perfect security interests in the Collateral.

6.4 FINANCIAL STATEMENTS.

(A) The PRO FORMA financial statements of the Borrower and its Subsidiaries, copies of which are attached hereto as SCHEDULE 6.4 to this Agreement, present on a PRO FORMA basis the financial condition of the Borrower and such Subsidiaries as of such date, and reflect on a PRO FORMA basis those liabilities reflected in the notes thereto as of such date and resulting from consummation of the Reynolds Acquisition and the other transactions contemplated by this Agreement, and the payment or

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accrual of all Transaction Costs payable on the Closing Date with respect to any of the foregoing and demonstrate that, after giving effect to the Reynolds Acquisition, the ability of the Borrower and its Subsidiaries to repay their debts and satisfy their respective other obligations as and when due, and to comply with the requirements of this Agreement has not changed in any material respect from the PRO FORMA financial statements furnished to the

Agents on March 5, 1998. The projections and assumptions expressed in the PRO FORMA financials referenced in this SECTION 6.4(A) were prepared in good faith and represent management's opinion based on the information available to the Borrower at the time so furnished.

(B) Complete and accurate copies of the following financial statements and the following related information have been delivered to the Administrative Agent: (1) the consolidated balance sheets of the Borrower and its Subsidiaries as at December 31, 1996 and December 31, 1997, and the related consolidated statements of income, changes in stockholders' equity and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, and the audit report related thereto, and the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 1998 and the related unaudited, consolidated statements of operations, changes in stockholder's equity and cash flows of the Borrower and its Subsidiaries for the three (3) months then ended; and (2) the consolidated balance sheet of the aluminum beverage-can manufacturing business of Reynolds purchased under the Asset Purchase Agreement (the "REYNOLDS GROUP") as at December 31, 1996 and December 31, 1997, and the related consolidated statements of operations, changes in stockholder's equity and cash flows of the Reynolds Group for the fiscal years then ended, and the audit report related thereto. Each of the financial statements delivered pursuant to this SECTION 6.4(B) present fairly the financial condition of the Borrower and its Subsidiaries and the Reynolds Group, as applicable.

6.5 NO MATERIAL ADVERSE CHANGE. (a) Since December 31, 1997 up to the Closing Date, there has been no material adverse change in the operations, business, properties, condition (financial or otherwise), results of operations, or prospects of the Borrower and its consolidated Subsidiaries taken as a whole, and since December 31, 1997 up to the Closing Date no condition, event, change or occurrence, or any series of the foregoing, exists or has occurred which, individually or in the aggregate, has had or is reasonably likely to have, a "Material Adverse Effect" as defined in the draft Asset Purchase Agreement delivered to the Agents on April 14, 1998 (identified as document 116230.14 Draft of April 6, 1998 - 10:52 AM) and which definition is as follows:

"MATERIAL ADVERSE EFFECT" means an individual or cumulative adverse change in, or effect on, the business, customers, operations, properties, condition (financial or otherwise), assets or liabilities of the Business taken as a whole that is reasonably expected to be materially adverse to the business, customers, operations, properties, condition (financial or otherwise), assets or liabilities of the Business taken as a whole.

(b) Since the Closing Date, there has occurred no change in the operations, business, properties, condition (financial or otherwise), results of operations or prospects of the Borrower, or the Borrower and its Subsidiaries taken as a whole, which has had or would reasonably be expected to have a Material Adverse Effect (as defined in SECTION 1.1 hereof).

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6.6 TAXES.

(A) TAX EXAMINATIONS. All deficiencies which have been asserted in writing against the Borrower or any of its Subsidiaries as a result of any federal, provincial, state, local or foreign tax examination for each taxable year in respect of which an examination has been conducted have been fully paid or finally settled or are being contested in good faith, and as of the Closing Date no issue has been raised in writing by any taxing authority in any such examination which, by application of similar principles, reasonably can be expected to result in assertion by such taxing authority of a material deficiency for any other year not so examined which has not been reserved for in the Borrower's consolidated financial statements to the extent, if any, required by Agreement Accounting Principles. Except as permitted pursuant to SECTION 7.2(D), neither the Borrower nor any of its Subsidiaries anticipates any material tax liability with respect to the years which have not been closed pursuant to applicable law.

(B) PAYMENT OF TAXES. All material tax returns and reports of the Borrower and its Subsidiaries required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges thereupon and upon their respective property, assets, income and franchises which are shown in such returns or reports to be due and payable have been paid except those items which are being contested in good faith and have been reserved for in accordance with Agreement Accounting Principles. The Borrower has no knowledge of any proposed tax assessment against the Borrower or any of its Subsidiaries that will have or could reasonably be expected to have a Material Adverse Effect.

6.7 LITIGATION; LOSS CONTINGENCIES AND VIOLATIONS. There is no action, suit, proceeding, arbitration or (to the Borrower's knowledge) investigation before or by any Governmental Authority or private arbitrator pending or, to the Borrower's knowledge, threatened against the Borrower or any of its Subsidiaries or any property of any of them (i) challenging the validity or the enforceability of any material provision of the Transaction Documents or

(ii) which will have or would reasonably be expected to have a Material Adverse Effect. There is no material loss contingency within the meaning of Agreement Accounting Principles which has not been reflected in the consolidated financial statements of the Borrower prepared and delivered pursuant to SECTION 7.1(A) for the fiscal period during which such material loss contingency was incurred. Neither the Borrower nor any of its Subsidiaries is (A) in violation of any applicable Requirements of Law which violation will have or would reasonably be expected to have a Material Adverse Effect, or (B) subject to or in default with respect to any final judgment, writ, injunction, restraining order or order of any nature, decree, rule or regulation of any court or Governmental Authority which will have or would reasonably be expected to have a Material Adverse Effect.

6.8 SUBSIDIARIES. SCHEDULE 6.8 to this Agreement (i) contains a description of the corporate structure of the Borrower, its Subsidiaries (including for purposes of this clause (i) its Excluded Subsidiaries and the FTB Group) and any other Person in which the Borrower or any of its Subsidiaries holds an Equity Interest (both narratively and in chart form); (ii) accurately sets forth as of the Closing Date (A) the correct legal name, the jurisdiction of incorporation and the jurisdictions in which each of the Borrower and the direct and indirect Subsidiaries of the Borrower is qualified to transact business as a foreign corporation, (B) the authorized, issued and outstanding shares of each

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class of Capital Stock of the Borrower, each of its Subsidiaries and FTB and, for such Subsidiaries and FTB, the owners of such shares (both as of the Closing Date and on a fully-diluted basis), and (C) a summary of the direct and indirect partnership, joint venture, or other Equity Interests, if any, of the Borrower and each Subsidiary of the Borrower in any Person that is not a corporation; and (iii) accurately sets forth which of the Persons identified in clause (i) is (A) a member of the FTB Group or (B) an Excluded Subsidiary. Except as set forth on SCHEDULE 6.8, none of the issued and outstanding Capital Stock of the Borrower or any of its Subsidiaries is subject to any vesting, mandatory redemption, or mandatory repurchase agreement. Except as set forth on SCHEDULE 6.8, as of the Closing Date, there are no warrants or options outstanding with respect to the Capital Stock of any of the Borrower's Material Subsidiaries. The outstanding Capital Stock of the Borrower, each of its Subsidiaries and, as of the Closing Date, FTB is duly authorized, validly issued, fully paid and nonassessable and is not Margin Stock. Except as set forth on SCHEDULE 6.8, as of the Closing Date, the Borrower has no Subsidiaries or Excluded Subsidiaries and there are no other members of the FTB Group.

6.9 ERISA. (a) Except as set forth on SCHEDULE 6.9, neither the Borrower nor any member of the Controlled Group maintains or contributes to any Benefit Plan or Multiemployer Plan. Except as set forth on SCHEDULE 6.9, no Benefit Plan has incurred any material accumulated funding deficiency (as defined in Sections 302(a)(2) of ERISA and 412(a) of the Code) whether or not waived. Neither the Borrower nor any member of the Controlled Group has incurred any material liability to the PBGC which remains outstanding. Schedule B to the most recent annual report filed with the IRS with respect to each Benefit Plan and furnished to the lenders is complete and accurate in all material respects. Since the date of each such Schedule B, there has been no material adverse change in the funding status or financial condition of the Benefit Plan relating to such Schedule B. Within the previous six years, neither the Borrower nor any member of the Controlled Group has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan for which the required withdrawal liability has not been satisfied. Within the previous six years, neither the Borrower nor any member of the Controlled Group has failed to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or other payment to any Benefit Plan. Neither the Borrower nor any member of the Controlled Group is required to provide security to a Benefit Plan under Section 401(a)(29) of the Code due to a Plan amendment that results in an increase in current liability for the plan year. Each Single Employer Plan which is intended to be qualified under Section 401(a) of the Code as currently in effect is so qualified, and each trust related to any such Plan is exempt from federal income tax under Section 501(a) of the Code as currently in effect. The Borrower and all Subsidiaries are in compliance in all material respects with the responsibilities, obligations and duties imposed on them by ERISA and the Code with respect to all Single Employer Plans. Neither the Borrower nor any of its Subsidiaries nor any fiduciary of any Plan has engaged in a material nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Code. Neither the Borrower nor any member of the Controlled Group has taken or failed to take any action which would constitute or result in a material Termination Event. Neither the Borrower nor any member of the Controlled Group is subject to any material liability under Sections 4063, 4064, 4069, 4204 or 4212(c) of ERISA. Neither the Borrower nor any of its Subsidiaries has, by reason of the transactions contemplated hereby, any obligation to make any material payment to any employee pursuant to any Plan or existing contract or arrangement.

(b) For purposes of this SECTION 6.9 and SECTION 6.23 only, "material" means any noncompliance or basis for liability which, together with all other noncompliance or grounds for liability under this SECTION 6.9, or SECTION 6.23, as applicable, would be reasonably likely to subject Ball or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000.

6.10 ACCURACY OF INFORMATION. (a) The written information, exhibits and reports furnished by or on behalf of the Borrower and any of its Subsidiaries to the Agents or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents, the representations and warranties of the Borrower and its Subsidiaries contained in the Loan Documents, and all certificates and documents delivered to the Agents and the Lenders pursuant to the terms thereof, including, without limitation, the Confidential Information Memorandum, dated May 1998, taken as a whole, do not contain as of the date furnished any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

(b) The projections supplied in connection with the factual information referred to in CLAUSE (a) above were or are based on good faith estimates and assumptions believed to be fair and reasonable at the time made, given historical financial performance and current and reasonably foreseeable business conditions, and, to the Borrower's knowledge, there are no facts or circumstances presently existing which singly or in the aggregate would cause a material change in such projections, it being recognized and agreed by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and that the differences may be material.

6.11 SECURITIES ACTIVITIES. Neither the Borrower nor any of its Subsidiaries is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

6.12 MATERIAL AGREEMENTS. Neither the Borrower nor any Subsidiary is a party to any Contractual Obligation which individually or in the aggregate will have or would reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries has received notice or has knowledge that (i) it is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Contractual Obligation applicable to it, or (ii) any condition exists which, with the giving of notice or the lapse of time or both, would constitute a default with respect to any such Contractual Obligation, in each case, except where such default or defaults, if any, individually or in the aggregate will not have or would not reasonably be expected to have a Material Adverse Effect.

6.13 COMPLIANCE WITH LAWS. The Borrower and its Subsidiaries are in compliance with all Requirements of Law applicable to them and their respective businesses, in each case where the failure to so comply individually or in the aggregate would reasonably be expected to have a Material Adverse Effect.

6.14 ASSETS AND PROPERTIES. The Borrower and each of its Subsidiaries has good and marketable title to all of its material assets and properties (tangible and intangible, real or personal) owned by it or a valid leasehold interest in all of its material leased assets (except insofar as

marketability may be limited by any laws or regulations of any Governmental Authority affecting such assets), and all such assets and property are free and clear of all Liens, except Liens permitted under SECTION 7.3(C). Substantially all of the assets and properties used or useful to the business of the Borrower or any Subsidiary of the Borrower are in adequate operating condition and repair, ordinary wear and tear excepted.

6.15 STATUTORY INDEBTEDNESS RESTRICTIONS. Neither the Borrower nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, or the Investment Company Act of 1940, or any other foreign, federal or state statute or regulation which limits its ability to incur indebtedness as contemplated hereby or its ability to consummate the transactions contemplated hereby or in connection with the Reynolds Acquisition.

6.16 INSURANCE. The Borrower will, and will cause each of its Subsidiaries to, maintain (either in the name of the Borrower or in such Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all of its respective properties in at least such amounts, against at least such risks and with such risk retention as are usually maintained, insured against or retained, as the case may be, in the same general area by companies of established repute engaged in the same or a similar business; PROVIDED, that the Borrower and its Subsidiaries may self-insure to the same extent as other companies of established repute engaged in the same or

a similar business in the same general area in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice. The Borrower will furnish to the Lenders, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

6.17 LABOR MATTERS.

(A) Except as listed on SCHEDULE 6.17 to this Agreement, there are on the Closing Date: (1) no collective bargaining agreements to which the Borrower or any of its Subsidiaries is a party covering any of the employees of the Borrower or any of its Subsidiaries; (2) to the Borrower's knowledge no attempts to organize the employees of the Borrower or any of its Subsidiaries; and (3) no material labor disputes at any facility of the Borrower or any of its Subsidiaries, including without limitation any walkouts disrupting the operations of the Borrower or any of its Subsidiaries, any strikes or any lockouts, pending, or, to the Borrower's knowledge, threatened.

(B) Set forth in SCHEDULE 6.17 to this Agreement is a list, as of the Closing Date, of all material consulting agreements, employment contracts and service agreements with temporary employment agencies that individually are of value in excess of \$1,000,000 per year and are not otherwise disclosed pursuant to this Agreement.

(C) Set forth in SCHEDULE 6.17 to this Agreement is a list, as of the Closing Date, of all employment arbitration awards, judgments, consent decrees, findings, settlement agreements, or other final resolutions rendered against the Borrower or any of its Subsidiaries during the preceding five years that, individually or in the aggregate, exceed \$10,000,000 or which, regardless of when rendered, individually or in the aggregate impose continuing obligations on the Borrower or any of its Subsidiaries in excess of \$10,000,000.

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6.18 REYNOLDS ACQUISITION. As of the Closing Date and immediately prior to (or contemporaneous with) the making of the initial Loans:

(i) the Reynolds Acquisition Documents are in full force and effect, no material breach, default or waiver of any term or provision thereof by the Borrower or any of its Subsidiaries or, to the best of the Borrower's knowledge, the other parties thereto, has occurred (except for such breaches, defaults and waivers, if any, consented to in writing by the Agents) and no action has been taken by any competent authority which restrains, prevents or imposes any material adverse condition upon, or seeks to restrain, prevent or impose any material adverse condition upon, the Reynolds Acquisition;

(ii) the representations and warranties of the Borrower contained in the Reynolds Acquisition Documents, if any, are true and correct in all material respects;

(iii) except as set forth in SCHEDULE 6.18 to this Agreement, all material conditions precedent to, and all material consents necessary to permit, the Reynolds Acquisition pursuant to the Reynolds Acquisition Documents have been satisfied or waived, the Reynolds Acquisition has been consummated in accordance with the Reynolds Acquisition Documents, and the Borrower has obtained good and marketable title to the "Business Assets" (as defined in the Asset Purchase Agreement) free and clear of any Liens other than Liens permitted under SECTION 7.3(C).

6.19 ENVIRONMENTAL MATTERS. (a) Except as disclosed on SCHEDULE 6.19 to this Agreement, or otherwise in the Environmental Audit (a copy of which was delivered by the Borrower to the Administrative Agent and made available by the Administrative Agent to each Lender prior to the Closing Date):

(i) the operations of the Borrower and its Subsidiaries comply in all material respects with Environmental, Health or Safety Requirements of Law;

(ii) the Borrower and its Subsidiaries have all material permits, licenses or other authorizations required under Environmental, Health or Safety Requirements of Law (or have filed timely applications for renewal of such permits, licenses or authorizations) and are in material compliance with such permits;

(iii) neither the Borrower, any of its Subsidiaries nor any of their respective present property or operations, or, to the best of, the Borrower's or any of its Subsidiaries' knowledge, any of their respective past property or operations, are subject to or the subject of, any investigation known to the Borrower or any of its Subsidiaries, any judicial or administrative proceeding, order, judgment, decree, settlement or other agreement respecting: (A) any material violation of Environmental, Health or Safety Requirements of Law; (B) any material Remedial Action; or (C) any material claims or liabilities arising from the Release or threatened Release of a Contaminant;

(iv) there is not now, nor to the best of the Borrower's or any of its Subsidiaries' knowledge has there ever been, on or in the property of the Borrower or any of its Subsidiaries any landfill, hazardous waste storage facility in which Contaminants are or were stored for more than ninety (90) days, waste pile, or surface impoundment that may reasonably be expected to result in a material claim, loss or Remedial Action obligation;

(v) there is not now, nor to the best of the Borrower's or any of its Subsidiaries' knowledge has there ever been, on or in the property of the Borrower's or any of its Subsidiaries any underground storage tanks, above ground storage tanks, polychlorinated biphenyls (PCBs) used in hydraulic oils, electric transformers or other equipment, or any asbestos containing material that may reasonably be expected to result in a material claim, loss or Remedial Action obligation; and

(vi) neither the Borrower nor any of its Subsidiaries has any material contingent obligation or liability in connection with any Release or threatened Release of a Contaminant.

(b) For purposes of this SECTION 6.19 "material" means any noncompliance or basis for liability which could reasonably be likely to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000 (exclusive of costs, expenses, claims covered by insurance policies of the Borrower or any of its Subsidiaries unless the insurers of such costs, expenses or claims have disclaimed coverage or reserved the right to disclaim coverage thereof and exclusive of costs, expenses or claims covered by the indemnity of a financially responsible indemnitor in favor of the Borrower or any of its Subsidiaries unless the indemnitor has disclaimed or reserved the right to disclaim coverage thereof).

6.20 OTHER INDEBTEDNESS.

(i) As of the Closing Date and immediately prior to the making of the initial Loans, the Borrower has issued the Subordinated Notes in an aggregate original principal amount of \$250,000,000 and received the net proceeds thereof, and the subordination provisions of the Subordinated Note Indenture are enforceable against the holders of the Subordinated Notes.

(ii) As of the Closing Date and immediately prior to the making of the initial Loans, the Borrower has issued the Senior Notes in an aggregate original principal amount of \$300,000,000 and received the net proceeds thereof.

6.21 SOLVENCY. After giving effect to (i) the Loans to be made on the Closing Date or such other date as Loans requested hereunder are made, (ii) the issuance of the Senior Notes and the Subordinated Notes, (iii) the consummation of the Reynolds Acquisition and the payment of the "Purchase Price" under and as defined in the Asset Purchase Agreement and (iv) the payment and accrual of all Transaction Costs, the Borrower and its Subsidiaries taken as a whole is Solvent.

6.22 YEAR 2000 ISSUES. Each of the Borrower and its Subsidiaries has made a full and complete assessment of the Year 2000 Issues and has a realistic and achievable program for remediating the Year 2000 Issues on a timely basis. Based on this assessment and program, the

Borrower does not reasonably anticipate any Material Adverse Effect on its or its Subsidiaries' operations, business or financial condition as a result of Year 2000 Issues.

6.23 FOREIGN EMPLOYEE BENEFIT MATTERS. (a) Each Foreign Employee Benefit Plan is in compliance in all material respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Plan; (b) the aggregate of the accumulated benefit obligations under all Foreign Pension Plans does not exceed to any material extent the current fair market value of the assets held in the trusts or similar funding vehicles for such Plans; (c) with respect to any Foreign Employee Benefit Plan maintained or contributed to by the Borrower or any Subsidiary or any member of its Controlled Group (other than a Foreign Pension Plan), reasonable reserves have been established in accordance with prudent business practice or where required by ordinary accounting practices in the jurisdiction in which such Plan is maintained; and (d) there are no material actions, suits or claims (other than routine claims for benefits) pending or, to the knowledge of the Borrower and its Subsidiaries, threatened against the Borrower or any Subsidiary or any member of its Controlled Group with respect to any Foreign Employee Benefit Plan. For purposes of this SECTION 6.23, "material" shall have the meaning set forth in SECTION 6.9(b).

The Borrower covenants and agrees that so long as any Revolving Loan Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than contingent indemnity obligations), unless the Required Lenders shall otherwise give prior written consent:

7.1 REPORTING. The Borrower shall:

(A) FINANCIAL REPORTING. Furnish to the Administrative Agent (and the Administrative Agent shall promptly provide copies of the following to each of the other Agents and the Lenders):

(i) QUARTERLY REPORTS. As soon as practicable, and in any event within fifty (50) days after the end of the first three fiscal quarters in each fiscal year, (a) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidated statements of income, stockholder's equity and cash flows of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, together with schedules, in form and substance sufficient to calculate the financial covenants set forth in Sections 7.3(A) through (G), 7.3(L), 7.3(T) and 7.4; and (b) the consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidating statements of income of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, in each case, prepared in a manner consistent with past practice and certified by the chief financial officer or treasurer of the Borrower on behalf of the Borrower as fairly presenting the consolidated (and, to the extent presented, the consolidating) financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations for the periods indicated in accordance with Agreement Accounting Principles, subject to normal year end adjustments.

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(ii) ANNUAL REPORTS. As soon as practicable, and in any event within ninety-five (95) days after the end of each fiscal year, (a) the consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income of the Borrower and its Subsidiaries for such fiscal year, consolidated stockholders' equity and cash flow of the Borrower and its Subsidiaries for such fiscal year, and in comparative form the corresponding figures for the previous fiscal year, with schedules in form and substance sufficient to calculate the financial covenants set forth in SECTIONS 7.3(A) through (G), 7.3(L), 7.3(T) and 7.4; and (b) an audit report on the consolidated financial statements listed in CLAUSE (a) hereof of independent certified public accountants of recognized national standing, which audit report shall be unqualified and shall state that such financial statements fairly present the consolidated financial position of the Borrower and its Subsidiaries, as at the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with Agreement Accounting Principles and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards. The deliveries made pursuant to this CLAUSE (ii) shall be accompanied by any management letter prepared by the above-referenced accountants (or, if such management letter is later prepared by such accountants it shall be delivered to the Agent promptly after receipt by the Borrower).

(iii) OFFICER'S CERTIFICATE. Together with each delivery of any financial statement pursuant to CLAUSES (i) and (ii) of this SECTION 7.1(A), (a) an Officer's Certificate of the Borrower, substantially in the form of EXHIBIT G attached hereto and made a part hereof, stating that as of the date of such Officer's Certificate no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof and (b) a compliance certificate, substantially in the form of EXHIBIT H attached hereto and made a part hereof, signed by the Borrower's chief financial officer or treasurer, which demonstrate compliance, when applicable, with the provisions of SECTION 7.4, and which calculate the Leverage Ratio for purposes of determining the then Applicable Floating Rate Margin, Applicable Eurodollar Margin and Applicable Commitment Fee Percentage.

(iv) BUDGETS; BUSINESS PLANS; FINANCIAL PROJECTIONS. As soon as practicable and in any event not later than forty-five (45) days after the beginning of each fiscal year, a copy of the plan and forecast (including a projected balance sheet, income statement and a statement of cash flow) of the Borrower and its Subsidiaries for the upcoming fiscal year, prepared on a quarterly basis for such fiscal year, and otherwise prepared in such detail as shall be reasonably satisfactory to the Administrative Agent.

(B) NOTICE OF DEFAULT. Promptly upon any of the chief executive officer, chief operating officer, chief financial officer, treasurer or controller of the Borrower obtaining knowledge (i) of any condition or event which constitutes a Default or Unmatured Default, or becoming aware that any Lender or Agent has

given any written notice with respect to a claimed Default or Unmatured Default under this Agreement, or (ii) that any Person has given any written notice to the Borrower or any Subsidiary of the Borrower or taken any other action with respect to a claimed default or event or condition of the type referred to in SECTION 8.1(e), deliver to the Administrative Agent an Officer's Certificate (a copy of which the Administrative Agent shall promptly deliver to the other Agents and

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the Lenders) specifying (a) the nature and period of existence of any such claimed default, Default, Unmatured Default, condition or event, (b) the notice given or action taken by such Person in connection therewith, and (c) what action the Borrower and/or its Subsidiaries has taken, is taking and proposes to take with respect thereto.

(C) LAWSUITS. (i) Promptly upon the Borrower or any Subsidiary of the Borrower obtaining knowledge of the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower or any of its Subsidiaries or any property of the Borrower or any of its Subsidiaries not previously disclosed pursuant to SECTION 6.7, which action, suit, proceeding, governmental investigation or arbitration exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances which expose, in the Borrower's reasonable judgment, the Borrower or any of its Subsidiaries to liability in an amount aggregating \$20,000,000 or more (exclusive of claims covered by insurance policies of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage on such claims and exclusive of claims covered by the indemnity of a financially responsible indemnitor in favor of the Borrower or any of its Subsidiaries unless the indemnitor has disclaimed or reserved the right to disclaim coverage thereof), give written notice thereof to the Administrative Agent and provide such other information as may be reasonably available to enable each Lender and the Administrative Agent and its counsel to evaluate such matters; and (ii) in addition to the requirements set forth in CLAUSE (i) of this SECTION 7.1(C), upon request of the Administrative Agent or the Required Lenders, promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration covered by a report delivered pursuant to CLAUSE (i) above and provide such other information as may be reasonably available to it that would not violate any attorney-client privilege by disclosure to the Lenders to enable each Lender and the Administrative Agent and its counsel to evaluate such matters.

(D) INSURANCE. As soon as practicable and in any event within ninety (90) days of the end of each fiscal year commencing with the fiscal year ending December 31, 1998, deliver to the Administrative Agent a report in form and substance reasonably satisfactory to the Administrative Agent and the Lenders outlining all material insurance coverage maintained as of the date of such report by the Borrower and its Subsidiaries and the duration of such coverage.

(E) ERISA NOTICES. Deliver or cause to be delivered to the Administrative Agent, at the Borrower's expense, the following information and notices as soon as reasonably possible, and in any event:

(i) (a) within ten (10) Business Days after the Borrower or any member of the Controlled Group obtains knowledge that a Termination Event has occurred which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, a written statement of the appropriate financial officer or treasurer of the Borrower describing such Termination Event and the action, if any, which the Borrower or the applicable Subsidiary has taken, is taking or proposes to take with respect thereto, and if and when known, any action taken or threatened by the IRS, DOL or PBGC with respect thereto;

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(ii) within ten (10) Business Days after any officer of the Borrower or any of its Subsidiaries obtains knowledge that a prohibited transaction (defined in Sections 406 of ERISA and Section 4975 of the Code) has occurred which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, a statement of the chief financial officer or treasurer of the Borrower describing such transaction and the action which the Borrower or such Subsidiary has taken, is taking or proposes to take with respect thereto;

(iii) within ten (10) Business Days after any material increase in the benefits of any existing Benefit Plan or the establishment of any new Benefit Plan or the commencement of, or obligation to commence, contributions to any Benefit Plan or Multiemployer Plan to which the Borrower or any member of the Controlled Group was not previously contributing, where the aggregate annual contributions to such Plan(s) resulting therefrom are or could reasonably be expected to exceed \$10,000,000, notification of such increase, establishment, commencement or

obligation to commence and the amount of such contributions;

(iv) within ten (10) Business Days after the Borrower or any of its Subsidiaries receives notice of any unfavorable determination letter from the IRS regarding the qualification of a Plan under Section 401(a) of the Code which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, copies of each such letter;

(v) within ten (10) Business Days after the establishment of any Foreign Employee Benefit Plan or the commencement of, or obligation to commence, contributions to any Foreign Employee Benefit Plan to which the Borrower or any Subsidiary was not previously contributing, where the aggregate annual contributions to such Plan(s) resulting therefrom are or would reasonably be expected to exceed \$10,000,000, notification of such establishment, commencement or obligation to commence and the amount of such contributions;

(vi) upon the request of the Administrative Agent or any Lender, copies of each annual report (form 5500 series), including Schedule B thereto, filed with respect to each Benefit Plan;

(vii) upon the request of the Administrative Agent or any Lender, copies of each available actuarial report for any Benefit Plan or Multiemployer Plan and each available annual report for any Multiemployer Plan;

(viii) within ten (10) Business Days after the filing thereof with the IRS, a copy of each funding waiver request filed with respect to any Benefit Plan and all communications received by the Borrower or a member of the Controlled Group with respect to such request;

(ix) within ten (10) Business Days after receipt by the Borrower or any member of the Controlled Group of the PBGC's intention to terminate a Benefit Plan or to have a trustee appointed to administer a Benefit Plan, copies of each such notice;

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(x) within ten (10) Business Days after receipt by the Borrower or any member of the Controlled Group of a notice from a Multiemployer Plan regarding the imposition of withdrawal liability which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, copies of each such notice;

(xi) within ten (10) Business Days after the Borrower or any member of the Controlled Group fails to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, a notification of such failure; and

(xii) within ten (10) Business Days after any officer of the Borrower or any member of the Controlled Group knows or has reason to know that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (c) the PBGC has instituted proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

For purposes of this SECTION 7.1(E), the Borrower, any of its Subsidiaries and any member of the Controlled Group shall be deemed to know all facts known by the Plan Administrator (as defined in Section 3(16)(A) of ERISA) of any Plan of which the Borrower or any member of the Controlled Group or such Subsidiary is the plan sponsor.

(F) LABOR MATTERS. Notify the Administrative Agent within a reasonable period of time following the Borrower's knowledge thereof of (i) any material labor dispute at any facility of the Borrower or any of its Subsidiaries, including without limitation, any authorized or unauthorized strike or any lockout, and (ii) any attempt to organize the employees of the Borrower or any of its Subsidiaries.

(G) OTHER INDEBTEDNESS. Deliver to the Administrative Agent (i) a copy of each regular report, notice or other written communication regarding potential or actual defaults (including any accompanying officer's certificate) delivered by or on behalf of the Borrower and/or any of its Subsidiaries to the holders of funded Indebtedness pursuant to the terms of the agreements governing such Indebtedness, such delivery to be made at the same time and by the same means as such notice or other communication is delivered to such holders, and (ii) a copy of each notice or other written communication received by the Borrower and/or any of its Subsidiaries from the holders of funded Indebtedness pursuant to the terms of such Indebtedness, such delivery to be made promptly after such notice or other communication is received by the Borrower and/or such Subsidiary.

(H) OTHER REPORTS. Deliver or cause to be delivered to the Administrative Agent copies of all financial statements, reports and notices, if any, sent or made available generally by the Borrower to its securities holders or filed with the SEC by the Borrower, all press releases made available generally by the Borrower or any of the Borrower's Subsidiaries to the public concerning material developments in the business of the Borrower or any such Subsidiary and all notifications received from the SEC by the

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Borrower or its Subsidiaries pursuant to the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

(I) ENVIRONMENTAL NOTICES. As soon as possible and in any event within ten (10) days after receipt by the Borrower or any of its Subsidiaries, a copy of (i) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the Release by the Borrower, any of its Subsidiaries, or any other Person of any Contaminant, and (ii) any notice alleging any violation of any Environmental, Health or Safety Requirements of Law by the Borrower or any of its Subsidiaries if, in either case, such notice or claim relates to an event which could reasonably be expected to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$10,000,000.

(J) OTHER INFORMATION. Promptly upon receiving a request therefor from the Administrative Agent, prepare and deliver to the Administrative Agent and the Lenders such other information with respect to the Borrower, any of its Subsidiaries, or the Collateral, including, without limitation, schedules identifying any Asset Sale or Financing (and the use of the Net Cash Proceeds thereof), as from time to time may be reasonably requested by the Administrative Agent.

7.2 AFFIRMATIVE COVENANTS.

(A) CORPORATE EXISTENCE, ETC. Except in connection with a transaction otherwise permitted under the terms of this Agreement, the Borrower shall, and shall cause each of its Subsidiaries to, at all times maintain its corporate existence and preserve and keep, or cause to be preserved and kept, in full force and effect its rights and franchises material to its businesses.

(B) CORPORATE POWERS; CONDUCT OF BUSINESS. Except in connection with a transaction otherwise permitted under the terms of this Agreement, the Borrower shall, and shall cause each of its Subsidiaries to, qualify and remain qualified to do business in each jurisdiction in which the nature of its business requires it to be so qualified and where the failure to be so qualified will have or would reasonably be expected to have a Material Adverse Effect. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted.

(C) COMPLIANCE WITH LAWS, ETC. The Borrower shall, and shall cause its Subsidiaries to, (i) comply in all material respects with all Requirements of Law and all restrictive covenants affecting such Person or the business, properties, assets or operations of such Person, and (ii) obtain as needed all material permits necessary for its operations and maintain such permits in good standing unless, in either such case under clause (i) or (ii), failure to comply or obtain would not reasonably be expected to have a Material Adverse Effect.

(D) PAYMENT OF TAXES AND CLAIMS; TAX CONSOLIDATION. The Borrower shall pay, and cause each of its Subsidiaries to pay, (i) all material taxes, assessments and other governmental charges imposed upon it or on any of its properties or assets or in respect of any of its franchises, business, income or property before any penalty or interest accrues thereon, and (ii) all claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and

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payable and which by law have or may become a material Lien (other than a Lien permitted by SECTION 7.3(C)) upon any of the Borrower's or such Subsidiary's property or assets, prior to the time when any material penalty or fine shall be incurred with respect thereto; PROVIDED, HOWEVER, that no such taxes, assessments and governmental charges referred to in CLAUSE (i) above or claims referred to in CLAUSE (ii) above (and interest, penalties or fines relating thereto) need be paid if being contested in good faith by appropriate proceedings diligently instituted and conducted and if such reserve or other appropriate provision, if any, as shall be required in conformity with Agreement Accounting Principles shall have been made therefor.

(E) INSURANCE. The Borrower shall maintain for itself and its Subsidiaries, or shall cause each of its Subsidiaries to maintain in full force and effect, insurance policies and programs as reflect coverage that is reasonably consistent with prudent industry practice for similarly situated

companies.

(F) INSPECTION OF PROPERTY; BOOKS AND RECORDS; DISCUSSIONS. The Borrower shall permit and cause each of the Borrower's Subsidiaries, the FTB Group and the Excluded Subsidiaries to permit, any authorized representative(s) designated by either the Administrative Agent or any Lender to visit and inspect any of the properties of the Borrower or any of such Subsidiaries, members of the FTB Group or Excluded Subsidiaries, to examine, audit, check and make copies of their respective financial and accounting records, books, journals, orders, receipts and any correspondence and other data relating to their respective businesses or the transactions contemplated hereby or by the Reynolds Acquisition (including, without limitation, in connection with environmental compliance, hazard or liability), and to discuss their affairs, finances and accounts with their officers and independent certified public accountants (and such accountants are hereby authorized to disclose to the Administrative Agent any and all financial statements and other supporting financial documents with respect to the business, financial condition and other affairs of the Borrower and its Subsidiaries, the FTB Group and the Excluded Subsidiaries), all upon reasonable notice and at such reasonable times during normal business hours, as often as may be reasonably requested; PROVIDED, HOWEVER, that the Borrower's obligation to reimburse the Administrative Agent and the Lenders for reasonable costs and expenses incurred in connection with such inspections shall be limited to no more than one (1) inspection during any calendar year if such inspections are conducted at a time when no Default or Unmatured Default shall have occurred and is continuing. The Borrower shall keep and maintain, and cause each of its Subsidiaries, FTB and the Excluded Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities. If a Default has occurred and is continuing, the Borrower, upon the Administrative Agent's request, shall turn over or make available copies of any such records to the Administrative Agent or its representatives; PROVIDED, that if no Default shall have occurred and is continuing, the Administrative Agent or its representatives, as applicable, shall return such records to the Borrower.

(G) ERISA COMPLIANCE. The Borrower shall, and shall cause each other member of the Ball Corporate Group to, establish, maintain and operate all Plans to comply in all respects with the provisions, if applicable, of ERISA, the Code, all other applicable laws, and the regulations and interpretations thereunder and the respective requirements of the governing documents for such Plans, except where such noncompliance would not reasonably be expected to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000.

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(H) MAINTENANCE OF PROPERTY. The Borrower shall cause all material property used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order (normal wear and tear excepted) and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; PROVIDED, HOWEVER, that nothing in this SECTION 7.2(H) shall prevent the Borrower from discontinuing the operation or maintenance of any of such property if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Administrative Agent or the Lenders.

(I) ENVIRONMENTAL COMPLIANCE. The Borrower and its Subsidiaries shall comply with all Environmental, Health or Safety Requirements of Law, except where noncompliance will not have or is not reasonably likely to subject the Borrower or any Subsidiary to liability individually or in the aggregate in excess of \$25,000,000.

(J) USE OF PROCEEDS. The Borrower shall use the proceeds of the Revolving Loans to (i) facilitate the Reynolds Acquisition, (ii) repay existing Indebtedness, (iii) pay the Transaction Costs, and (iv) provide funds for the additional working capital needs and other general corporate purposes of the Borrower and its Subsidiaries. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Loans to purchase or carry any Margin Stock or to make any Acquisition, other than the Reynolds Acquisition and any other Permitted Acquisition pursuant to SECTION 7.3(G).

(K) ADDITIONAL GUARANTORS/PLEDGE OF CAPITAL STOCK. (i) The Borrower will (a) deliver and cause each of its Domestic Incorporated Subsidiaries to deliver an agreement evidencing the pledge, to the Administrative Agent, for the benefit of the Holders of Secured Obligations, of all of the Capital Stock of each Domestic Incorporated Subsidiary, within thirty (30) days after such Subsidiary has become a Subsidiary of the Borrower and (b) cause each Domestic Incorporated Subsidiary, within twenty (20) days after becoming a Subsidiary of the Borrower, to execute and deliver to the Administrative Agent an assumption agreement pursuant to which it agrees to be bound by the terms and provisions of the Subsidiary Guaranty (whereupon such Subsidiary shall become a "Guarantor" under

this Agreement), and (c) deliver and cause such Subsidiaries to deliver corporate resolutions, opinions of counsel, stock certificates, stock powers, UCC financing statements with respect to the Capital Stock Collateral and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent.

(ii) The Borrower shall deliver an agreement evidencing the pledge, to the Administrative Agent, for the benefit of the Holders of Secured Obligations, of (A) all of the Capital Stock of Latasa owned by any member of the Ball Corporate Group (but not in excess of 65% of all of the outstanding Capital Stock thereof) on the date of the consummation of the Latasa Acquisition; and (B) 65% of the Capital Stock of each other Material Foreign Subsidiary, within sixty (60) days after such Subsidiary has become a Material Foreign Subsidiary, together, in each such case, with corporate resolutions, opinions of counsel, stock certificates, stock powers and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent; provided, however, in the event that any such Material Foreign Subsidiary is

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wholly-owned by a Domestic Incorporated Subsidiary, in connection with which all of the requirements of CLAUSE (i) above have been satisfied and the activities of which are limited to owning the Capital Stock of its Subsidiaries, then, the Administrative Agent, at its option, may waive the requirement for the pledge of such Material Foreign Subsidiary's Capital Stock under this CLAUSE (ii); and PROVIDED FURTHER, HOWEVER, in the event that more than one Subsidiary within a commonly controlled group of Subsidiaries constitutes a Material Foreign Subsidiary, then only the Capital Stock of the "parent" or "controlling" Subsidiary shall be required to be pledged.

(iii) If at any time any Material Foreign Subsidiary shall issue or cause to be issued Capital Stock, or warrants or options with respect to its Capital Stock, such that the aggregate amount of the Capital Stock of such Material Foreign Subsidiary pledged to the Administrative Agent for the benefit of the Holders of Secured Obligations is less than 65% of all of the outstanding Capital Stock thereof, the Borrower shall (A) promptly notify the Administrative Agent of such deficiency and (B) deliver or cause to be delivered any agreements, instruments, certificates and other documents as the Administrative Agent may reasonably request all in a form and substance reasonably satisfactory to the Administrative Agent in order to cause all of the Capital Stock of such Material Foreign Subsidiary owned by any member of the Ball Corporate Group (but not in excess of 65% of all of the outstanding Capital Stock thereof) to be pledged to the Agent for the benefit of the Holders of Secured Obligations; PROVIDED, that any Material Subsidiary may issue or cause to be issued any Capital Stock or warrants or options in respect of such Capital Stock only so long as no Change of Control shall result therefrom.

(iv) In the event that the Borrower or any Guarantor causes or permits any Foreign Incorporated Subsidiary that is not a Guarantor to, directly or indirectly, guarantee the payment of any Indebtedness of the Borrower or any Guarantor then the Borrower will (a) simultaneously deliver, or cause to be delivered, an agreement evidencing the pledge, to the Administrative Agent, for the benefit of the Holders of Secured Obligations, of all of the Capital Stock of such Foreign Incorporated Subsidiary, (b) simultaneously cause such Foreign Incorporated Subsidiary to execute and deliver to the Administrative Agent an assumption agreement pursuant to which it agrees to be bound by the terms and provisions of the Subsidiary Guaranty (whereupon such Subsidiary shall become a "Guarantor" under this Agreement), and (c) deliver and cause such Subsidiaries to deliver corporate resolutions, opinions of counsel, stock certificates, stock powers, UCC financing statements with respect to the Capital Stock Collateral and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent.

(L) YEAR 2000 ISSUES. The Borrower shall, and shall cause each of its Subsidiaries to, take all actions reasonably necessary to assure that the Year 2000 Issues will not have a Material Adverse Effect. The Borrower shall provide the Administrative Agent and each of the Lenders a copy of the Borrower's program to address Year 2000 Issues, including updates and progress reports upon request. The Borrower shall advise the Administrative Agent if any Year 2000 Issues will have or would reasonably be expected to have a Material Adverse Effect.

(M) FOREIGN EMPLOYEE BENEFIT COMPLIANCE. The Borrower shall, and shall cause each of its Subsidiaries and each member of the Controlled Group to, establish, maintain and operate all Foreign Employee Benefit Plans to comply in all material respects with all laws, regulations and rules

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applicable thereto and the respective requirements of the governing documents for such Plans, except for failures to comply which, in the aggregate, would

not be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$25,000,000.

(N) FOREIGN GOVERNMENTAL CONSENTS AND APPROVALS. Within fifteen (15) days after the date upon which the Latasa Acquisition is consummated, the Borrower shall, or shall cause its Subsidiaries to, make all required filings or registrations with, give appropriate notice to, and otherwise seek any required authorization, consent and approval of the Administrative Council for Economic Defense in Brazil in respect of the Reynolds Acquisition.

7.3 NEGATIVE COVENANTS.

(A) INDEBTEDNESS. Neither the Borrower nor any other member of the Ball Corporate Group shall directly or indirectly create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

- (i) the Obligations;
 - (ii) Indebtedness incurred in connection with the Long-Term Credit Agreement in a principal amount not to exceed \$1,050,000,000 at any time;
 - (iii) Indebtedness incurred in connection with the Receivables Purchase Documents;
 - (iv) Permitted Existing Indebtedness and Permitted Refinancing Indebtedness;
 - (v) Indebtedness evidenced by the Canadian Credit Facility and Permitted Refinancing Indebtedness in respect thereof, in each case, in a principal amount not to exceed \$50,000,000;
 - (vi) Indebtedness evidenced by the Senior Notes and the Subordinated Notes;
 - (vii) subordinated indebtedness the terms (including, without limitation, those with respect to amount, maturity, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies) of which are acceptable to the Required Lenders when issued, but in each case not any increase in the principal amount thereof and not any refinancing, modification, refunding or extension of maturity thereof, in whole or in part, unless such refinancing, modification, refunding or extension is not materially less favorable to the Borrower or any of its Subsidiaries, including, without limitation, with respect to amount, maturity, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies (such Indebtedness being referred to herein as "PERMITTED ADDITIONAL SUBORDINATED INDEBTEDNESS");
 - (viii) Indebtedness in respect of obligations secured by Customary Permitted Liens;
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- (ix) Indebtedness constituting Guaranteed Obligations permitted by SECTION 7.3(E);
 - (x) Indebtedness arising from intercompany loans from the Borrower to any Controlled Subsidiary, or from any Subsidiary to the Borrower or any Controlled Subsidiary, PROVIDED that if the Borrower or any Guarantor is the obligor on such Indebtedness, such Indebtedness shall be expressly subordinate to the payment in full of the Secured Obligations; PROVIDED, FURTHER, that the aggregate of all Foreign Subsidiary Investments does not exceed the Permitted Foreign Subsidiary Investment Amount at any time;
 - (xi) guaranties by the Borrower of Indebtedness permitted to be incurred by any Subsidiary or Indebtedness of any Person in which the Borrower makes an Investment pursuant to SECTION 7.3(D)(ix) (provided the amount of Indebtedness so guaranteed shall be included for purposes of calculating the Investment in such Person as provided under SECTION 7.3(D)(ix));
 - (xii) secured or unsecured purchase money Indebtedness (including Capitalized Leases) incurred by the Borrower or any of its Subsidiaries after the Closing Date to finance the acquisition of assets used in the business, if (1) at the time of such incurrence, no Default or Unmatured Default has occurred and is continuing or would result from such incurrence, (2) such Indebtedness has a scheduled maturity and is not due on demand, (3) such Indebtedness does not exceed the lower of the fair market value or the cost of the applicable fixed assets on the date acquired, (4) such Indebtedness does not exceed \$50,000,000 in aggregate principal amount outstanding at any time, and (5) any Lien securing such Indebtedness is permitted under SECTION 7.3(C) (such Indebtedness being referred to herein as "PERMITTED PURCHASE MONEY INDEBTEDNESS");
 - (xiii) Indebtedness with respect to surety, appeal and performance

bonds obtained by the Borrower or any of its Subsidiaries in the ordinary course of business;

(xiv) Indebtedness incurred by the Borrower or any of its Subsidiaries (whether assumed by the Borrower or such Subsidiary or issued to the seller) in any Permitted Acquisition as part of the consideration therefor, PROVIDED that such Indebtedness is unsecured and is subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent (including, without limitation, those with respect to amount, maturity, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies);

(xv) Indebtedness in respect of the Synthetic Leases;

(xvi) all Indebtedness of the FTB Group only to the extent that neither the Borrower nor any Guarantor shall incur or suffer to exist any Guaranteed Obligations in respect thereof (unless and to the extent such Guaranteed Obligation would otherwise be permitted under SECTION 7.3(T)) and;

(xvii) Indebtedness incurred by the Borrower or any Guarantor in addition to that referred to elsewhere in this SECTION 7.3(A) in a principal amount not to exceed in the

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aggregate (a) \$25,000,000 if the Leverage Ratio (calculated as of the last day of the immediately preceding fiscal quarter) shall be greater than 3.0 to 1.0 as of the date of incurrence thereof, and (b) \$75,000,000 if the Leverage Ratio (calculated as of the last day of the immediately preceding fiscal quarter) shall be less than or equal to 3.0 to 1.0 as of the date of incurrence thereof.

(B) SALES OF ASSETS. Neither the Borrower nor any of its Subsidiaries shall sell, assign, transfer, lease, convey or otherwise dispose of any property, whether now owned or hereafter acquired, or any income or profits therefrom, or enter into any agreement to do so, except:

(i) sales of Inventory in the ordinary course of business;

(ii) Permitted Receivables Transfers;

(iii) the disposition in the ordinary course of business of Equipment that is obsolete, excess or no longer useful in the Borrower's and its Subsidiaries' business;

(iv) transfers of assets between the Borrower and any Controlled Subsidiary or between Controlled Subsidiaries of the Borrower not otherwise prohibited by this Agreement; PROVIDED, that the aggregate of all Foreign Subsidiary Investments does not exceed the Permitted Foreign Subsidiary Investment Amount at any time;

(v) transfers of assets pursuant to Investments permitted by SECTION 7.3(D) and Restricted Payments permitted by SECTION 7.3(F);

(vi) the sale of the PET business unit of the Borrower and its Subsidiaries; PROVIDED, that such transaction (a) is for consideration consisting at least seventy-five percent (75%) of cash, (b) is for not less than fair market value (as determined by the board of directors of the Borrower in good faith, whose determination shall be conclusive evidence thereof and shall be evidenced by a resolution of such board of directors set forth in an Authorized Officer of the Borrower's certificate delivered to the Administrative Agent), and (c) is consummated when no Default has occurred and is continuing or would result therefrom;

(vii) the sale of all or part of the assets or business constituting the Aerospace business unit of the Borrower and its Subsidiaries in one or more transactions; PROVIDED, that (a) each such transaction (x) is for consideration consisting at least seventy-five percent (75%) of cash, (y) is for not less than fair market value (as determined by the board of directors of the Borrower in good faith, whose determination shall be conclusive evidence thereof and shall be evidenced by a resolution of such board of directors set forth in an Authorized Officer of the Borrower's certificate delivered to the Administrative Agent), and (z) is consummated when no Default has occurred and is continuing or would result therefrom, and (b) the PRO FORMA opening consolidated financial statements of the Borrower and its Subsidiaries shall demonstrate that the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter (assuming the effectiveness of such sale on such last day of the Borrower's most recently completed fiscal quarter) shall be less than or

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equal to the greater of (A) 3.0 to 1.0 and (B) the Leverage Ratio of the

Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter as set forth on the compliance certificate delivered together with the financial statements for such fiscal quarter pursuant to SECTION 7.1(A) (iii);

(viii) leases that are operating leases under which the Borrower or any of its Subsidiaries is the lessor in the ordinary course of its business that are not substantially equivalent to sales; and

(ix) sales, assignments, transfers, leases, conveyances or other dispositions of other assets, PROVIDED that any such transaction (a) is for consideration consisting at least seventy-five percent (75%) of cash, (b) is for not less than fair market value (as determined by the board of directors of the Borrower in good faith, whose determination shall be conclusive evidence thereof and shall be evidenced by a resolution of such board of directors set forth in an Authorized Officer of the Borrower's certificate delivered to the Administrative Agent), and (c) when combined with all such other transactions pursuant to this CLAUSE (ix) (each such transaction being valued at book value) (i) during the immediately preceding twelve-month period, represents the disposition of not greater than \$100,000,000, and (ii) during the period from the Closing Date to the date of such proposed transaction, represents the disposition of not greater than \$300,000,000.

Not less than five (5) Business Days prior to the consummation of any transaction permitted by CLAUSE (vi), (vii), or (ix) above, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying compliance with the requirements of CLAUSE (vi), (vii) or (ix), as applicable, and showing in reasonable detail the calculations on which such certification is based.

(C) LIENS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any of their respective property or assets except:

(i) Liens created by the Loan Documents or otherwise securing the Secured Obligations;

(ii) Liens arising under the Receivables Purchase Documents;

(iii) Permitted Existing Liens;

(iv) Customary Permitted Liens;

(v) purchase money Liens (including the interest of a lessor under a Capitalized Lease and Liens to which any property is subject at the time of the Borrower's acquisition thereof) securing Permitted Purchase Money Indebtedness; PROVIDED that such Liens shall not apply to any property of the Borrower or its Subsidiaries other than that purchased or subject to such Capitalized Lease;

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(vi) Liens with respect to property acquired by the Borrower or any Subsidiary after the Closing Date (and not created in contemplation of such acquisition) to the extent any such acquisitions are permitted pursuant to the terms hereof;

(vii) Liens incurred in connection with sale-leaseback transactions permitted under SECTION 7.3(J); and

(viii) Liens on any of the Collateral which are incurred in connection with the Guaranty Agreement to the extent (a) such Collateral secures the Secured Obligations at such time and (b) the beneficiaries of the Guaranty Agreement have entered into an intercreditor agreement with the Administrative Agent in form and substance reasonably acceptable to the Agents; and

(ix) Liens securing other obligations not exceeding \$25,000,000 in the aggregate at any time outstanding.

In addition, neither the Borrower nor any of its Subsidiaries shall become a party to any agreement, note, indenture or other instrument, or take any other action, which would prohibit the creation of a Lien on any of its properties or other assets in favor of the Administrative Agent for the benefit of itself and the Holders of Secured Obligations, as additional collateral for the Obligations; PROVIDED that any agreement, note, indenture or other instrument in connection with Permitted Purchase Money Indebtedness (including Capitalized Leases) may prohibit the creation of a Lien in favor of the Administrative Agent for the benefit of itself and the Holders of the Secured Obligations on the items of property obtained with the proceeds of such Permitted Purchase Money Indebtedness.

(D) INVESTMENTS. Other than Investments permitted pursuant to PARAGRAPH (G) below, neither the Borrower nor any of its Subsidiaries shall directly or

indirectly make or own any Investment except:

- (i) Investments in cash and Cash Equivalents;
- (ii) Permitted Existing Investments in an amount not greater than the amount thereof on the Closing Date;
- (iii) Investments in Ball Capital Corp. required in connection with the Receivables Purchase Documents;
- (iv) Investments, if any, resulting from transactions under the Manufacturing Supply Agreement;
- (v) Investments in trade receivables or received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement (including settlements of litigation) of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

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- (vi) Investments consisting of deposit accounts maintained by the Borrower and its Subsidiaries in the ordinary course of business in connection with its cash management system;
- (vii) Investments consisting of non-cash consideration from a sale, assignment, transfer, lease, conveyance or other disposition of property permitted by SECTION 7.3(B);
- (viii) Investments consisting of intercompany loans from the Borrower or any Subsidiary to the Borrower or any other Subsidiary permitted by SECTION 7.3(A)(x); PROVIDED, that the aggregate of all Foreign Subsidiary Investments made pursuant to this SECTION 7.3(D)(viii) shall not exceed \$25,000,000 at any time;
- (ix) Investments which do not constitute Acquisitions, made in cash and in any Person having similar lines of business to those of the Borrower, PROVIDED that the total amount of all such Investments made after the Closing Date (including the amount of all cash invested, the fair market value of assets or property contributed and the principal amount of any Indebtedness guaranteed in connection therewith, but excluding, to the extent that any such Investment permitted hereunder shall be sold for cash, the lesser of (x) the cash return of capital with respect to such Investment (net of the cost of disposition) and (y) the initial amount of such Investment) shall not exceed \$25,000,000 during the term of this Agreement; and
- (x) Investments in any Subsidiary that is a Controlled Subsidiary of the Borrower;
- (xi) Investments constituting Permitted Acquisitions;
- (xii) Restricted Investments permitted by SECTION 7.3(F)(viii);
- (xiii) Investments, in addition to the Permitted Existing Investment, in any member of the FTB Group; PROVIDED, HOWEVER, such additional Investments which when aggregated with the amount of Indebtedness which is credit enhanced pursuant to the provisions of SECTION 7.3(T) shall not exceed, in the aggregate an amount equal to Two Hundred Seven Million Dollars (\$207,000,000);
- (xiv) Investments constituting Indebtedness permitted by SECTION 7.3(A) or Guaranteed Obligations permitted by SECTION 7.3(E); and
- (xv) Investments in addition to those permitted elsewhere in this SECTION 7.3(D), in an amount not to exceed \$40,000,000 in the aggregate at any time outstanding;

PROVIDED, HOWEVER, that the Investments described in CLAUSES (ix), (xi), (xii) and (xiii) above shall not be permitted if either a Default or an Unmatured Default shall have occurred and be continuing on the date thereof or would result therefrom.

(E) GUARANTIED OBLIGATIONS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create or become or be liable with respect to any Guaranteed Obligation, except: (i) recourse obligations resulting from endorsement of negotiable instruments for collection in the ordinary course

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of business; (ii) Permitted Existing Guaranteed Obligations; (iii) obligations, warranties, and indemnities, not relating to Indebtedness of any Person, which have been or are undertaken or made in the ordinary course of business and not for the benefit of or in favor of an Affiliate of the Borrower or such

Subsidiary which is not a Guarantor; (iv) Guaranteed Obligations arising under the Transaction Documents; (v) guaranties of Indebtedness permitted by SECTION 7.3(A), PROVIDED, that to the extent such Indebtedness shall be subordinated to the Obligations, each such guarantee shall be subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent; (vi) obligations under the Guaranty Agreement; (vii) Guaranteed Obligations with respect to surety, appeal and performance bonds obtained by the Borrower or any Subsidiary in the ordinary course of business; and (viii) additional Guaranteed Obligations which do not exceed \$10,000,000 in the aggregate at any time.

(F) RESTRICTED PAYMENTS. Neither the Borrower nor any of its Subsidiaries shall declare or make any Restricted Payment, except:

(i) the defeasance, redemption or repurchase of any Indebtedness with the Net Cash Proceeds of Permitted Refinancing Indebtedness;

(ii) mandatory payments of interest, principal or premium, if any, due on the Indebtedness in accordance with mandatory redemption or repayment provisions in effect with respect to such Indebtedness as of the Closing Date, unless in each case such payments are prohibited by the terms of such Indebtedness or the subordination provisions applicable thereto;

(iii) dividends or other distributions (including, without limitation liquidating distributions) payable or made by (a) any Wholly-Owned Subsidiary of the Borrower in compliance with applicable corporation law; and (b) any other Subsidiary of the Borrower in compliance with applicable corporation law; PROVIDED, that the amount of such dividends or distributions under this CLAUSE (b) which are paid or made to any Person not a member of the Ball Corporate Group (the "THIRD-PARTY PAYMENTS") shall be included for purposes of calculating compliance with CLAUSE (viii) below and shall be permitted only to the extent they are permitted under CLAUSE (viii) below;

(iv) dividends or other payments from any Subsidiary of the Borrower to the Borrower pursuant to the Tax Allocation Agreement;

(v) any public offering or other offering qualified under Rule 144A under the Securities Act of 1933, as amended, of all or part of the Equity Interests of a Person constituting the Aerospace business unit of the Borrower and/or any dividend or other distribution by the Borrower, direct or indirect, of any Equity Interests of a Person constituting the Aerospace business unit of the Borrower; PROVIDED that (x) the PRO FORMA opening consolidated financial statements of the Borrower and its Subsidiaries shall demonstrate that the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter (assuming the effectiveness of such Restricted Payment on such last day of the Borrower's most recently completed fiscal quarter) shall be less than or equal to the greater of (A) 3.0 to 1.0 and (B) the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter as set

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forth on the compliance certificate delivered together with the financial statements for such fiscal quarter pursuant to SECTION 7.1(A)(iii), and (y) the Borrower would not otherwise be in Default after giving effect thereto;

(vi) in connection with the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower owned by any member of the Borrower's or any of its Subsidiaries' management, pursuant to a management equity subscription agreement or stock option agreement in effect on the Closing Date or entered into after the Closing Date with members of the management of any Person acquired after the Closing Date, PROVIDED, that the aggregate purchase price of all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed \$15,000,000 in the aggregate since the Closing Date;

(vii) in connection with the repurchase of Equity Interests of the Borrower or any Subsidiary of the Borrower held by employees, former employees, directors or former directors pursuant to the terms of agreements (including employment agreements) approved by the Borrower's board of directors, PROVIDED, that the aggregate purchase price of all such repurchased Equity Interests net of Equity Interests sold to employees and directors shall not exceed \$5,000,000 during any twelve-month period; and

(viii) Third-Party Payments under CLAUSE (iii) above and additional Restricted Payments (including Restricted Investments but excluding any Restricted Payment made in compliance with CLAUSE (v) above) which do not in the aggregate exceed, for the period commencing with the Borrower's fiscal quarter ending December 31, 1998, and ending on the last day of the last quarter ending prior to such Third-Party Payment or Restricted Payment, the greater of (A) the sum of \$60,000,000 MINUS the amount of all Third-Party Payments and Restricted Payments made under this CLAUSE (A), and (B) the sum of (a) fifty percent (50%) of Consolidated Net Income for

such period (or, if Consolidated Net Income for such period is a deficit, less 100% of such deficit), PLUS (b) the aggregate Net Cash Proceeds from the sale or issuance of Equity Interests (other than Disqualified Stock) of the Borrower for such period, PLUS (c) to the extent that any Restricted Investment permitted hereunder and made after the Closing Date shall be sold for cash during such period, the lesser of (x) the cash return of capital with respect to such Restricted Investment (net of the cost of disposition) and (y) the initial amount of such Restricted Investment;

PROVIDED, HOWEVER, that the Restricted Payments described in CLAUSES (iv), (v), (vi), (vii) and (viii) above shall not be permitted if either a Default or an Unmatured Default shall have occurred and be continuing at the date of declaration or payment thereof or would result therefrom.

(G) CONDUCT OF BUSINESS; RESTRICTIONS ON EXCLUDED SUBSIDIARIES; SUBSIDIARIES; ACQUISITIONS. (i) Neither the Borrower nor any of its Subsidiaries or Excluded Subsidiaries shall engage in any business other than the businesses engaged in by the Borrower and such Subsidiaries and Excluded Subsidiaries on the date hereof, the businesses engaged in by the Reynolds Group which is being acquired pursuant to the Reynolds Acquisition and any business or activities which are substantially

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similar, related or incidental thereto. Without first entering into documentation reasonably acceptable to the Administrative Agent and consistent with the requirements set forth in SECTION 7.2(K), pursuant to which the Capital Stock of such entity is pledged pursuant to a Pledge Agreement and pursuant to which such entity becomes a Guarantor (at which time such entity shall be a "Subsidiary" hereunder and shall no longer constitute an "Excluded Subsidiary"), no Excluded Subsidiary shall engage in any business enterprise other than being a "name-holding" entity and shall have no assets (other than the statutorily required minimum capitalization) or liabilities.

(ii) THE BORROWER MAY CREATE, ACQUIRE AND/OR CAPITALIZE ANY SUBSIDIARY (A "NEW SUBSIDIARY") after the date hereof pursuant to any transaction that is permitted by or not otherwise prohibited by this Agreement, PROVIDED that (1) each New Subsidiary that is a Domestic Incorporated Subsidiary shall execute a guaranty of the Obligations and (2) (x) all of the Equity Interests in each New Subsidiary that is a Domestic Incorporated Subsidiary and (y) 65% of the Equity Interests in each New Subsidiary that is a Material Foreign Subsidiary, in each case, owned by the Borrower or any other Subsidiary shall be pledged to the Administrative Agent, for the benefit of Holders of Secured Obligations, pursuant to documentation in form and substance satisfactory to the Administrative Agent.

(iii) Neither the Borrower nor any of its Subsidiaries shall make any Acquisitions, other than (x) the Reynolds Acquisition, (y) the Latasa Acquisition, provided the aggregate purchase price (including assumed liabilities) in respect thereof shall not exceed \$74,000,000, and (z) other Acquisitions meeting the following requirements or otherwise approved by the Required Lenders (each of the Acquisitions permitted by CLAUSES (x), (y) and (z) constituting a "PERMITTED ACQUISITION"):

(1) no Default or Unmatured Default shall have occurred and be continuing or would result from such Acquisition or the incurrence of any Indebtedness in connection therewith;

(2) after giving effect to such transaction, the aggregate of all Foreign Subsidiary Investments would not exceed the Permitted Foreign Subsidiary Investment Amount;

(3) the Acquisition shall be consummated pursuant to a negotiated acquisition agreement on a non-hostile basis and the businesses being acquired shall be substantially similar, related or incidental to the businesses or activities engaged in by the Borrower and its Subsidiaries on the Closing Date;

(4) if the Leverage Ratio (calculated on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment, as if the Acquisition and such incurrence of Indebtedness had occurred on the first day of the twelve-month period ending on the last day of the Borrower's most recently completed fiscal quarter) is greater than 3.0 to 1.0, the aggregate purchase price (including assumed liabilities) of all Acquisitions otherwise permitted under this SECTION 7.3(G) (iii) (z) shall not exceed (a) for any single transaction or series of related transactions, \$50,000,000; and (b) for all transactions from and after the Closing Date, \$100,000,000; and

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(5) prior to each such Acquisition, the Borrower shall deliver to the Administrative Agent a certificate from one of the Authorized Officers of the Borrower, demonstrating to the reasonable satisfaction of the Administrative Agent and the Required Lenders that after giving effect to such Acquisition and the incurrence of any Indebtedness permitted by SECTION 7.3(A) in connection therewith, on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment, as if the Acquisition and such incurrence of Indebtedness had occurred on the first day of the twelve-month period ending on the last day of the Borrower's most recently completed fiscal quarter, the Borrower would have been in compliance with the financial covenants in SECTION 7.4 and not otherwise in Default.

(H) TRANSACTIONS WITH SHAREHOLDERS AND AFFILIATES. Neither the Borrower nor any of its Subsidiaries shall (i) directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder or holders of any of the Equity Interests of the Borrower, or with any Affiliate of the Borrower which is not its Subsidiary, on terms that are less favorable to the Borrower or any of its Subsidiaries, as applicable, than those that might be obtained in an arm's length transaction at the time from Persons who are not such a holder or Affiliate, except for (a) Permitted Receivables Transfers, (b) transactions pursuant to the Tax Allocation Agreement, (c) transactions pursuant to the Manufacturing Supply Agreement, and (d) Restricted Payments permitted by SECTION 7.3(F) or (ii) enter or permit to exist any such non-arm's length transaction between either the Borrower or any Domestic Incorporated Subsidiary, on the one hand, and any Foreign Incorporated Subsidiary, on the other hand, if as a result thereof the aggregate of all Foreign Subsidiary Investments would at any time exceed the Permitted Foreign Subsidiary Investment Amount.

(I) RESTRICTION ON FUNDAMENTAL CHANGES. Neither the Borrower nor any of its Subsidiaries shall enter into any merger or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, lease, sell, transfer or otherwise dispose of, in one transaction or series of transactions, all or substantially all of the Borrower's or any such Subsidiary's business or property, whether now or hereafter acquired, except (a) transactions permitted under SECTIONS 7.3(B), 7.3(F) or 7.3(G) and (b) the merger of any Subsidiary into the Borrower or a Controlled Subsidiary. No member of the FTB Group shall enter into any merger or consolidation, except the merger or consolidation of any member of the FTB Group into any other member of the FTB Group; PROVIDED, that FTB shall be the survivor of any merger or consolidation to which it is a party and no Change of Control shall result therefrom.

(J) SALES AND LEASEBACKS. Neither the Borrower nor any of its Subsidiaries shall become liable, directly, by assumption or by Guaranteed Obligation, with respect to any lease, whether an operating lease or a Capitalized Lease, of any property (whether real or personal or mixed (other than the aircraft owned by the Borrower and its Subsidiaries as of the Closing Date)) (i) which it or one of its Subsidiaries sold or transferred or is to sell or transfer to any other Person, or (ii) which it or one of its Subsidiaries intends to use for substantially the same purposes as any other property which has been or is to be sold or transferred by it or one of its Subsidiaries to any other Person in connection with such lease, unless in either case the sale involved is not prohibited under SECTION 7.3(B) and the lease involved is not prohibited under SECTION 7.3(A).

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(K) MARGIN REGULATIONS. Neither the Borrower nor any of its Subsidiaries, shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

(L) ERISA. To the extent that any of the following actions or omissions, individually or in the aggregate, would reasonably be expected to subject the Borrower or any member of the Controlled Group to liability in excess of \$25,000,000, the Borrower shall not:

(i) engage, or permit any of its Subsidiaries to engage, in any prohibited transaction described in Sections 406 of ERISA or 975 of the Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the DOL;

(ii) fail, or permit any Controlled Group member to fail, to pay timely required contributions or annual installments required under Section 412 of the Code or due with respect to any waived funding deficiency with respect to any Benefit Plan;

(iii) terminate, or permit any Controlled Group member to terminate, any Benefit Plan which would result in any liability of the Borrower or any Controlled Group member under Title IV of ERISA;

(iv) fail to make any contribution or payment to any Multiemployer Plan which the Borrower or any Controlled Group member may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto;

(v) amend, or permit any Controlled Group member to amend, a Benefit Plan resulting in an increase in current liability for the plan year such that the Borrower or any Controlled Group member is required to provide security to such Plan under Section 401(a)(29) of the Code other than an amendment required by applicable law, a collective bargaining agreement or related obligation or a purchase or sale agreement;

(vi) permit any unfunded liabilities with respect to any Foreign Pension Plan except to the extent that any such unfunded liabilities are being funded by annual contributions made by the Borrower or any member of its Controlled Group and such annual contributions are not less than the minimum amounts required under applicable local law; or

(vii) fail, or permit any of its Subsidiaries or Controlled Group members to fail, to pay any required contributions or payments to a Foreign Pension Plan on or before the due date for such required installment or payment.

(M) ISSUANCE OF DISQUALIFIED STOCK. Neither the Borrower nor any of its Subsidiaries shall issue any Disqualified Stock other than (i) the issuance of Disqualified Stock having a liquidation preference in an aggregate amount not in excess of the principal amount of Indebtedness that the Borrower and its Subsidiaries could incur on the date of such issuance pursuant to SECTION 7.3(A)(vi) OR (vii) Or (ii) pursuant to an exchange or conversion of then outstanding Indebtedness of the Borrower

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or any of its Subsidiaries for or into Disqualified Stock, PROVIDED that, to the extent that the aggregate amount of the liquidation preference of such Disqualified Stock exceeds the principal amount of the Indebtedness so exchanged or converted, such Disqualified Stock could be issued pursuant to CLAUSE (i) above. All such issued and outstanding Disqualified Stock shall be treated as Indebtedness for all purposes of this Agreement (and as funded Indebtedness for purposes of SECTION 7.1(G)), and the amount of such deemed Indebtedness shall be the aggregate amount of the liquidation preference of such Disqualified Stock. The Borrower shall not permit any Subsidiary to issue any shares of preferred stock.

(N) CORPORATE DOCUMENTS. Neither the Borrower nor any of its Subsidiaries shall amend, modify or otherwise change any of the terms or provisions in any of their respective constituent documents or the Tax Allocation Agreement as in effect on the date hereof in any manner adverse in any material respect to the interests of the Lenders, without the prior written consent of the Required Lenders.

(O) FISCAL YEAR. Neither the Borrower nor any of its consolidated Subsidiaries shall change its fiscal year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

(P) SUBSIDIARY COVENANTS. Except as required in connection with the Receivables Purchase Documents, the Borrower will not, and will not permit any Subsidiary to, create or otherwise cause to become effective or suffer to exist any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to effect any of the following: (i) pay dividends or make any other distribution on its stock, (ii) make any other Restricted Payment, (iii) pay any Indebtedness or other Obligation owed to the Borrower or any other Subsidiary, (iv) make loans or advances or other Investments in the Borrower or any other Subsidiary, or (v) sell, transfer or otherwise convey any of its property to the Borrower or any other Subsidiary (except property subject to a Lien permitted hereunder).

(Q) HEDGING OBLIGATIONS. The Borrower shall not and shall not permit any of its Subsidiaries to enter into any interest rate, commodity or foreign currency exchange, swap, collar, cap or similar agreements evidencing Hedging Obligations, other than interest rate, foreign currency or commodity exchange, swap, collar, cap or similar agreements entered into by the Borrower pursuant to which the Borrower has hedged its actual interest rate, foreign currency or commodity exposure. Such permitted hedging agreements entered into by the Borrower and any other Person are sometimes referred to herein as "HEDGING AGREEMENTS."

(R) OTHER INDEBTEDNESS. The Borrower shall not amend, modify or supplement, or permit any Subsidiary to amend, modify or supplement (or consent to any amendment, modification or supplement of), any document, agreement or instrument evidencing the Senior Notes or any Subordinated Indebtedness (or any replacements, substitutions or renewals thereof) or pursuant to which the Senior Notes or any Subordinated Indebtedness is issued

where such amendment, modification or supplement provides for the following or which has any of the following effects:

(i) increases the overall principal amount of any such Indebtedness or increases the amount of any single scheduled installment of principal or interest;

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(ii) shortens or accelerates the date upon which any installment of principal or interest becomes due or adds any additional mandatory redemption provisions;

(iii) shortens the final maturity date of such Indebtedness or otherwise accelerates the amortization schedule with respect to such Indebtedness;

(iv) increases the rate of interest accruing on such Indebtedness;

(v) provides for the payment of additional fees or increases existing fees;

(vi) amends or modifies any financial or negative covenant (or covenant which prohibits or restricts the Borrower or a Subsidiary of the Borrower from taking certain actions) in a manner which is more onerous or more restrictive in any material respect to the Borrower (or any Subsidiary of the Borrower) or which is otherwise materially adverse to the Borrower and/or the Lenders or, in the case of adding covenants, which places material additional restrictions on the Borrower (or a Subsidiary of the Borrower) or which requires the Borrower or any such Subsidiary to comply with more restrictive financial ratios or which requires the Borrower to better its financial performance from that set forth in the existing financial covenants;

(vii) amends, modifies or adds any affirmative covenant in a manner which, when taken as a whole, is materially adverse to the Borrower and/or the Lenders; or

(viii) in the case of any Subordinated Indebtedness, amends, modifies or supplements the subordination provisions thereof.

(S) AMENDMENT OF RECEIVABLES PURCHASE DOCUMENTS. The Borrower shall not, and shall not permit any of its Subsidiaries to, agree to or enter into any amendment, restatement or other modification of the Receivables Purchase Documents, or substitute or replace the Receivables Purchase Documents with another receivables securitization facility, that would (i) increase the maximum amount of Indebtedness to be incurred thereunder to an amount in excess of \$125,000,000; (ii) accelerate any scheduled amortization date; (iii) increase the recourse obligations of the Borrower or any of its Subsidiaries (other than Ball Capital Corp.) in any material respect; (iv) provide for an "Event of Default," "Termination Event," "Early Amortization Event," "Servicer Default" or other similar event upon the occurrence of a Default or Unmatured Default hereunder; (v) impose net worth covenants for Ball Capital Corp. that are materially more stringent than those in existence on the Closing Date; (vi) materially decrease the cash consideration to be paid to Ball Capital Corp. or Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC on account of any Permitted Receivables Transfers; or (vii) materially increase the amount of discount, yield or interest payable thereunder.

(T) RESTRICTIONS ON CREDIT SUPPORT TO THE FTB GROUP. Other than Permitted Existing Investments with respect to the FTB Group, neither the Borrower nor any of its Subsidiaries shall provide any type of credit support or credit enhancement to any member of the FTB Group, whether directly through loans to or Investments in, letters of credit issued for the benefit of any creditor of any

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member of the FTB Group or guarantees or any other Contractual Obligation, contingent or otherwise, of the Borrower or any of such Subsidiaries with respect to any Indebtedness or other obligation or liability of any member of the FTB Group, including, without limitation, any such Indebtedness, obligation or liability directly or indirectly guaranteed, supported by letter of credit, endorsed (other than for collection or deposit in the ordinary course of business), co-made or discounted or sold with recourse, or in respect of which the Borrower or any of its Subsidiaries is otherwise directly or indirectly liable, including contractual obligations (contingent or otherwise) arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other

financial condition, or to make payment other than for value received; PROVIDED such credit support or other credit enhancement shall be permitted if and only to the extent that it is treated as an Investment covered by the provisions of SECTION 7.3(D) and to the extent that such credit support or credit enhancement when added to the other Investments in the FTB Group would be permitted pursuant to SECTION 7.3(D).

(U) AMENDMENTS TO AGREEMENTS. The Borrower shall not enter into, and shall not permit any Subsidiary to enter into, or otherwise consent to, any amendment or other modification to the Asset Purchase Agreement in any way that would be materially adverse to the Borrower or any of its Subsidiaries or to any of the Lenders.

7.4 FINANCIAL COVENANTS. The Borrower shall comply with the following:

(A) DEFINED TERMS FOR FINANCIAL COVENANTS. The following terms used in this Agreement shall have the following meanings (such meanings to be applicable, except to the extent otherwise indicated in a definition of a particular term, both to the singular and the plural forms of the terms defined):

"CAPITAL EXPENDITURES" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including Capitalized Leases and Permitted Purchase Money Indebtedness, but excluding (without duplication) any capitalized interest with respect thereto) by the Borrower and its Subsidiaries during that period that, in conformity with Agreement Accounting Principles, are required to be included in or reflected by the property, plant, equipment or similar fixed asset accounts reflected in the consolidated balance sheet of the Borrower and its Subsidiaries.

"CAPITALIZED LEASE" of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CAPITALIZED LEASE OBLIGATIONS" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CONSOLIDATED NET INCOME" shall mean the net income and net losses of the Borrower and its Subsidiaries on a consolidated basis as defined according to Agreement Accounting Principles after excluding, without duplication, the sum of (i) any net losses or net income from the operations of any

member of the FTB Group (other than net income which has been paid by cash dividend or otherwise distributed in cash to the Borrower or one of the Guarantors) and (ii) the cumulative effect of a change in accounting principles, in each case, calculated for the applicable period and determined in accordance with Agreement Accounting Principles; PROVIDED, that when calculating Consolidated Net Income, there shall be excluded from such calculation, the earnings of a Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to the Borrower with respect to such earnings is not, at the date of determination, permitted without the prior approval of a Governmental Authority (and such approval has not been obtained), or is prohibited, 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 Subsidiary or the holders of its Capital Stock. For purposes of the calculation of Consolidated Net Income, the provisions of CLAUSE (i) shall be applicable to the FTB Group whether or not they constitute a Minority Interest.

"CONSOLIDATED NET WORTH" shall mean the sum of shareholders' equity of the Borrower and its Subsidiaries, including preferred stock of the Borrower and its Subsidiaries; PROVIDED, that there shall be excluded therefrom all amounts related to the FTB Group.

"EBITDA" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries, the sum of the amounts for such period, without duplication, of:

<TABLE>		
<S>		
	<C>	<C>
	(i)	Consolidated Net Income,
PLUS	(ii)	Interest Expense, to the extent deducted in computing Consolidated Net Income,
PLUS	(iii)	charges against income for foreign, federal, state and local taxes, to the extent deducted in computing Consolidated Net Income,

PLUS	(iv)	depreciation expense, to the extent deducted in computing Consolidated Net Income,
PLUS	(v)	amortization expense, including, without limitation, amortization of goodwill and other intangible assets, Transaction Costs, and other fees, costs and expenses in connection with Permitted Acquisitions, in each case, to the extent deducted in computing Consolidated Net Income,
PLUS	(vi)	the lease expense component of the Synthetic Leases, to the extent deducted in computing Consolidated Net Income,
MINUS	(vii)	the gain (or PLUS the loss) (net of any tax effect) resulting from the sale of any capital assets other than in the ordinary course of business,
MINUS	(viii)	extraordinary or nonrecurring after-tax gains (or PLUS extraordinary or nonrecurring after-tax losses),

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MINUS	(ix)	any gain resulting from any write-up of assets (other than with respect to any Company Owned Life Insurance Program),
PLUS	(x)	any loss resulting from any write-down of assets; and
PLUS	(xi)	any non-cash restructuring charge.

</TABLE>

in each case calculated for the applicable period in conformity with Agreement Accounting Principles.

"INTEREST EXPENSE" means, for any period, the total interest expense of the Borrower and its consolidated Subsidiaries (other than the FTB Group), whether paid or accrued (including the interest component of Capitalized Leases, the interest component of the Synthetic Leases, net payments (if any) pursuant to Hedging Obligations relating to interest rate protection, commitment and letter of credit fees, and discount and other fees and charges incurred under the Receivables Purchase Documents), but excluding interest expense not payable in cash (including amortization of discount), as determined in conformity with Agreement Accounting Principles.

"TOTAL DEBT" means, for any period, on a consolidated basis for the Borrower and its consolidated Subsidiaries (other than the FTB Group), Indebtedness of the Borrower and its Subsidiaries, other than (i) Hedging Obligations and (ii) the sum (without duplication) of the amounts then available for drawing under commercial or trade letters of credit and (iii) Support Obligations.

(B) MINIMUM CONSOLIDATED NET WORTH. The Borrower shall not permit its Consolidated Net Worth at any time to be less than the sum of (a) \$500,000,000, PLUS (b) fifty percent (50%) of Consolidated Net Income (if positive) calculated separately for each fiscal quarter commencing with the fiscal quarter ending December 31, 1998, PLUS (c) one hundred percent (100%) of the Net Cash Proceeds resulting from the issuance by the Borrower of any Capital Stock.

(C) TOTAL DEBT TO EBITDA RATIO. The Borrower shall not permit the ratio (the "LEVERAGE RATIO") of Total Debt to EBITDA to be greater than the ratio set forth below under the column entitled "Leverage Ratio" at any time during the fiscal quarter ending on the corresponding date set forth below:

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<TABLE>

<CAPTION>

QUARTER ENDING -----	LEVERAGE RATIO -----
<S>	<C>
December 31, 1998	4.75 to 1.00
March 31, 1999	4.75 to 1.00
June 30, 1999	4.75 to 1.00
September 30, 1999	4.50 to 1.00
December 31, 1999	4.50 to 1.00
March 31, 2000	4.25 to 1.00
June 30, 2000	4.25 to 1.00
September 30, 2000	4.00 to 1.00
December 31, 2000	4.00 to 1.00

March 31, 2001	4.00 to 1.00
June 30, 2001	
and each quarter	
thereafter	3.50 to 1.00

</TABLE>

The Leverage Ratio shall be calculated, in each case, determined as of the last day of each fiscal quarter based upon (a) for Total Debt, Total Debt as of the last day of each such fiscal quarter; and (b) for EBITDA, the actual amount for the four-quarter period ending on such day, calculated, with respect to Permitted Acquisitions, on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment; PROVIDED, that there shall be excluded from the calculation of the Leverage Ratio all amounts related to the FTB Group.

(D) FIXED CHARGE COVERAGE RATIO. The Borrower shall maintain a ratio ("FIXED CHARGE COVERAGE RATIO") of (i) the sum (without duplication) of the amounts of (a) EBITDA MINUS (b) Capital Expenditures to (ii) the sum of the amounts of (a) scheduled amortization of the principal portion of the "Term Loans" (as defined in the Long-Term Credit Agreement) and scheduled amortization of the principal portion of all other Indebtedness of the Borrower and its Subsidiaries (PROVIDED, that solely for purposes of calculating the Fixed Charge Coverage Ratio as of the fiscal quarter ending on December 31, 2001, such calculation shall be made exclusive of payments made at the final maturity of the Synthetic Leases during such fiscal quarter), PLUS (b) Interest Expense, PLUS (c) cash taxes paid, PLUS (d) dividends paid by the Borrower or other cash distributions made on the equity of the Borrower (PROVIDED, that for purposes of this SECTION 7.4(D), calculation of the Fixed Charge Coverage Ratio shall be exclusive of the effect of Restricted Payments made in compliance with SECTION 7.3(F)(v)) during such period of at least:

(i) 1.05 to 1.00 for each fiscal quarter for the period commencing with the fiscal quarter ending December 31, 1998 through the fiscal quarter ending June 30, 1999;

(ii) 1.10 to 1.00 for each fiscal quarter for the period commencing with the fiscal quarter ending September 30, 1999 through the fiscal quarter ending June 30, 2000;

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(iii) 1.15 to 1.00 for each fiscal quarter for the period commencing with the fiscal quarter ending on September 30, 2000 through the fiscal quarter ending on June 30, 2001; and

(iv) 1.20 to 1.00 for each fiscal quarter thereafter until the Termination Date.

In each case the Fixed Charge Coverage Ratio shall be determined as of the last day of each fiscal quarter for the four-quarter period ending on such day PROVIDED, that there shall be excluded from the calculation of the Fixed Charge Coverage Ratio all amounts relating to the FTB Group.

ARTICLE VIII: DEFAULTS

8.1 DEFAULTS. Each of the following occurrences shall constitute a Default under this Agreement:

(a) FAILURE TO MAKE PAYMENTS WHEN DUE. The Borrower shall (i) fail to pay when due any of the Obligations consisting of principal with respect to the Loans or (ii) shall fail to pay within five (5) Business Days of the date when due any of the other Obligations under this Agreement or the other Loan Documents.

(b) BREACH OF CERTAIN COVENANTS. The Borrower shall fail duly and punctually to perform or observe any agreement, covenant or obligation binding on the Borrower under:

(i) SECTION 7.1(C) through and including (J) and SECTION 7.2 and such failure shall continue unremedied for fifteen (15) Business Days;

(ii) SECTION 7.1(A), 7.1(B), or 7.3 or 7.4.

(c) BREACH OF REPRESENTATION OR WARRANTY. Any representation or warranty made or deemed made by the Borrower to the Administrative Agent or any Lender herein or by the Borrower or any of its Subsidiaries in any of the other Loan Documents or in any statement or certificate at any time given by any such Person pursuant to any of the Loan Documents shall be untrue in any material respect on the date as of which made (or deemed made).

(d) OTHER DEFAULTS. The Borrower shall default in the performance of

or compliance with any term contained in this Agreement (other than as covered by PARAGRAPHS (a), (b) or (c) of this SECTION 8.1), or the Borrower or any of its Subsidiaries shall default in the performance of or compliance with any term contained in any of the other Loan Documents, and such default shall continue for fifteen (15) Business Days after the earlier of (i) notice from the Administrative Agent or (ii) the date on which any member of the Borrower's or such Subsidiary's management, as applicable, shall first have actual knowledge thereof.

(e) DEFAULT AS TO OTHER INDEBTEDNESS. (x) Any "Default" shall occur under and as defined in the Long-Term Credit Agreement; or (y) the Borrower or any of its Subsidiaries shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or

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otherwise) with respect to any Indebtedness (including, without limitation, Indebtedness with respect to any Hedging Agreement, but other than (i) the Obligations and the Indebtedness under the Receivables Purchase Documents and (ii) the Obligations and Indebtedness of the FTB Group (which Obligations and Indebtedness are non-recourse to the Borrower and its Subsidiaries)) the aggregate outstanding principal amount of which Indebtedness is in excess of \$10,000,000; or any breach, default or event of default shall occur, or any other condition shall exist under any instrument, agreement or indenture pertaining to any such Indebtedness, if the effect thereof is to cause an acceleration, mandatory redemption, a requirement that the Borrower or any of its Subsidiaries offer to purchase such Indebtedness or other required repurchase of such Indebtedness, or permit the holder(s) of such Indebtedness to accelerate the maturity of any such Indebtedness or require a redemption or other repurchase of such Indebtedness; or any such Indebtedness shall be otherwise declared to be due and payable (by acceleration or otherwise) or the holder of such Indebtedness requires such Indebtedness to be prepaid, redeemed or otherwise repurchased by the Borrower or any of its Subsidiaries (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof.

(f) INVOLUNTARY BANKRUPTCY; APPOINTMENT OF RECEIVER, ETC.

(i) An involuntary case under applicable bankruptcy, insolvency or other similar law shall be commenced against the Borrower or any Material Subsidiary and the petition shall not be dismissed, stayed, bonded or discharged within sixty (60) days after commencement of the case; or a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Borrower or any Material Subsidiary in an involuntary case, under any applicable bankruptcy, insolvency or other similar law now or hereinafter in effect; or any other similar relief shall be granted under any applicable federal, state, local or foreign law.

(ii) A decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Borrower or any Material Subsidiary or over all or a substantial part of the property of the Borrower or any Material Subsidiary shall be entered; or an interim receiver, trustee or other custodian of the Borrower or any Material Subsidiary or of all or a substantial part of the property of the Borrower or any Material Subsidiary shall be appointed or a warrant of attachment, execution or similar process against any substantial part of the property of the Borrower or any Material Subsidiary shall be issued and any such event shall not be stayed, dismissed, bonded or discharged within sixty (60) days after entry, appointment or issuance.

(g) VOLUNTARY BANKRUPTCY; APPOINTMENT OF RECEIVER, ETC. The Borrower or any Material Subsidiary shall (i) commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, (iii) consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property, (iv) make any assignment for the benefit of creditors or (v) take any corporate action to authorize any of the foregoing.

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(h) JUDGMENTS AND ATTACHMENTS. Any money judgment(s) (other than a money judgment covered by insurance as to which the insurance company has not disclaimed or reserved the right to disclaim coverage), writ or warrant of attachment, or similar process against the Borrower or any Material Subsidiary or any of their respective assets involving in any single case or in the aggregate an amount in excess of \$10,000,000 is or are entered and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days or in any event later than fifteen (15) days prior to the

date of any judicially sanctioned sale thereunder.

(i) DISSOLUTION. Any order, judgment or decree shall be entered against the Borrower or any Material Subsidiary decreeing its involuntary dissolution or split up and such order shall remain undischarged and unstayed for a period in excess of sixty (60) days; or the Borrower or any Material Subsidiary shall otherwise dissolve or cease to exist except as specifically permitted by this Agreement.

(j) LOAN DOCUMENTS; FAILURE OF SECURITY. At any time, for any reason, (i) any Loan Document as a whole that materially affects the ability of the Administrative Agent, or any of the Lenders to enforce the Obligations or enforce their rights against the Collateral ceases to be in full force and effect or the Borrower or any of the Borrower's Subsidiaries party thereto seeks to repudiate its obligations thereunder and the Liens intended to be created thereby are, or the Borrower or any such Subsidiary seeks to render such Liens, invalid or unperfected, or (ii) any material Lien on Collateral in favor of the Administrative Agent contemplated by the Loan Documents shall, at any time, for any reason (except as permitted by the terms of any such Loan Document), be invalidated or otherwise cease to be in full force and effect, or such Lien shall not have the priority contemplated by this Agreement or the Loan Documents.

(k) TERMINATION EVENT. Any Termination Event occurs which individually or in the aggregate would reasonably be expected to subject the Borrower or any Controlled Group member to liability in excess of \$25,000,000.

(l) WAIVER OF MINIMUM FUNDING STANDARD. The plan administrator of any Plan applies under Section 412(d) of the Code for a waiver of the minimum funding standards of Section 412(a) of the Code and the substantial business hardship upon which the application for the waiver is based could reasonably be expected to subject either the Borrower or any Controlled Group member to liability in excess of \$10,000,000.

(m) CHANGE OF CONTROL. A Change of Control shall occur.

(n) ENVIRONMENTAL MATTERS. The Borrower or any of its Subsidiaries shall be the subject of any proceeding or investigation pertaining to (i) the Release by the Borrower or any of its Subsidiaries of any Contaminant, (ii) the liability of the Borrower or any of its Subsidiaries arising from the Release by any other Person of any Contaminant, or (iii) any violation of any Environmental, Health or Safety Requirements of Law by the Borrower or any of its Subsidiaries, which, in any case, has subjected or is reasonably likely to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000 (exclusive of costs, expenses, claims covered by insurance policies of the Borrower or any of its Subsidiaries unless the insurers of such costs, expenses or claims have

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disclaimed coverage or reserved the right to disclaim coverage thereof and exclusive of costs, expenses or claims covered by the indemnity of a financially responsible indemnitor in favor of the Borrower or any of its Subsidiaries unless the indemnitor has disclaimed or reserved the right to disclaim coverage thereof).

(o) GUARANTOR DEFAULT OR REVOCATION. The Borrower or any Guarantor shall terminate or revoke any of their respective obligations under any of the Collateral Documents, or any other guarantor of the Obligations shall terminate or revoke any of its obligations under the applicable guarantee agreement or breach any of the terms of such guarantee agreement.

(p) FAILURE OF SUBORDINATION. The subordination provisions of the documents and instruments evidencing any Subordinated Indebtedness shall, at any time, be invalidated or otherwise cease to be in full force and effect.

A Default shall be deemed "continuing" until cured or until waived in writing in accordance with SECTION 9.3.

ARTICLE IX: ACCELERATION, DEFAULTING LENDERS; WAIVERS, AMENDMENTS AND REMEDIES

9.1 TERMINATION OF REVOLVING LOAN COMMITMENTS; ACCELERATION. If any Default described in SECTION 8.1(f) or 8.1(g) or 8.1(i) occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder and the obligation of each Issuing Bank to issue Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent or any Lender. If any other Default occurs, the Required Lenders may terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation of the Issuing Banks to issue Letters of Credit hereunder, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable,

without presentment, demand, protest or notice of any kind, all of which the Borrower expressly waives.

9.2 DEFAULTING LENDER. In the event that any Lender fails to fund its Revolving Loan Pro Rata Share of any Advance requested or deemed requested by the Borrower, which such Lender is obligated to fund under the terms of this Agreement (the funded portion of such Advance being hereinafter referred to as a "NON PRO RATA LOAN"), until the earlier of such Lender's cure of such failure and the termination of the Revolving Loan Commitments, the proceeds of all amounts thereafter repaid to the Administrative Agent by the Borrower and otherwise required to be applied to such Lender's share of all other Obligations pursuant to the terms of this Agreement shall be advanced to the Borrower by the Administrative Agent on behalf of such Lender to cure, in full or in part, such failure by such Lender, but shall nevertheless be deemed to have been paid to such Lender in satisfaction of such other Obligations. Notwithstanding anything in this Agreement to the contrary:

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(i) the foregoing provisions of this SECTION 9.2 shall apply only with respect to the proceeds of payments of Obligations and shall not affect the conversion or continuation of Loans pursuant to SECTION 2.10;

(ii) any such Lender shall be deemed to have cured its failure to fund its Revolving Loan Pro Rata Share of any Advance at such time as an amount equal to such Lender's original Revolving Loan Pro Rata Share of the requested principal portion of such Advance is fully funded to the Borrower, whether made by such Lender itself or by operation of the terms of this SECTION 9.2, and whether or not the Non Pro Rata Loan with respect thereto has been repaid, converted or continued;

(iii) amounts advanced to the Borrower to cure, in full or in part, any such Lender's failure to fund its Revolving Loan Pro Rata Share of any Advance ("CURE LOANS") shall bear interest at the rate applicable to Floating Rate Loans in effect from time to time, and for all other purposes of this Agreement shall be treated as if they were Floating Rate Loans;

(iv) regardless of whether or not a Default has occurred or is continuing, and notwithstanding the instructions of the Borrower as to its desired application, all repayments of principal which, in accordance with the other terms of this Agreement, would be applied to the outstanding Floating Rate Loans shall be applied FIRST, ratably to all Floating Rate Loans constituting Non Pro Rata Loans, SECOND, ratably to Floating Rate Loans other than those constituting Non Pro Rata Loans or Cure Loans and, THIRD, ratably to Floating Rate Loans constituting Cure Loans;

(v) for so long as and until the earlier of any such Lender's cure of the failure to fund its Revolving Loan Pro Rata Share of any Advance and the termination of the Revolving Loan Commitments, the term "Required Lenders" for purposes of this Agreement shall mean Lenders (excluding all Lenders whose failure to fund their respective Revolving Loan Pro Rata Share of such Advance have not been so cured) whose Pro Rata Shares represent at least fifty percent (50%) of the aggregate Pro Rata Shares of such Lenders; and

(vi) for so long as and until any such Lender's failure to fund its Revolving Loan Pro Rata Share of any Advance is cured in accordance with SECTION 9.2(ii), (A) such Lender shall not be entitled to any commitment fees with respect to its Revolving Loan Commitment and (B) such Lender shall not be entitled to any letter of credit fees, which commitment fees and letter of credit fees shall accrue in favor of the Lenders which have funded their respective Revolving Loan Pro Rata Share of such requested Advance, shall be allocated among such performing Lenders ratably based upon their relative Revolving Loan Commitments, and shall be calculated based upon the average amount by which the aggregate Revolving Loan Commitments of such performing Lenders exceeds the sum of (I) the outstanding principal amount of the Loans owing to such performing Lenders, PLUS (II) the outstanding Reimbursement Obligations owing to such performing Lenders, PLUS (III) the aggregate participation interests of such

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performing Lenders arising pursuant to SECTION 3.6 with respect to undrawn and outstanding Letters of Credit.

9.3 AMENDMENTS. Subject to the provisions of this ARTICLE IX, the

Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; PROVIDED, HOWEVER, that no such supplemental agreement shall, without the consent of each Lender affected thereby:

- (i) Postpone or extend the Revolving Loan Termination Date or any other date fixed for any payment of principal of, or interest on, the Loans, the Reimbursement Obligations or any fees or other amounts payable to such Lender (except with respect to (a) any modifications of the provisions relating to prepayments of Loans and other Obligations or (b) a waiver of the application of the default rate of interest pursuant to SECTION 2.11 hereof or (c) as expressly provided by the terms of SECTION 2.18).
- (ii) Reduce the principal amount of any Loans or L/C Obligations, or reduce the rate or extend the time of payment of interest or fees thereon.
- (iii) Reduce the percentage specified in the definition of Required Lenders or any other percentage of Lenders specified to be the applicable percentage in this Agreement to act on specified matters, or amend the definitions of "Required Lenders", "Revolving Loan Pro Rata Share", or "Pro Rata Share".
- (iv) Increase the amount of the Revolving Loan Commitment of any Lender hereunder, or increase any Lender's Revolving Loan Pro Rata Share or Pro Rata Share.
- (v) Permit the Borrower to assign its rights under this Agreement.
- (vi) Amend this SECTION 9.3.
- (vii) Release all or substantially all of the Collateral.
- (viii) Except in connection with a transaction otherwise permitted pursuant to the terms of any Loan Document, release any Domestic Incorporated Subsidiary from its obligations under the Subsidiary Guaranty.

Any supplemental agreement entered into in accordance with the terms of this SECTION 9.3 shall apply to each of the Lenders equally. No amendment of any provision of this Agreement relating to (a) the Administrative Agent shall be effective without the written consent of the Administrative Agent, (b) Swing Line Loans shall be effective without the written consent of the Swing Line Bank and (c) any Issuing Lender without the written consent of such Issuing Lender. The Administrative Agent may waive payment of the fee required under SECTION 13.3(B) without obtaining the consent of any of the Lenders.

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9.4 PRESERVATION OF RIGHTS. No delay or omission of the Lenders or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan or the issuance of a Letter of Credit notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan or issuance of such Letter of Credit shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to SECTION 9.3, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Obligations have been paid in full.

ARTICLE X: GENERAL PROVISIONS

10.1 SURVIVAL OF REPRESENTATIONS. All representations and warranties of the Borrower contained in this Agreement shall survive delivery of this Agreement and the making of the Loans herein contemplated.

10.2 GOVERNMENTAL REGULATION. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

10.3 PERFORMANCE OF OBLIGATIONS. The Borrower agrees that the Administrative Agent may, but shall have no obligation, to (i) at any time, pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against any Collateral and (ii) after the

occurrence and during the continuance of a Default, make any other payment or perform any act required of the Borrower under any Loan Document or take any other action which the Administrative Agent in its discretion deems necessary or desirable to protect or preserve the Collateral, including, without limitation, any action to (y) effect any repairs or obtain any insurance called for by the terms of any of the Loan Documents and to pay all or any part of the premiums therefor and the costs thereof and (z) pay any rents payable by the Borrower which are more than 30 days past due, or as to which the landlord has given notice of termination, under any lease. The Administrative Agent shall use its best efforts to give the Borrower notice of any action taken under this SECTION 10.3 prior to the taking of such action or promptly thereafter provided the failure to give such notice shall not affect the Borrower's obligations in respect thereof. The Borrower agrees to pay the Administrative Agent, upon demand, the principal amount of all funds advanced by the Administrative Agent under this SECTION 10.3, together with interest thereon at the rate from time to time applicable to Floating Rate Loans from the date of such advance until the outstanding principal balance thereof is paid in full. If the Borrower fails to make payment in respect of any such advance under this SECTION 10.3 within one (1) Business Day after the date the Borrower receives written demand therefor from the Administrative Agent, the Administrative Agent shall promptly notify each Lender and each Lender agrees that it shall thereupon make available to the Administrative Agent, in Dollars in immediately available funds, the amount equal to such Lender's Pro Rata Share of such advance. If such funds are not made available to the

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Administrative Agent by any such Lender within one (1) Business Day after the Administrative Agent's demand therefor, the Administrative Agent will be entitled to recover any such amount from such Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of such demand and ending on the date such amount is received. The failure of any Lender to make available to the Administrative Agent its Pro Rata Share of any such unreimbursed advance under this SECTION 10.3 shall neither relieve any other Lender of its obligation hereunder to make available to the Administrative Agent such other Lender's Pro Rata Share of such advance on the date such payment is to be made nor increase the obligation of any other Lender to make such payment to the Administrative Agent. All outstanding principal of, and interest on, advances made under this SECTION 10.3 shall constitute Obligations secured by the Collateral until paid in full by the Borrower.

10.4 HEADINGS. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

10.5 ENTIRE AGREEMENT. The Loan Documents embody the entire agreement and understanding among the Borrower, the Agents and the Lenders and supersede all prior agreements and understandings among the Borrower, the Agents and the Lenders relating to the subject matter thereof.

10.6 SEVERAL OBLIGATIONS; BENEFITS OF THIS AGREEMENT. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other Lender (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns.

10.7 EXPENSES; INDEMNIFICATION.

(A) EXPENSES. The Borrower shall reimburse the Agents and the Arrangers for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys and paralegals for the Agents, which attorneys and paralegals may be employees of the Agents) paid or incurred by any Agent or any Arranger in connection with the preparation, negotiation, execution, delivery, syndication, review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Agents and the Arrangers and the Lenders for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys and paralegals for the Agents and the Arrangers and the Lenders, which attorneys and paralegals may be employees of the Agents or the Arrangers or the Lenders) paid or incurred by any Agent or any Arranger or any Lender in connection with the restructure, workout or collection of the Obligations and enforcement (whether by legal proceedings, negotiation or otherwise) of the Loan Documents. In addition to expenses set forth above, the Borrower agrees to reimburse the Administrative Agent, promptly after the Administrative Agent's request therefor, for each audit, or other business analysis expressly permitted or contemplated hereby and performed by or for the benefit of the Lenders in connection

with this Agreement or the other Loan Documents in an amount equal to the Administrative Agent's then customary charges for each person employed to perform such audit or analysis, plus all reasonable costs and expenses (including without limitation, travel expenses) incurred by the Administrative Agent in the performance of such audit or analysis; PROVIDED, that the Borrower shall only be responsible for expenses in connection with one (1) such audit or business analysis in any calendar year at a time when no Default had occurred or was continuing.

(B) INDEMNITY. The Borrower further agrees to defend, protect, indemnify, and hold harmless each and all of the Agents, the Arrangers and the Lenders and each of their respective Affiliates, and each of such Agent's, Arranger's, Lender's, or Affiliate's respective officers, directors, trustees, investment advisors, employees, attorneys and agents (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in ARTICLE V) (collectively, the "INDEMNITEES") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Agreement, the other Loan Documents or any of the Transaction Documents, or any act, event or transaction related or attendant thereto or to the Reynolds Acquisition, the making of the Loans, and the issuance of and participation in Letters of Credit hereunder, the management of such Loans or Letters of Credit, the use or intended use of the proceeds of the Loans or Letters of Credit hereunder, or any of the other transactions contemplated by the Transaction Documents; or

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of any Environmental, Health or Safety Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective property of the Borrower or its Subsidiaries, the presence of asbestos-containing materials at any respective property of the Borrower or its Subsidiaries or the Release or threatened Release of any Contaminant arising out of or relating to, in any way, the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest (collectively, the "INDEMNIFIED MATTERS");

PROVIDED, HOWEVER, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters to the extent caused by or resulting from the willful misconduct or Gross Negligence of such Indemnitee with respect to the Loan Documents or the Indemnified Matters, in

each case, as determined by the final non-appealed judgment of a court of competent jurisdiction. If the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(C) WAIVER OF CERTAIN CLAIMS; SETTLEMENT OF CLAIMS. The Borrower further agrees to assert no claim against any of the Indemnitees on any theory of liability for consequential, special, indirect, exemplary or punitive damages. No settlement shall be entered into by the Borrower or any of its Subsidiaries with respect to any claim, litigation, arbitration or other proceeding with respect to which any Agent or any Lender or any Indemnitee is a party (or in connection with which liability has been asserted against any Agent or any Lender or any Indemnitee) and relating to or arising out of the transactions evidenced by this Agreement, the other Loan Documents or the Reynolds Acquisition Documents unless such settlement releases all Indemnitees from any

and all liability with respect thereto.

(D) SURVIVAL OF AGREEMENTS. The obligations and agreements of the Borrower under this SECTION 10.7 shall survive the termination of this Agreement.

10.8 NUMBERS OF DOCUMENTS. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Lenders.

10.9 ACCOUNTING. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles.

10.10 SEVERABILITY OF PROVISIONS. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

10.11 NONLIABILITY OF LENDERS. The relationship between the Borrower and the Lenders and the Administrative Agent shall be solely that of borrower and lender. Neither any Agent nor any Lender shall have any fiduciary responsibilities to the Borrower. Neither any Agent nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

10.12 GOVERNING LAW. THE ADMINISTRATIVE AGENT ACCEPTS THIS AGREEMENT, ON BEHALF OF ITSELF AND THE LENDERS, AT CHICAGO, ILLINOIS BY ACKNOWLEDGING AND AGREEING TO IT THERE. ANY DISPUTE BETWEEN THE BORROWER AND THE ADMINISTRATIVE AGENT, ANY LENDER, OR ANY OTHER HOLDER OF SECURED OBLIGATIONS ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED

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BETWEEN THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING 735 ILCS 105/5-1 ET SEQ. BUT OTHERWISE WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.

10.13 CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL.

(A) EXCLUSIVE JURISDICTION. EXCEPT AS PROVIDED IN SUBSECTION (B), EACH OF THE PARTIES HERETO AGREES THAT ALL DISPUTES AMONG THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED EXCLUSIVELY BY STATE OR FEDERAL COURTS LOCATED IN CHICAGO, ILLINOIS, BUT THE PARTIES HERETO ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS. EACH OF THE PARTIES HERETO WAIVES IN ALL DISPUTES BROUGHT PURSUANT TO THIS SUBSECTION (A) ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(B) OTHER JURISDICTIONS. THE BORROWER AGREES THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY HOLDER OF SECURED OBLIGATIONS SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO (1) OBTAIN PERSONAL JURISDICTION OVER THE BORROWER OR (2) REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS OR (3) TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PERSON. WITHOUT IMPAIRING THE BORROWER'S ABILITY TO BRING ANY COUNTERCLAIM IN ANY PROCEEDING COMMENCED PURSUANT TO SUBSECTION (A) ABOVE, THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT BY SUCH PERSON UNDER THIS SUBSECTION (B) TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SUCH PERSON. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH SUCH PERSON HAS COMMENCED A PROCEEDING DESCRIBED IN THIS SUBSECTION (B).

(C) SERVICE OF PROCESS; VENUE. THE BORROWER WAIVES PERSONAL SERVICE OF ANY PROCESS UPON IT AND IRREVOCABLY APPOINTS CT CORPORATION, WHOSE ADDRESS IS 208 SOUTH LASALLE STREET, CHICAGO, ILLINOIS 60603 AS THE BORROWER'S AGENT FOR THE PURPOSE OF ACCEPTING SERVICE OF PROCESS ISSUED BY ANY COURT. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS)

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WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT

OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith IN ANY JURISDICTION SET FORTH ABOVE.

(D) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(E) ADVICE OF COUNSEL. EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF THIS SECTION 10.13, WITH ITS COUNSEL.

10.14 SUBORDINATION OF INTERCOMPANY INDEBTEDNESS. The Borrower agrees that any and all claims of the Borrower against any of its Subsidiaries that is a Guarantor or the capital stock of which is pledged pursuant to a Pledge Agreement (each a "RESTRICTED SUBSIDIARY") with respect to any "Intercompany Indebtedness" (as hereinafter defined), any endorser, obligor or any other guarantor of all or any part of the Secured Obligations, or against any of its properties shall be subordinate and subject in right of payment to the prior payment, in full and in cash, of all Secured Obligations; PROVIDED that, and not in contravention of the foregoing, so long as no Default has occurred and is continuing the Borrower may make loans to and receive payments in the ordinary course with respect to such Intercompany Indebtedness from each such Restricted Subsidiary to the extent permitted by the terms of this Agreement and the other Loan Documents. Notwithstanding any right of the Borrower to ask, demand, sue for, take or receive any payment from any Restricted Subsidiary all rights, liens and security interests of the Borrower, whether now or hereafter arising and howsoever existing, in any assets of any other Restricted Subsidiary (whether constituting part of Collateral given to any Holder of Secured Obligations or the Administrative Agent to secure payment of all or any part of the Secured Obligations or otherwise) shall be and are subordinated to the rights of the Holders of Secured Obligations and the Administrative Agent in those assets. The Borrower shall have no right to possession of any such asset or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Secured Obligations (other than contingent indemnity obligations) shall have been fully paid and satisfied (in cash) and all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Secured Obligations have been terminated. If all or any part of the assets of any Restricted Subsidiary, or the proceeds thereof, are subject to any distribution, division or application to the creditors of such Restricted Subsidiary, whether partial or

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complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of any such Restricted Subsidiary is dissolved or if substantially all of the assets of any such Restricted Subsidiary are sold, then, and in any such event (such events being herein referred to as an "INSOLVENCY EVENT"), any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any indebtedness of any Restricted Subsidiary to the Borrower ("INTERCOMPANY INDEBTEDNESS") shall be paid or delivered directly to the Administrative Agent for application on any of the Secured Obligations, due or to become due, until such Secured Obligations (other than contingent indemnity obligations) shall have first been fully paid and satisfied (in cash). Should any payment, distribution, security or instrument or proceeds thereof be received by the Borrower upon or with respect to the Intercompany Indebtedness after an Insolvency Event and prior to the satisfaction of all of the Secured Obligations (other than contingent indemnity obligations) and the termination of all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Secured Obligations, the Borrower shall receive and hold the same in trust, as trustee, for the benefit of the Holders of Secured Obligations and shall forthwith deliver the same to the Administrative Agent, for the benefit of the Holders of Secured Obligations, in precisely the form received (except for the endorsement or assignment of the Borrower where necessary), for application to any of the Secured Obligations, due or not due, and, until so delivered, the same shall be held in trust by the Borrower as the property of the Holders of Secured Obligations. If the Borrower fails to make any such endorsement or assignment to the Administrative Agent, the Administrative Agent or any of its officers or employees are irrevocably authorized to make the same. The Borrower agrees that until the Secured Obligations (other than the contingent indemnity obligations) have been paid in full (in cash) and satisfied and all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Secured Obligations have been terminated, the Borrower will not assign or transfer to any Person (other than the Administrative Agent)

any claim the Borrower has or may have against any Restricted Subsidiary.

10.15 OTHER TRANSACTIONS. Each of the Agents, the Arrangers, the Lenders, the Swing Line Bank, the Issuing Banks and the Borrower acknowledges that the Lenders (or Affiliates of the Lenders) may, from time to time, effect transactions for their own accounts or the accounts of customers, and hold positions in loans or options on loans of the Borrower, the Borrower's Subsidiaries and other companies that may be the subject of this credit arrangement and nothing in this Agreement shall impair the right of any such Person to enter into any such transaction (to the extent it is not expressly prohibited by the terms of this Agreement) or give any other Person any claim or right of action hereunder as a result of the existence of the credit arrangements hereunder, all of which are hereby waived. In addition, certain Affiliates of one or more of the Lenders are or may be securities firms and as such may effect, from time to time, transactions for their own accounts or for the accounts of customers and hold positions in securities or options on securities of the Borrower, the Borrower's Subsidiaries and other companies that may be the subject of this credit arrangement and nothing in this Agreement shall impair the right of any such Person to enter into any such transaction (to the extent it is not expressly prohibited by the terms of this Agreement) or give any other Person any claim or right of action hereunder as a result of the existence of the credit arrangements hereunder, all of which are hereby waived. Other business units affiliated with each of the Agents are providing other financial services and products to the Borrower in connection with the Reynolds Acquisition and the other transactions contemplated by this Agreement. Each of the Agents, the Arrangers, the Lenders, the

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Swing Line Bank, the Issuing Banks and the Borrower acknowledges and consents to these multiple roles, and further acknowledges that the fact that any such unit or Affiliate is providing another service or product or proposal therefor to the Borrower does not mean that such service, product, or proposal is or will be acceptable to any of the Agents, the Arrangers, the Lenders, the Swing Line Bank, or the Issuing Banks.

ARTICLE XI: THE ADMINISTRATIVE AGENT

11.1 APPOINTMENT; NATURE OF RELATIONSHIP. The First National Bank of Chicago is appointed by the Lenders as the Administrative Agent hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this ARTICLE XI. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Holder of Secured Obligations by reason of this Agreement and that the Administrative Agent is merely acting as the representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Administrative Agent (i) does not assume any fiduciary duties to any of the Holders of Secured Obligations, (ii) is a "representative" of the Holders of Secured Obligations within the meaning of Section 9-105 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders, for itself and on behalf of its affiliates as Holders of Secured Obligations, agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Holder of Secured Obligations waives.

11.2 POWERS. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties or fiduciary duties to the Lenders, or any obligation to the Lenders to take any action hereunder or under any of the other Loan Documents except any action specifically provided by the Loan Documents required to be taken by the Administrative Agent.

11.3 GENERAL IMMUNITY. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction results from (i) the Gross Negligence or willful misconduct of such Person or (ii) breach of contract by such Person with respect to the Loan Documents.

11.4 NO RESPONSIBILITY FOR LOANS, CREDITWORTHINESS, COLLATERAL, RECITALS, ETC. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in

connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document; (iii) the satisfaction of any condition specified in ARTICLE V, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or (v) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not be responsible to any Lender for any recitals, statements, representations or warranties herein or in any of the other Loan Documents, for the perfection or priority of any of the Liens on any of the Collateral, or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectibility, or sufficiency of this Agreement or any of the other Loan Documents or the transactions contemplated thereby, or for the financial condition of any guarantor of any or all of the Obligations, the Borrower or any of its Subsidiaries.

11.5 ACTION ON INSTRUCTIONS OF LENDERS. The Administrative Agent in all cases, as between the Administrative Agent and the Holders of Secured Obligations, shall be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all Holders of Secured Obligations. As between the Administrative Agent and the Holders of Secured Obligations, the Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

11.6 EMPLOYMENT OF AGENTS AND COUNSEL. The Administrative Agent may execute any of its duties as the Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorney-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

11.7 RELIANCE ON DOCUMENTS; COUNSEL. As between the Administrative Agent and the Holders of Secured Obligations, the Administrative Agent shall be entitled to rely upon any notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent.

11.8 THE ADMINISTRATIVE AGENT'S REIMBURSEMENT AND INDEMNIFICATION. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Revolving Loan Commitments (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents (other than amounts not reimbursed by the Borrower pursuant to the terms of the letter agreements identified in SECTIONS 2.14(C)(ii) and (iii)), (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the

Loan Documents and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the Gross Negligence or willful misconduct of the Administrative Agent.

11.9 RIGHTS AS A LENDER. With respect to its Revolving Loan Commitment, Loans made by it and the Letters of Credit issued by it as an Issuing Bank, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other

transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which such Person is not prohibited hereby from engaging with any other Person.

11.10 LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon any Agent, any Arranger or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon any Agent, any Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

11.11 SUCCESSOR AGENT. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, and the Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Notwithstanding anything herein to the contrary, so long as no Default has occurred and is continuing, each such successor Administrative Agent shall be subject to approval by the Borrower, which approval shall not be unreasonably withheld. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$500,000,000. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation

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hereunder as Administrative Agent, the provisions of this ARTICLE XI shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. Notwithstanding anything herein to the contrary, the Administrative Agent may at any time and without the consent of any of the parties hereto designate one or more of its Affiliates as successor Administrative Agent.

11.12 COLLATERAL DOCUMENTS. (a) Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Holder of Secured Obligations (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Holders of Secured Obligations upon the terms of the Collateral Documents.

(b) In the event that any Collateral is hereafter pledged by any Person as collateral security for the Obligations, the Administrative Agent is hereby authorized to execute and deliver on behalf of the Holders of Secured Obligations any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Holders of Secured Obligations.

(c) The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) upon termination of the Revolving Loan Commitments and payment and satisfaction of all of the Obligations at any time arising under or in respect of this Agreement or the Loan Documents or the transactions contemplated hereby or thereby; (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this SECTION 11.12(c).

(d) Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, or consummation of any transaction involving the sale of all or substantially all of the assets of a Guarantor and upon at least five Business Days' prior written request by the Borrower, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be

necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Holders of Secured Obligations herein or pursuant hereto upon the Collateral that was sold or transferred or evidence the release of the applicable Guarantor from its obligations under the Subsidiary Guaranty; PROVIDED, HOWEVER, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations, any other Guarantor's obligations under the Subsidiary Guaranty or any Liens upon (or obligations of the

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Borrower or any Subsidiary in respect of) all interests retained by the Borrower or any Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral. Notwithstanding the foregoing, each of the Agents, the Arrangers and the Lenders hereby acknowledges and agrees that upon the consummation of any transaction involving the sale of the PET business unit of the Borrower and the disposition of the Aerospace business unit of the Borrower, which sale or disposition is permitted pursuant to the terms of SECTION 7.3(B)(vi) or (vii) or 7.3(F)(v), the Administrative Agent, for itself and on behalf of the Lenders and the Issuing Banks, shall release and terminate the Subsidiary Guaranty with respect to any Subsidiary of the Borrower which is the subject of such transaction or, as applicable, release the stock of such Subsidiary from the pledge to the Administrative Agent.

11.13. NO DUTIES IMPOSED UPON SYNDICATION AGENT, DOCUMENTATION AGENT OR ARRANGERS. None of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent" or "Documentation Agent" or "Arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, if such Person is a Lender, those applicable to all Lenders as such. Without limiting the foregoing, none of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent" or "Documentation Agent" or "Arranger" shall have or be deemed to have any fiduciary duty to or fiduciary relationship with any Lender. In addition to the agreements set forth in SECTION 11.10, each of the Lenders acknowledges that it has not relied, and will not rely, on any of the Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

ARTICLE XII: SETOFF; RATABLE PAYMENTS

12.1 SETOFF. In addition to, and without limitation of, any rights of the Lenders under applicable law, if any Default occurs and is continuing, any indebtedness from any Lender to the Borrower (including all account balances, whether provisional or final and whether or not collected or available) may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

12.2 RATABLE PAYMENTS. If any Lender, whether by setoff or otherwise, has payment made to it upon its Loans (other than payments received pursuant to SECTIONS 4.1, 4.2 or 4.4) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Loans held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligation or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to the obligations owing to them. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

12.3 APPLICATION OF PAYMENTS. Subject to the provisions of SECTION 9.2, the Administrative Agent shall, unless otherwise specified at the direction of the Required Lenders which direction shall

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be consistent with the last sentence of this SECTION 12.3 (it being agreed and understood that so long as no Default shall have occurred and is continuing any modification of the application of payments shall be made only with the consent of the Borrower), apply all payments and prepayments in respect of any Obligations and all proceeds of the Collateral in the following order:

(A) first, to pay interest on and then principal of any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by

such Lender or the Borrower;

(B) second, to pay interest on and then principal of any advance made under SECTION 10.3 for which the Administrative Agent has not then been paid by the Borrower or reimbursed by the Lenders;

(C) third, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Administrative Agent;

(D) fourth, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Lenders and the issuer(s) of Letters of Credit;

(E) fifth, to pay interest due in respect of Swing Line Loans;

(F) sixth, to pay interest due in respect of Loans (other than Swing Line Loans) and L/C Obligations;

(G) seventh, to the ratable payment or prepayment of principal outstanding on Swing Line Loans;

(H) eighth, to the ratable payment or prepayment of principal outstanding on Loans (other than Swing Line Loans) and Reimbursement Obligations;

(I) ninth, to provide required cash collateral, if required pursuant to SECTION 3.11;

(J) tenth, to the ratable payment of all other Obligations; and

(K) eleventh, to the Hedging Obligations under Hedging Agreements.

Unless otherwise designated (which designation shall only be applicable prior to the occurrence of a Default) by the Borrower, all principal payments in respect of Loans (other than Swing Line Loans) shall be applied FIRST, to repay outstanding Floating Rate Loans, and THEN to repay outstanding Eurodollar Rate Loans with those Eurodollar Rate Loans which have earlier expiring Interest Periods being repaid prior to those which have later expiring Interest Periods. The order of priority set forth in this SECTION 12.3 and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent, the Lenders, the Swing Line Bank and the issuer(s) of Letters of Credit and other Holders of Secured Obligations as among themselves. The order of priority set forth in CLAUSES (D) through (K) of this SECTION 12.3 may at any time and from time to time be

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changed by the Lenders without necessity of notice to or consent of or approval by the Borrower, or any other Person; PROVIDED, that the order of priority of payments in respect of Swing Line Loans may be changed only with the prior written consent of the Swing Line Bank. The order of priority set forth in CLAUSES (A) through (C) of this SECTION 12.3 may be changed only with the prior written consent of the Administrative Agent.

12.4 RELATIONS AMONG LENDERS. Except with respect to the exercise of set-off rights of any Lender in accordance with SECTION 12.1, the proceeds of which are applied in accordance with this Agreement, and except as set forth in the last sentence of this SECTION 12.4, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against the Borrower or any other obligor hereunder or with respect to any Collateral or Loan Document, without the prior written consent of the Required Lenders or, as may be provided in this Agreement or the other Loan Documents, at the direction of the Administrative Agent. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. Notwithstanding the foregoing, and subject to SECTION 12.2, any Lender shall have the right to enforce on an unsecured basis the payment of the principal of and interest on any Loan made by it after the date such principal or interest has become due and payable pursuant to the terms of this Agreement. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, the Administrative Agent shall commence enforcement of any remedy (including, without limitation, the exercise of any voting rights under any Pledge Agreement) under this Agreement or any other Loan Document only with the consent, or at the direction, of the Required Lenders.

ARTICLE XIII: BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

13.1 SUCCESSORS AND ASSIGNS. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the consent of all of the Lenders, and any such assignment in violation of this SECTION 13.1(i) shall be null and void, and (ii)

any assignment by any Lender must be made in compliance with SECTION 13.3 hereof. Notwithstanding CLAUSE (II) of this SECTION 13.1 or SECTION 13.3, (i) any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement to a Federal Reserve Bank and (ii) any Lender which is a fund or commingled investment vehicle that invests in commercial loans in the ordinary course of its business may at any time, without the consent of the Borrower or the Administrative Agent, pledge or assign all or any part of its rights under this Agreement to a trustee or other representative of holders of obligations owed or securities issued by such Lender as collateral to secure such obligations or securities; PROVIDED, HOWEVER, that no such assignment or pledge shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat each Lender as the owner thereof for all purposes hereof unless and until such Lender complies with SECTION 13.3 hereof in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of a Loan, Revolving Loan Commitment, L/C Interest or any other interest of a Lender under the Loan Documents agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request,

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authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of any Loan, shall be conclusive and binding on any subsequent holder, transferee or assignee of such Loan.

13.2 PARTICIPATIONS.

(A) PERMITTED PARTICIPANTS; EFFECT. Subject to the terms set forth in this SECTION 13.2, any Lender may, in the ordinary course of its 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 Revolving Loan Commitment of such Lender, any L/C Interest of such Lender or any other interest of such Lender under the Loan Documents on a pro rata or non-pro rata basis. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of all Loans made by it for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents except that, for purposes of ARTICLE IV hereof, the Participants shall be entitled to the same rights as if they were Lenders.

(B) VOTING RIGHTS. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan or Revolving Loan Commitment in which such Participant has an interest which forgives principal, interest or fees or reduces the interest rate or fees payable pursuant to the terms of this Agreement with respect to any such Loan or Revolving Loan Commitment, postpones any date fixed for any regularly-scheduled payment (but not any prepayment) of principal of, or interest or fees on, any such Loan or Revolving Loan Commitment, or releases all or substantially all of the Collateral, if any, securing any such Loan.

(C) BENEFIT OF SETOFF. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in SECTION 12.1 hereof in respect to its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, PROVIDED that each Lender shall retain the right of setoff provided in SECTION 12.1 hereof with respect to the amount of participating interests sold to each Participant except to the extent such Participant exercises its right of setoff. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in SECTION 12.1 hereof, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with SECTION 12.2 as if each Participant were a Lender.

13.3 ASSIGNMENTS.

(A) PERMITTED ASSIGNMENTS. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities

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("PURCHASERS") all or a portion of its rights and obligations under this Agreement (including, without limitation, its Revolving Loan Commitment, all Loans owing to it, all of its participation interests in existing Letters of

Credit, and its obligation to participate in additional Letters of Credit hereunder) in accordance with the provisions of this SECTION 13.3. Each assignment may be of a non-ratable percentage of the assigning Lender's rights and obligations under this Agreement. Such assignment shall be substantially in the form of EXHIBIT D hereto and shall not be permitted hereunder unless such assignment is either for all of such Lender's rights and obligations under the Loan Documents or, without the prior written consent of the Administrative Agent, involves loans and commitments in an aggregate amount of at least \$5,000,000 (which minimum amount (i) shall not apply to any assignment between Lenders, or to an Affiliate or Approved Fund of any Lender, and (ii) in any event may be waived by the Required Lenders after the occurrence of a Default or Unmatured Event of Default). The consent of the Administrative Agent and, prior to the occurrence of a Default, the Borrower (which consent of the Administrative Agent and of the Borrower, in each such case, shall not be unreasonably withheld), shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender or an Affiliate or Approved Fund of such Lender.

(B) EFFECT; EFFECTIVE DATE. Upon (i) delivery to the Administrative Agent of a notice of assignment, substantially in the form attached as APPENDIX I to EXHIBIT D hereto (a "NOTICE OF ASSIGNMENT"), together with any consent required by SECTION 13.3(A) hereof, and (ii) payment of a \$3,500 fee by the assignee or the assignor (as agreed) to the Administrative Agent (unless waived by the Administrative Agent) for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. The Notice of Assignment shall contain a representation by the Purchaser to the effect that either (y) none of the consideration used to make the purchase of the Revolving Loan Commitment, Loans and L/C Obligations under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA or (z) the purchase by the Purchaser of the assignment does not and the holding by the Purchaser of the rights and interests in and under the Loan Documents does not and will not constitute a "prohibited transaction" within the meaning of Sections 406 of ERISA and Section 4975 of the Code. On and after the effective date of such assignment, such Purchaser, if not already a Lender, shall for all purposes be a Lender party to this Agreement and any other Loan Documents executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Revolving Loan Commitment, Loans and Letter of Credit participations assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this SECTION 13.3(B), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that to the extent notes have been issued to evidence any of the transferred Loans, replacement notes are issued to such transferor Lender and new notes or, as appropriate, replacement notes, are issued to such Purchaser, in each case, in principal amounts reflecting their Revolving Loan Commitment, as adjusted pursuant to such assignment.

(C) THE REGISTER. The Administrative Agent shall maintain at its address referred to in SECTION 14.1 a copy of each assignment delivered to and accepted by it pursuant to this SECTION 13.3 and a register (the "REGISTER") for the recordation of the names and addresses of the Lenders and the

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Revolving Loan Commitment of and principal amount of the Loans owing to, each Lender from time to time and whether such Lender is an original Lender or the assignee of another Lender pursuant to an assignment under this SECTION 13.3. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower and each of its Subsidiaries, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

13.4 CONFIDENTIALITY. Subject to SECTION 13.5, the Administrative Agent and the Lenders and their respective representatives, consultants and advisors shall hold all nonpublic information obtained pursuant to the requirements of this Agreement or in connection with the transactions contemplated by this Agreement and identified as such by the Borrower in accordance with such Person's customary procedures for handling confidential information of this nature and in accordance with safe and sound commercial lending or investment practices and in any event may make disclosure reasonably required by a prospective Transferee in connection with the contemplated participation or assignment or as required or requested by any Governmental Authority or any securities exchange or similar self-regulatory organization or representative thereof or pursuant to a regulatory examination or legal process, or to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor, and shall require any such

Transferee to agree (and require any of its Transferees to agree in writing) to comply with this SECTION 13.4. In no event shall the Administrative Agent or any Lender be obligated or required to return any materials furnished by the Borrower or any of its Subsidiaries; PROVIDED, HOWEVER, each prospective Transferee shall be required to agree that if it does not become a participant or assignee it shall return all materials furnished to it by or on behalf of the Borrower in connection with this Agreement.

13.5 DISSEMINATION OF INFORMATION. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "TRANSFEREE") and any prospective Transferee any and all information in such Lender's possession concerning the Borrower and its Subsidiaries and the Collateral; PROVIDED that prior to any such disclosure, such prospective Transferee shall agree in writing to preserve in accordance with SECTION 13.4 the confidentiality of any confidential information described therein.

ARTICLE XIV: NOTICES

14.1 GIVING NOTICE. Except as otherwise permitted by SECTION 2.13 with respect to borrowing notices, all notices and other communications provided to any party hereto under this Agreement or any other Loan Documents shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below its signature hereto or at such other address as may be designated by such party in a notice to the other parties; PROVIDED, HOWEVER, that Borrowing/Conversion/Continuation Notices shall be delivered to the Administrative Agent at One First National Plaza, Suite 0634, Chicago, Illinois 60670-0634, Attention: Karen Hannusch, Telephone No. 312-732-9868, Facsimile No. 312-732-2715. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes).

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14.2 CHANGE OF ADDRESS. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XV: COUNTERPARTS

15.1 COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by telex or telephone, that it has taken such action.

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IN WITNESS WHEREOF, the Borrower, the Lenders and the Administrative Agent have executed this Agreement as of the date first above written.

BALL CORPORATION, as the Borrower

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Treasurer

Address:
10 Longs Peak Drive
Broomfield, CO 80021

Attention: Douglas E. Poling
Telephone No.: (303) 460-2191
Facsimile No.: (303) 460-2127

THE FIRST NATIONAL BANK OF
CHICAGO, as Administrative Agent and as a Lender

By: /s/ Scott C. Morrison

Name: Scott C. Morrison
Title: Vice President

Address:
One First National Plaza
15th Floor
Chicago, Illinois 60670
Attention: Timothy E. Greening
Telephone No.: (312) 732-1864
Facsimile No.: (312) 732-7655

with a copy to:
One Indiana Square Suite 312
Indianapolis, IN 46266
Attention: Scott C. Morrison, Vice President
Telephone No.: (317) 266-7351
Facsimile No.: (317) 266-6042

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BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION, as Syndication Agent and as a Lender

By: /s/ M.E. Kelley

Name: Mark Kelley
Title: Managing Director

Address:
231 South LaSalle Street
9th Floor
Chicago, IL 60697
Attention: Paul B. Higdon
Telephone No.: (312) 828-7952
Facsimile No.: (312) 987-0303

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LEHMAN COMMERCIAL PAPER INC., as Documentation
Agent and as a Lender

By: /s/ William J. Gallagher

Name: William J. Gallagher
Title: Authorized Signatory

Address:
3 World Financial Center
200 Vesey Street
New York, New York 10285
Attention: Michelle Swanson
Telephone No.: 212-526-0330
Facsimile No.: 212-528-0819

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ABN AMRO BANK N.V., as a Lender

By: /s/ Denis J. Campbell IV

Name: Denis J. Campbell IV
Title: Vice President

By: /s/ Mary L. Honda

Name: Mary L. Honda
Title: Vice President

Address:
135 South LaSalle Street
Suite 2805
Chicago, IL 60603
Attention: Credit Administration
Telephone No.: (312) 904-8835
Facsimile No.: (312) 904-8840

with a copy to:

ABN AMRO Bank N.V.
135 South LaSalle Street
Suite 625
Chicago, IL 60603
Attention: Mary Honda

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ARAB BANKING CORPORATION (B.S.C.), as a Lender

By: /s/ Grant E. McDonald

Name: Grant E. McDonald
Title: Vice President

Address:
277 Park Avenue
32nd Floor
New York, NY 10172-3299
Attention: Grant McDonald, Vice President
Telephone No.: (212) 583-4759
Facsimile No.: (212) 583-0935

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BANKBOSTON, N.A., as a Lender

By: /s/ Janet Twomey

Name: Janet Twomey
Title: Vice President

Address:
100 Federal Street
Boston, MA 02110
Mail Stop: MA B05 01-10-01
Attention: Janet Twomey
Telephone No.: (617) 434-3069
Facsimile No.: (617) 434-0601

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BANK LEUMI USA, as a Lender

By: /s/ Del Lorimer

Name: Del Lorimer
Title: Vice President

Address:
8383 Wilshire Blvd.
Suite 400
Beverly Hills, CA 90211
Attention: Del Lorimer
Telephone No.: (323) 966-4721
Facsimile No.: (323) 655-5933

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BANK OF HAWAII, as a Lender

By: /s/ Brenda K. Testerman

Name: Brenda Testerman
Title: Vice President

Address:
130 Merchant Street
20th Floor
Honolulu, HI 96813
Attention: Donna Arakawa
Telephone No.: (808) 693-1698
Facsimile No.: (808) 693-1672

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THE BANK OF NEW YORK, as a Lender

By: /s/ Robert Louk

Name: Robert Louk
Title: Vice President

Address:
One Wall Street
New York, NY 10286
Attention: Robert J. Louk
Telephone No.: (310) 996-8663
Facsimile No.: (310) 996-8667

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THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ Jon Burckin

Name: Jon Burckin
Title: Relationship Manager

Address:
600 Peachtree Street N.E.
Suite 2700
Atlanta, GA 30308
Attention: Kathy Clark
Telephone No.: (404) 877-1542
Facsimile No.: (404) 888-8998

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THE BANK OF TOKYO -- MITSUBISHI, LTD.,
CHICAGO BRANCH, as a Lender

By: /s/ Hajime Watanabe

Name: Hajime Watanabe
Title: Deputy General Manager

Address:
227 West Monroe Street
Suite 2300
Chicago, IL 60606
Attention: Christopher Jones
Telephone No.: (312) 696-4656
Facsimile No.: (312) 696-4535

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BANQUE NATIONALE DE PARIS, as a Lender

By: /s/ Clive Bettles

Name: Clive Bettles
Title: Senior Vice President & Manager

By: /s/ Mitchell M. Ozawa

Name: Mitchell M. Ozawa
Title: Vice President

Address:
725 South Figueroa Street
Suite 2090
Los Angeles, CA 90017
Attention: Mitchell Ozawa
Telephone No.: (213) 488-9120
Facsimile No.: (213) 488-9602

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PARIBAS, as a Lender

By: /s/ Nicholas C. Mast

Name: Nicholas C. Mast
Title: RGM

By: /s/ Ann B. McAloon

Name: Ann B. McAloon
Title: Vice President

Address:
227 West Monroe Street
Suite 3300
Chicago, IL 60606
Attention: Nicholas C. Mast
Telephone No.: (312) 853-6038
Facsimile No.: (312) 853-6020

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COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPEENNE, as a Lender

By: /s/ Sean Mounier

Name: Sean Mounier
Title: First Vice President

By: /s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

Address:
520 Madison Avenue
37th Floor
New York, NY 10022
Attention: Sean Mounier
Telephone No.: (212) 715-4413
Facsimile No.: (212) 715-4535

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CITY NATIONAL BANK, as a Lender

By: /s/ Scott J. Kelley

Name: Scott J. Kelley
Title: Vice President

Address:
400 North Roxbury Drive
Beverly Hills, CA 90210
Attention: Scott Kelley

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COMMERZBANK, A.G. NEW YORK BRANCH, as a Lender

By: /s/ Mary Harold

Name: Mary Harold
Title: Vice President

By: /s/ Andrew Campbell

Name: Andrew Campbell
Title: Assistant Vice President

Address:
2 World Financial Center
32nd Floor
New York, NY 10281-1050
Attention: Mary Harold
Telephone No.: (212) 266-7509
Facsimile No.: (212) 266-7374

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CREDIT LYONNAIS NEW YORK BRANCH, as a Lender

By: /s/ Alain Papiasse

Name: Alain Papiasse
Title: Executive Vice President

Address:
2200 Ross Avenue
Suite 4400 West
Dallas, TX 75201
Attention: Brian Brown
Telephone No.: (214) 220-2308
Facsimile No.: (214) 220-2323

with a copy to:

1301 Avenue of the Americas
New York, NY 10019
Attention: Ron Finn

DG BANK DEUTSCHE GENOSSENSCHAFTSBANK, CAYMAN
ISLAND BRANCH, as a Lender

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BRANCHES, as a Lender

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ERSTE BANK NEW YORK BRANCH, as a Lender

By: /s/ RIMA TERRADISTA

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By: /s/ JOHN S. RUNNION

Name: JOHN S. RUNNION
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FIRST COMMERCIAL BANK, NEW YORK AGENCY, as a
Lender

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THE FUJI BANK, LIMITED, as a Lender

By: /s/ PETER L. CHINNICI

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By: /s/ J K. WILLIAMS

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THE INDUSTRIAL BANK OF JAPAN, LIMITED, CHICAGO
BRANCH, as a Lender

By: /s/ WALTER R. WOLFF

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KBC BANK N.V., as a Lender

By: /s/ R. Snauffer

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Title: VICE PRESIDENT

By: /s/ Marcel Claes

Name: MARCEL CLAES
Title: DEPUTY GENERAL MANAGER

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with a copy to:

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Telephone No.: (213) 624-0401

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THE LONG-TERM CREDIT BANK OF JAPAN, LTD., as a
Lender

By: /s/ Brady S. Sadek

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MITSUBISHI TRUST & BANKING CORP., CHICAGO BRANCH,
as a Lender

By: /s/ Nobuo Tominaga

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Title: Chief Manager

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NATEXIS BANQUE, NEW YORK BRANCH, as a Lender

By: /s/ G. Kevin Dooley

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By: /s/ William C. Maier

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Title: VP-Group Manager

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NATIONAL CITY BANK, as a Lender

By: /s/ Barry C. Robinson

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NORWEST BANK COLORADO, NATIONAL ASSOCIATION, as a
Lender

By: /s/ Randall Schmidt

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PNC BANK, NATIONAL ASSOCIATION, as a Lender

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COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK
B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH, as a
Lender

By: /s/ Dana W. Hemenway

Name: Dana W. Hemenway
Title: Vice President

By: /s/ W. Pieter C. Kodde

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Title: Vice President

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Fax: (972) 419-6315

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ROYAL BANK OF CANADA, as a Lender

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THE SANWA BANK, LTD., as a Lender

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SOCIETE GENERALE, as a Lender

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SOCIETE GENERALE, as a Lender

By: /s/ Michael Lincoln

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SOUTHERN PACIFIC BANK, as a Lender

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THE SUMITOMO TRUST & BANKING CO., LTD., NEW YORK
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SUNTRUST BANK, CENTRAL FLORIDA, N.A., as a Lender

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THE TOKAI BANK, LIMITED, NEW YORK BRANCH as a
Lender

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TORONTO DOMINION (TEXAS), INC., as a Lender

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LONG-TERM CREDIT AGREEMENT

DATED AS OF AUGUST 10, 1998

among

BALL CORPORATION,

THE INSTITUTIONS FROM TIME TO TIME
PARTIES HERETO AS LENDERS

and

THE FIRST NATIONAL BANK OF CHICAGO,
AS ADMINISTRATIVE AGENT

and

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION,
AS SYNDICATION AGENT
and
LEHMAN COMMERCIAL PAPER INC.,
AS DOCUMENTATION AGENT

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Schedule 6.8	--	Excluded Subsidiaries, Material Foreign Subsidiaries, Subsidiaries (Definitions, Section 6.8)
Schedule 6.9	--	ERISA
Schedule 6.16	--	Insurance (Sections 6.16 and 7.2(E))
Schedule 6.17	--	Labor Matters; Compensation Agreements (Section 6.17)
Schedule 6.19	--	Environmental Matters (Section 6.19)

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LONG-TERM CREDIT AGREEMENT

This Long-Term Credit Agreement dated as of August 10, 1998 is entered into among Ball Corporation, an Indiana corporation, the institutions from time to time parties hereto as Lenders, whether by execution of this Agreement or an Assignment Agreement pursuant to SECTION 13.3, The First National Bank of Chicago, in its capacity as Administrative Agent for itself and the other Lenders, Bank of America National Trust and Savings Association, in its capacity as Syndication Agent, and Lehman Commercial Paper Inc., in its capacity as Documentation Agent. The parties hereto agree as follows:

ARTICLE I: DEFINITIONS

1.1 CERTAIN DEFINED TERMS. In addition to the terms defined above, the following terms used in this Agreement shall have the following meanings, applicable both to the singular and the plural forms of the terms defined.

As used in this Agreement:

"ACQUISITION" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding Equity Interests of another Person.

"ADMINISTRATIVE AGENT" means First Chicago, in its capacity as contractual representative for itself and the Lenders pursuant to ARTICLE XI hereof, and any successor Administrative Agent appointed pursuant to ARTICLE XI hereof.

"ADVANCE" means a borrowing hereunder consisting of the aggregate amount of the several Loans made by the Lenders to the Borrower of the same Type and, in the case of Eurodollar Rate Advances, for the same Interest Period.

"AFFECTED LENDER" is defined in SECTION 2.19 hereof.

"AFFILIATE" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of greater than ten percent (10%) or more of any class of voting securities (or other voting interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of Capital Stock, by contract or otherwise.

"AGENTS" means each of the Administrative Agent, the Syndication Agent and the Documentation Agent.

"AGGREGATE REVOLVING LOAN COMMITMENT" means the aggregate of the Revolving Loan Commitments of all the Lenders, as may be reduced from time to time pursuant to the terms hereof. The initial Aggregate Revolving Loan Commitment is Five Hundred Million and 00/100 Dollars (\$500,000,000.00).

"AGGREGATE TERM LOAN COMMITMENT" means the aggregate of the Tranche A Term Loan Commitments and the Tranche B Term Loan Commitments of all the Lenders. The Aggregate Term Loan Commitment is Five Hundred Fifty Million and 00/100 Dollars (\$550,000,000.00).

"AGREEMENT" means this Long-Term Credit Agreement, as it may be amended, restated or otherwise modified and in effect from time to time.

"AGREEMENT ACCOUNTING PRINCIPLES" means generally accepted accounting principles in effect from time to time, applied in a manner consistent with that used in preparing the financial statements referred to in SECTION 6.4(B)(1) hereof, PROVIDED, HOWEVER, that with respect to the calculation of financial ratios and other financial tests required by this Agreement, "Agreement Accounting Principles" means generally accepted accounting principles as in effect as of the date of this Agreement, applied in a manner consistent with that used in preparing the financial statements referred to in SECTION 6.4(B)(1) hereof; PROVIDED, FURTHER, HOWEVER, all PRO FORMA financial statements reflecting Acquisitions shall be prepared in accordance with the requirements established by the SEC for acquisition accounting for reporting acquisitions by public companies (whether or not such Acquisitions are required to be publicly reported).

"ALTERNATE BASE RATE" means, for any day, a fluctuating rate of interest per annum equal to the higher of (i) the Corporate Base Rate for such day and (ii) the sum of (a) the Federal Funds Effective Rate for such day and (b) one-half of one percent (0.5%) per annum.

"APPLICABLE COMMITMENT FEE PERCENTAGE" means, as at any date of determination, the rate per annum then applicable in the determination of the amount payable under SECTION 2.14(C)(i) hereof determined in accordance with the provisions of SECTION 2.14(D)(ii) hereof.

"APPLICABLE EURODOLLAR MARGIN" means, as at any date of determination, the rate per annum then applicable to Eurodollar Rate Loans which are Tranche A Term Loans, Revolving Loans or Tranche B Term Loans, as applicable, determined in accordance with the provisions of SECTION 2.14(D)(ii) hereof.

"APPLICABLE FLOATING RATE MARGIN" means, as at any date of determination, the rate per annum then applicable to Floating Rate Loans which are Tranche A Term Loans, Revolving Loans or Tranche B Term Loans, as applicable, determined in accordance with the provisions of SECTION 2.14(D)(ii) hereof.

"APPLICABLE L/C FEE PERCENTAGE" means, as at any date of determination, a rate per annum equal to the Applicable Eurodollar Margin for Revolving Loans in effect on such date.

"APPLICABLE PRO RATA SHARE" means, for any Lender, such Lender's Revolving Loan Pro Rata Share, Tranche A Pro Rata Share, or Tranche B Pro Rata Share, as applicable.

"APPROVED FUND" means, with respect to any Lender that is a fund or commingled investment vehicle that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"ARRANGERS" means each of First Chicago Capital Markets, Inc., BancAmerica Robertson Stephens, Inc. and Lehman Brothers Inc., in their respective capacities as arrangers for the loan transaction evidenced by this Agreement.

"ASSET PURCHASE AGREEMENT" is defined in the definition of "Reynolds Acquisition" below.

"ASSET SALE" means, with respect to any Person, the sale, lease, conveyance, disposition or other transfer by such Person of any of its assets (including, without limitation, by way of a sale-leaseback transaction and including, without limitation, the sale or other transfer of any of the Equity Interests of any Subsidiary of such Person).

"ASSIGNMENT AGREEMENT" shall mean an assignment and acceptance agreement entered into in connection with an assignment pursuant to SECTION 13.3 hereof in substantially the form of EXHIBIT D.

"AUTHORIZED OFFICER" means any of the President, any Vice President, the Chief Financial Officer or the Treasurer of the Borrower acting singly.

"BALL CANADA" means Ball Packaging Products Canada, Inc., a corporation organized under the federal Laws of Canada, together with its successors and assigns, including a debtor-in-possession on behalf of Ball Canada.

"BALL CAPITAL CORP." means Ball Capital Corp., a Delaware corporation, together with its successors and assigns, including a debtor-in-possession on behalf of Ball Capital Corp.

"BALL CORPORATE GROUP" means the Borrower, each of its Subsidiaries, the Excluded Subsidiaries and the members of the FTB Group.

"BENEFIT PLAN" means a defined benefit plan as defined in Section 3(35) of ERISA (other than a Multiemployer Plan or a Foreign Employee Benefit Plan) in respect of which the Borrower or any other member of the Controlled Group is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"BMBCC" means Ball Metal Beverage Container Corp., a Colorado corporation.

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"BORROWER" means Ball Corporation, an Indiana corporation, together with its successors and permitted assigns, including a debtor-in-possession on behalf of the Borrower.

"BORROWING/CONVERSION/CONTINUATION NOTICE" is defined in SECTION 2.8 hereof.

"BORROWING DATE" means a date on which an Advance or Swing Line Loan is made hereunder.

"BUSINESS DAY" means (i) with respect to any borrowing, payment or rate selection of Loans bearing interest at the Eurodollar Rate, a day (other than a Saturday or Sunday) on which banks are open for business in Chicago, Illinois and New York, New York and on which dealings in Dollars are carried on in the London interbank market and (ii) for all other purposes a day (other than a Saturday or Sunday) on which banks are open for business in Chicago, Illinois and New York, New York.

"CANADIAN CREDIT FACILITY" means that certain Letter Agreement, dated as of May 21, 1998, by and among Ball Canada, the Borrower, and Royal Bank of Canada as in effect on the Closing Date, and as the same may be modified and restated pursuant to the terms of that certain Commitment Letter and Term Sheet, dated July 16, 1998, by and among Ball Canada, the Borrower and Royal Bank of Canada.

"CANADIAN SUBORDINATION AGREEMENT" means that certain Subsidiary Subordination Agreement, dated as of August 10, 1998, by and among Ball Canada and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"CAPITAL EXPENDITURES" is defined in SECTION 7.4(A) hereof.

"CAPITAL STOCK" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares,

interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CAPITALIZED LEASE" is defined in SECTION 7.4(A) hereof.

"CAPITALIZED LEASE OBLIGATIONS" is defined in SECTION 7.4(A) hereof.

"CASH EQUIVALENTS" means (i) marketable direct obligations issued or unconditionally guaranteed by the United States government and backed by the full faith and credit of the United States government; (ii) domestic and Eurodollar certificates of deposit and time deposits, bankers' acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof or the District of Columbia, any foreign bank, or its branches or agencies (fully protected against currency fluctuations for any such deposits with a term of more than ten (10) days); (iii) shares of money market, mutual or similar funds having assets in excess of \$100,000,000 and the investments of which are limited to investment grade securities (i.e., securities rated at least Baa by Moody's Investors Service, Inc. or at least BBB by Standard & Poor's Ratings

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Group) and repurchase agreements with respect thereto; and (iv) commercial paper of United States and foreign banks and bank holding companies and their subsidiaries and United States and foreign finance, commercial, industrial or utility companies which, at the time of acquisition, are rated A-1 (or better) by Standard & Poor's Ratings Group or P-1 (or better) by Moody's Investors Services, Inc.; PROVIDED that the maturities of such Cash Equivalents shall not exceed 365 days.

"CASH FLOW PERIOD" means the twelve-month period from January 1, 1999 through the end of the Borrower's fiscal year ending December 31, 1999 and, thereafter, as separate periods, each fiscal year of the Borrower.

"CHANGE IN CAPITAL ADEQUACY" is defined in SECTION 4.2 hereof.

"CHANGE OF CONTROL" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934), becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of fifty percent (50%) or more of the Voting Stock of the Borrower;

(b) a majority of the members of the board of directors of the Borrower cease to be Continuing Directors;

(c) the Borrower consolidates with or merges into another corporation or conveys, transfers or leases all or substantially all of its property to any Person, or any corporation consolidates with or merges into the Borrower, in either event pursuant to a transaction in which the outstanding Capital Stock of the Borrower is reclassified or changed into or exchanged for cash, securities or other property;

(d) except as otherwise permitted under the terms of this Agreement, the Borrower shall cease to own and control, directly or indirectly, at least (i) such percentage of the economic and voting rights of the Capital Stock of each of its Domestic Incorporated Subsidiaries and Material Foreign Subsidiaries (other than FTB) as is owned as of the Closing Date or such later date as such Person became a Domestic Incorporated Subsidiary or Material Foreign Subsidiary, as applicable, or (ii) ninety percent (90%) of the economic and voting rights of the Capital Stock of FTB;

(e) any "Change of Control" (as such term is defined in the Senior Note Indenture) shall have occurred; or

(f) any "Change of Control" (as such term is defined in the Subordinated Note Indenture) shall have occurred.

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"CLOSING DATE" means the date on which the Term Loans and the initial Revolving Loans are advanced hereunder.

"CODE" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, or any successor statute.

"COLI INDEBTEDNESS" of any Person shall mean, with respect to any Company Owned Life Insurance Program in which such Person is a participant, Indebtedness of such Person consisting of (i) loans to such Person under life insurance policies taken or made against the available cash surrender values of such policies, which loans are made pursuant to the contract terms of life insurance policies issued in connection with a Company Owned Life Insurance Program or (ii) other obligations for borrowed money of such Person, if and only if the proceeds of such obligations are used solely to pay policy premiums on life insurance policies issued in connection with a Company Owned Life Insurance Program.

"COLLATERAL" means all property and interests in property now owned or hereafter acquired by the Borrower or any of its Subsidiaries in or upon which a security interest is granted to the Administrative Agent, for the benefit of the Holders of Secured Obligations under the Pledge Agreements or under any of the other Loan Documents.

"COLLATERAL DOCUMENTS" means all agreements, instruments and documents executed in connection with this Agreement that are intended to create or evidence Liens to secure the Secured Obligations, including, without limitation, the Pledge Agreements, together with all agreements and documents referred to therein or contemplated thereby.

"COMMITMENT" means, for each Lender, collectively, such Lender's Revolving Loan Commitment, Tranche A Term Loan Commitment and/or Tranche B Term Loan Commitment.

"COMPANY OWNED LIFE INSURANCE PROGRAM" means a life insurance program in which the Borrower is a participant, pursuant to which the Borrower is the owner of whole life policies insuring the lives of certain of its employees.

"CONSOLIDATED ASSETS" means, for any Person, the total assets of such Person and its Subsidiaries on a consolidated basis, but excluding therefrom all items that are treated as intangibles under Agreement Accounting Principles.

"CONSOLIDATED NET INCOME" is defined in SECTION 7.4(A) hereof.

"CONSOLIDATED NET WORTH" is defined in SECTION 7.4(A) hereof.

"CONTAMINANT" means any waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, petroleum or petroleum-derived substance or waste, asbestos, polychlorinated biphenyls ("PCBs"), or any constituent of any such substance or waste, as defined in, or used in, Environmental, Health or Safety Requirements of Law.

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"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of the Borrower who (i) was a member of such Board of Directors on the Closing Date or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"CONTRACTUAL OBLIGATION", as applied to any Person, means any provision of any equity or debt securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument, in any case in writing, to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

"CONTROLLED GROUP" means the group consisting of (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower; (ii) a partnership or other trade or business (whether or not incorporated) which is under common control (within the meaning of Section 414(c) of the Code) with the Borrower; (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in CLAUSE (i) above or any partnership or trade or business described in CLAUSE (ii) above; or (iv) any other Person which is required to be aggregated with the Borrower or any of its Subsidiaries pursuant to regulations promulgated under Section 414(o) of the Code.

"CONTROLLED SUBSIDIARY" of any Person means a Subsidiary of such Person (i) ninety percent (90%) or more of the total Equity Interests or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more wholly-owned Subsidiaries of such Person and (ii) of which such Person possesses, directly

or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting securities, by agreement or otherwise.

"CORPORATE BASE RATE" means the corporate base rate of interest announced by First Chicago from time to time, changing when and as said corporate base rate changes.

"CURE LOAN" is defined in SECTION 9.2(iii) hereof.

"CUSTOMARY PERMITTED LIENS" means:

(i) Liens (other than Environmental Liens and Liens in favor of the IRS or the PBGC) with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or (if foreclosure, distraint, sale or other similar proceedings shall not have been commenced) which are being contested in good faith by appropriate proceedings properly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with Agreement Accounting Principles;

(ii) statutory Liens of landlords and Liens of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other similar Liens imposed by law created in

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the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings properly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with Agreement Accounting Principles;

(iii) Liens (other than Environmental Liens and Liens in favor of the IRS or the PBGC) incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other types of social security benefits or to secure the performance of bids, tenders, sales, contracts (other than for the repayment of borrowed money), surety, appeal and performance bonds; PROVIDED that (A) all such Liens do not in the aggregate materially detract from the value of the Borrower's or such Subsidiary's assets or property taken as a whole or materially impair the use thereof in the operation of the businesses taken as a whole, and (B) all Liens securing bonds to stay judgments or in connection with appeals do not secure at any time an aggregate amount exceeding \$10,000,000;

(iv) Liens arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of real property which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(v) Liens of attachment or judgment with respect to judgments, writs or warrants of attachment, or similar process against the Borrower or any of its Subsidiaries which do not constitute a Default under SECTION 8.1(h) hereof; and

(vi) any interest or title of the lessor in the property subject to any operating lease entered into by the Borrower or any of its Subsidiaries in the ordinary course of business.

"DEFAULT" means an event described in ARTICLE VIII hereof.

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the later of (i) the Revolving Loan Termination Date, (ii) the Tranche A Term Loan Termination Date and (iii) the Tranche B Term Loan Termination Date.

"DOL" means the United States Department of Labor and any Person succeeding to the functions thereof.

"DOCUMENTATION AGENT" means Lehman Commercial Paper Inc., in its capacity as documentation agent for the loan transaction evidenced by this Agreement, together with its successors and assigns.

"DOLLAR" and "\$" means dollars in the lawful currency of the United States.

"DOLLAR AMOUNT" of any currency other than Dollars at any date shall mean the equivalent amount of Dollars, calculated on the basis of the then applicable Exchange Rate.

"DOMESTIC INCORPORATED SUBSIDIARY" means a Subsidiary of the Borrower organized under the laws of a jurisdiction located in the United States of America.

"EBITDA" is defined in SECTION 7.4(A) hereof.

"ENVIRONMENTAL AUDIT" means the Phase I and Phase II Environmental Property Assessment reports dated between February 12, 1998, and June 16, 1998 prepared for the Borrower by McLaren Hart, and listed in SCHEDULE 6.19.

"ENVIRONMENTAL, HEALTH OR SAFETY REQUIREMENTS OF LAW" means all Requirements of Law derived from or relating to federal, state, provincial and local laws or regulations relating to or addressing pollution or protection of the environment, or protection of worker health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 ET SEQ., the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 651 ET SEQ., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 ET SEQ., in each case including any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder, and any state, provincial or local equivalent thereof.

"ENVIRONMENTAL LIEN" means a lien in favor of any Governmental Authority for (a) any liability under Environmental, Health or Safety Requirements of Law, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of a Contaminant.

"ENVIRONMENTAL PROPERTY TRANSFER ACT" means any applicable requirement of law that conditions, restricts, prohibits or requires any notification or disclosure triggered by the closure of any property or the transfer, sale or lease of any property or deed or title for any property for environmental reasons, including, but not limited to, the "Industrial Site Recovery Act," NJSA 13:1K-6 ET SEQ., the "Responsible Property Transfer Act," 765 ILCS 90/1 ET SEQ., or similar laws.

"EQUIPMENT" means all of the Borrower's and its Subsidiaries' present and future (i) equipment, including, without limitation, machinery, manufacturing, distribution, selling, data processing and office equipment, assembly systems, tools, molds, dies, fixtures, appliances, furniture, furnishings, vehicles, vessels, aircraft, aircraft engines, and trade fixtures, (ii) other tangible personal property (other than the Borrower's and its Subsidiaries' Inventory), and (iii) any and all accessions, parts and appurtenances attached to any of the foregoing or used in connection therewith, and any substitutions therefor and replacements, products and proceeds thereof.

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

"EURODOLLAR BASE RATE" means, with respect to a Eurodollar Rate Loan for any specified Interest Period, either (i) the rate of interest per annum equal to the rate for deposits in U.S. Dollars with a maturity approximately equal to such Interest Period which appears on Telerate Page 3750 as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period or (ii) if no such rate of interest appears on Telerate Page 3750 for such specified Interest Period, the rate of interest per annum equal to the rate for deposits in U.S. Dollars with a maturity occurring immediately before or immediately after such specified Interest Period, whichever is higher, as determined by the Administrative Agent from Telerate Page 3750 at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or (iii) if no such rate of interest appears on Telerate Page 3750 for any specified Interest Period, the rate of interest per annum equal to the rate at which deposits in U.S. Dollars are offered by First Chicago to first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of the Applicable Pro Rata Share of First Chicago of such Eurodollar Rate Loan and having a maturity approximately equal to such Interest Period, in each case, as

adjusted for Reserves. The term "Telerate Page 3750" means the display designated as "Page 3750" on the Associated Press-Dow Jones Telerate Service (or such other page as may replace Page 3750 on the Associated Press-Dow Jones Telerate Service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association interest rate settlement rates for U.S. Dollars). Any Eurodollar Base Rate determined on the basis of the rate displayed on Telerate Page 3750 in accordance with the foregoing provisions of this subparagraph shall be subject to corrections, if any, made in such rate and displayed by the Associated Press-Dow Jones Telerate Service within one hour of the time when such rate is first displayed by such service.

"EURODOLLAR RATE" means, with respect to a Eurodollar Rate Loan for the relevant Interest Period, the Eurodollar Base Rate applicable to such Interest Period PLUS the Applicable Eurodollar Margin. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"EURODOLLAR RATE ADVANCE" means an Advance which bears interest at the Eurodollar Rate.

"EURODOLLAR RATE LOAN" means a Loan, or portion thereof, which bears interest at the Eurodollar Rate.

"EXCESS CASH FLOW" means, for any Cash Flow Period, an amount equal to the Borrower's and its Subsidiaries' consolidated:

- (i) EBITDA for such period,
- MINUS (ii) foreign, federal, state and local taxes paid in cash for such period,
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- MINUS (iii) Capital Expenditures paid in cash during such period,
- MINUS (iv) cash dividends paid by the Borrower during such period to the extent permitted under SECTION 7.3(F) hereof and payable in compliance with applicable corporate law,
- MINUS (v) Interest Expense paid in cash during such period,
- MINUS (vi) scheduled amortization of the principal portion of the Term Loans and of the principal portion of all other Indebtedness of the Borrower and its Subsidiaries paid in cash during such period,
- MINUS (vii) for the Cash Flow Periods ending on December 31, 1999, December 31, 2000 and December 31, 2001, the cash portion of Rationalization Costs in an amount not to exceed \$70,000,000 in the aggregate for the period commencing on the Closing Date through and including December 31, 2001 only to the extent such Rationalization Costs are not reflected on the Borrower's consolidated income statement as prepared in accordance with Agreement Accounting Principles,
- MINUS (viii) voluntary prepayments of the principal portion of the Term Loans, in each case calculated in accordance with Agreement Accounting Principles.

All such amounts shall be calculated assuming that the Borrower and its Subsidiaries have conducted their respective business in the ordinary course and in accordance with past practices; PROVIDED, that (without duplication) there shall be excluded from the calculation of Excess Cash Flow all amounts related to the FTB Group.

"EXCHANGE RATE" means, the rate at which any currency other than Dollars may be exchanged into Dollars, calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange as quoted in the electronic media publication of Bloomberg L.P. for such other currency at or about 11:00 a.m. (Chicago time), on such date of determination for the purchase of Dollars with such other currency for delivery two (2) Business Days later; PROVIDED, HOWEVER, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Borrower may with the consent of the Administrative Agent use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error. For purposes of this agreement, the applicable Exchange Rate shall be determined (x) for any Investment, as of the date of incurrence thereof, (y) for any sale of assets, as of the date of the consummation of the transaction pursuant to which such sale of assets shall occur, and (z) in all other cases, as of such date of determination.

"EXCLUDED SUBSIDIARY" means, each Subsidiary of the Borrower identified on SCHEDULE 6.8 as an Excluded Subsidiary; PROVIDED, that each such Subsidiary shall be an Excluded Subsidiary only if (i) each such Subsidiary is in existence solely for the purposes of being a "name-holding" entity, (ii) each such Subsidiary engages in no business, (iii) each such Subsidiary has no liabilities, and (iv) the aggregate of the assets (including capitalization) of all such Subsidiaries shall not exceed \$5,000,000.

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"FEDERAL FUNDS EFFECTIVE RATE" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FINANCING" means, with respect to any Person, the issuance or sale by such Person of any Equity Interests, or any Indebtedness consisting of debt securities of such Person pursuant to a registered offering or private placement.

"FIRST CHICAGO" means The First National Bank of Chicago, in its individual capacity, and its successors.

"FIXED CHARGE COVERAGE RATIO" is defined in SECTION 7.4(D) hereof.

"FLOATING RATE" means, for any day for any Loan, a rate per annum equal to the Alternate Base Rate for such day, changing as and when the Alternate Base Rate changes, PLUS the then Applicable Floating Rate Margin.

"FLOATING RATE ADVANCE" means an Advance which bears interest at the Floating Rate.

"FLOATING RATE LOAN" means a Loan, or portion thereof, which bears interest at the Floating Rate.

"FOREIGN EMPLOYEE BENEFIT PLAN" means any employee benefit plan as defined in Section 3(3) of ERISA which is maintained or contributed to for the benefit of the employees of the Borrower, any of its Subsidiaries or any members of its Controlled Group and is not covered by ERISA pursuant to ERISA Section 4(b)(4).

"FOREIGN INCORPORATED SUBSIDIARY" means a Subsidiary of the Borrower which is not a Domestic Incorporated Subsidiary.

"FOREIGN PENSION PLAN" means any employee benefit plan as described in Section 3(3) of ERISA for which the Borrower or any member of its Controlled Group is a sponsor or administrator and which (i) is maintained or contributed to for the benefit of employees of the Borrower, any of its Subsidiaries or any member of its Controlled Group, (ii) is not covered by ERISA pursuant to Section 4(b)(4) of ERISA, and (iii) under applicable local law, is required to be funded through a trust or other funding vehicle.

"FOREIGN SUBSIDIARY INVESTMENT" means the sum of (a) all intercompany loans made on or after the Closing Date from either the Borrower or any Domestic Incorporated Subsidiary to any Foreign Incorporated Subsidiary (other than Ball Canada pursuant to the Manufacturing Supply

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Agreement and the FTB Group); (b) all Investments made on or after the Closing Date by either the Borrower or any Domestic Incorporated Subsidiary in any Foreign Incorporated Subsidiary (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group); and (c) an amount equal to the net benefit derived by the Foreign Incorporated Subsidiaries (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group) resulting from any non-arms length transactions between the Borrower and/or any Domestic Incorporated Subsidiary, on the one hand, and such Foreign Incorporated Subsidiaries (other than Ball Canada pursuant to the Manufacturing Supply Agreement and the FTB Group), on the other hand.

"FTB" means FTB Packaging Limited, a Hong Kong corporation, and its successors and assigns.

"FTB GROUP" means FTB and each of its Subsidiaries, including, without limitation, MCP and each of its Subsidiaries and joint ventures.

"GOVERNMENTAL ACTS" is defined in SECTION 3.11(a) hereof.

"GOVERNMENTAL AUTHORITY" means any nation or government, any federal,

state, provincial, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"GROSS NEGLIGENCE" means recklessness, or actions taken or omitted with conscious indifference to or the complete disregard of consequences. Gross Negligence does not mean the absence of ordinary care or diligence, or an inadvertent act or inadvertent failure to act. If the term "gross negligence" is used with respect to any Agent, any Arranger or any Lender or any indemnitee in any of the other Loan Documents, it shall have the meaning set forth herein.

"GUARANTIED OBLIGATION", as applied to any Person, means any Contractual Obligation, contingent or otherwise, of that Person (i) guaranteeing, directly or indirectly, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof) Indebtedness of another including, without limitation, any Contractual Obligations arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or (ii) to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received (all such Contractual Obligations under this CLAUSE (ii) being "SUPPORT OBLIGATIONS"); PROVIDED, HOWEVER, notwithstanding anything herein to the contrary, any Contractual Obligation of a Person relating to a take-or-pay obligation or supply contract of such Person shall not constitute a Guaranteed Obligation.

"GUARANTORS" means each Domestic Incorporated Subsidiary (other than Ball Capital Corp.) as of the Closing Date, and each other Domestic Incorporated Subsidiary which becomes a party to the Subsidiary Guaranty pursuant to the terms of SECTIONS 7.2(K) or 7.3(G), and in each case its successors and assigns.

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"GUARANTY AGREEMENT" means that certain Guaranty Agreement of the Borrower dated as of June 15, 1989 Re: \$44,938,000 8.46% Guaranteed ESOP Notes, Series A, due June 15, 1999 and \$25,062,000 8.83% Guaranteed ESOP Notes, Series B, due December 15, 2001.

"HEDGING AGREEMENTS" is defined in SECTION 7.3(Q) hereof.

"HEDGING OBLIGATIONS" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"HOLDERS OF SECURED OBLIGATIONS" means the holders of the Secured Obligations from time to time and shall include (i) each Lender in respect of its Loans, (ii) the Issuing Bank in respect of Reimbursement Obligations, (iii) the Agents, the Lenders, the Swing Line Bank and the Issuing Bank in respect of all other present and future obligations and liabilities of the Borrower or any of its Subsidiaries of every type and description arising under or in connection with this Agreement or any other Loan Document, (iv) each Indemnitee in respect of the obligations and liabilities of the Borrower to such Person hereunder, (v) each Lender (or affiliate thereof), in respect of all Hedging Obligations of the Borrower or any of its Subsidiaries to such Lender (or such affiliate) as exchange party or counterparty under any Hedging Agreement, and (vi) their respective successors, transferees and assigns.

"INDEBTEDNESS" of any Person means, without duplication, such Person's (a) obligations for borrowed money (other than the COLI Indebtedness), (b) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property or assets now or hereafter owned or acquired by such Person, (d) obligations which are evidenced by notes, acceptances or other instruments, (e) Capitalized Lease Obligations, (f) Guaranteed Obligations, (g) obligations with respect to letters of credit, (h) Off-Balance Sheet Liabilities and (i) Disqualified Stock as provided in SECTION 7.3(M). The amount of Indebtedness of any Person at any date shall be without duplication (i) the outstanding balance at such date of all unconditional obligations as described above and the maximum liability of any such Guaranteed Obligations at such date and (ii) in the case of Indebtedness of others secured by a Lien to which the property or assets owned or held by such Person is subject, the lesser of the fair market value at such date of any asset subject to a Lien securing the Indebtedness of others and the amount of the Indebtedness secured. In the case of Ball Capital Corp.,

Indebtedness shall include the unrecovered investment of purchasers of Receivables from Ball Capital Corp. pursuant to the Receivables Purchase Documents, and such Indebtedness shall be deemed to be funded Indebtedness for purposes of SECTION 7.1(G).

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"INDEMNIFIED MATTERS" is defined in SECTION 10.7(B) hereof.

"INDEMNITEES" is defined in SECTION 10.7(B) hereof.

"INITIAL ADJUSTMENT DATE" is defined in SECTION 2.14(D)(ii) hereof.

"INTERCOMPANY INDEBTEDNESS" is defined in SECTION 10.14 hereof.

"INTEREST EXPENSE" is defined in SECTION 7.4(A) hereof.

"INTEREST PERIOD" means, with respect to a Eurodollar Rate Loan, a period of one (1), two (2), three (3) or six (6) months or such other period as the Borrower may request and the Lenders, in their discretion, shall agree to, commencing on a Business Day selected by the Borrower pursuant to this Agreement; PROVIDED, HOWEVER, notwithstanding anything in this Agreement to the contrary and only at the Administrative Agent's sole option, for the period from the Closing Date to the earlier of (y) the date that is 90 days after the Closing Date and (z) the date upon which the Arrangers confirm that the loan syndication process has been completed (the "SYNDICATION PERIOD"); "Interest Period" means, with respect to a Eurodollar Rate Loan, a period of seven (7) days, provided that during the Syndication Period all Interest Periods shall end on the same day. Other than during the Syndication Period, such Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three or six months thereafter (or as agreed); PROVIDED, HOWEVER, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, PROVIDED, HOWEVER, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"INVENTORY" shall mean any and all goods, including, without limitation, goods in transit, wheresoever located, whether now owned or hereafter acquired by the Borrower or any of its Subsidiaries, which are held for sale or lease, furnished under any contract of service or held as raw materials, work in process or supplies, and all materials used or consumed in the business of the Borrower or any of its Subsidiaries, and shall include all right, title and interest of the Borrower or any of its Subsidiaries in any property the sale or other disposition of which has given rise to Receivables and which has been returned to or repossessed or stopped in transit by the Borrower or any of its Subsidiaries.

"INVESTMENT" means, with respect to any Person, (i) any purchase or other acquisition by that Person of any Indebtedness, Equity Interests or other securities, or of a beneficial interest in any Indebtedness, Equity Interests or other securities, issued by any other Person and (ii) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business; PROVIDED, HOWEVER, notwithstanding anything herein to the contrary, any Contractual

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Obligation of a Person relating to a take-or-pay obligation or supply contract of such Person shall not constitute an Investment by such Person in the other party to such contract.

"IRS" means the Internal Revenue Service and any Person succeeding to the functions thereof.

"ISSUING BANKS" means First Chicago; Bank of America National Trust and Savings Association; ABN AMRO Bank N.V.; Bank of Tokyo -- Mitsubishi Ltd., Chicago Branch; Wachovia Bank; and any other Lender which, at the Borrower's request, agrees, in each such Lender's sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit, and their respective successors and assigns, in each case in such Lender's separate capacity as an issuer of Letters of Credit pursuant to ARTICLE III hereof. The designation of any Lender as an Issuing Bank after the date hereof shall be subject to the prior written consent of the Administrative Agent.

"LATASA" means Latas de Alumino, S.A., a corporation organized under the laws of Brazil.

"LATASA ACQUISITION" means the Acquisition of the "Latasa Assets" (as

defined in the Asset Purchase Agreement).

"L/C DOCUMENTS" is defined in SECTION 3.4 hereof.

"L/C DRAFT" means a draft drawn on an Issuing Bank pursuant to a Letter of Credit.

"L/C INTEREST" is defined in SECTION 3.6 hereof.

"L/C OBLIGATIONS" means, without duplication, an amount equal to the sum of (i) the aggregate of the amount then available for drawing under each of the Letters of Credit, (ii) the face amount of all outstanding L/C Drafts corresponding to the Letters of Credit, which L/C Drafts have been accepted by the applicable Issuing Bank, and (iii) the aggregate outstanding amount of all Reimbursement Obligations at such time.

"LENDERS" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"LENDING INSTALLATION" means, with respect to a Lender or Agent, any office, branch, subsidiary or affiliate of such Lender or Agent.

"LETTER OF CREDIT" means the letters of credit to be (a) issued by the Issuing Banks pursuant to SECTION 3.1 hereof or (b) deemed issued by the Issuing Banks pursuant to SECTION 3.2 hereof.

"LEVERAGE RATIO" is defined in SECTION 7.4(C) hereof.

"LIEN" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

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"LOAN(S)" means, with respect to a Lender, such Lender's portion of any Advance made pursuant to SECTION 2.1 or SECTION 2.2 hereof, as applicable, and in the case of the Swing Line Bank, any Swing Line Loan made pursuant to SECTION 2.3 hereof, and collectively all Term Loans, Revolving Loans and Swing Line Loans, whether made or continued as or converted to Floating Rate Loans or Eurodollar Rate Loans.

"LOAN ACCOUNT" is defined in SECTION 2.13(a) hereof.

"LOAN DOCUMENTS" means this Agreement, the L/C Documents, the Collateral Documents, the Subsidiary Guaranty, the Canadian Subordination Agreement and all other documents, instruments and agreements executed in connection therewith or contemplated thereby, as the same may be amended, restated or otherwise modified and in effect from time to time.

"MANUFACTURING SUPPLY AGREEMENT" means that certain Manufacturing Supply Agreement, dated as of January 1, 1994, by and between Ball Canada and Ball Metal Packaging Sales Corp., a Colorado corporation and successor by assignment to the Borrower, as amended, restated, supplemented and otherwise modified as of the date hereof.

"MARGIN STOCK" shall have the meaning ascribed to such term in Regulation U.

"MATERIAL ADVERSE EFFECT" means a material adverse effect upon (a) the business, condition (financial or otherwise), operations, performance, properties, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any of its Subsidiaries to perform their respective obligations under the Loan Documents, or (c) the ability of the Lenders or the Agents to enforce the Obligations or their rights with respect to the Collateral.

"MATERIAL FOREIGN SUBSIDIARY" means (i) Ball Canada, (ii) FTB (but not any other member of the FTB Group), (iii) upon the consummation of the Latasa Acquisition, Latasa and (iv) any other direct or indirect Foreign Incorporated Subsidiary of the Borrower (but not any member of the FTB Group other than FTB), the Consolidated Assets (directly and together with its Subsidiaries) of which are, at any time, greater than \$50,000,000.

"MATERIAL SUBSIDIARY" means any Domestic Incorporated Subsidiary or Material Foreign Subsidiary.

"MCP" means M.C. Packaging (Hong Kong) Limited, a Hong Kong corporation, and its successors and assigns.

"MINORITY INTEREST" shall mean owning or holding less than a majority of the outstanding Voting Stock of any Person.

"MULTIEMPLOYER PLAN" means a "Multiemployer Plan" as defined in Section 4001(a)(3) of ERISA which is, or within the immediately preceding six (6) years was, contributed to by either the Borrower or any member of the Controlled Group.

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"NET CASH PROCEEDS" means, with respect to any Asset Sale or Financing by any Person, (a) cash (freely convertible into Dollars) received by such Person or any Subsidiary of such Person from such Asset Sale (including cash received as consideration for the assumption or incurrence of liabilities incurred in connection with or in anticipation of such Asset Sale) or Financing, after (i) provision for all income or other taxes measured by or resulting from such Asset Sale, (ii) payment of all brokerage commissions and other fees and expenses related to such Asset Sale or Financing, and (iii) all amounts used to repay Indebtedness secured by a Lien on any asset disposed of in such Asset Sale or which is or may be required (by the express terms of the instrument governing such Indebtedness) to be repaid in connection with such Asset Sale (including payments made to obtain or avoid the need for the consent of any holder of such Indebtedness) or Financing consisting of Permitted Refinancing Indebtedness; and (b) cash payments in respect of any Indebtedness, Equity Interest or other consideration received by such Person or any Subsidiary of such Person from such Asset Sale upon receipt of such cash payments by such Person or such Subsidiary.

"NEW SUBSIDIARY" is defined in SECTION 7.3(G) hereof.

"NON PRO RATA LOAN" is defined in SECTION 9.2 hereof.

"NOTICE OF ASSIGNMENT" is defined in SECTION 13.3(B) hereof.

"OBLIGATIONS" means all Loans, Letters of Credit, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to any Agent, any Lender, any affiliate of any Agent or any Lender, the Swing Line Bank, any Arranger, any Issuing Bank, or any Indemnitee, of any kind or nature, present or future, arising under this Agreement, the L/C Documents, the Collateral Documents or any other Loan Document, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees (in each case whether or not allowed), and any other sum chargeable to the Borrower under this Agreement or any other Loan Document.

"OFF-BALANCE SHEET LIABILITIES" of a Person means (a) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries, including, without limitation, under the Receivables Purchase Documents, (b) any liability of such Person or any of its Subsidiaries under any sale and leaseback transactions which do not create a liability on the consolidated balance sheet of such Person, (c) any liability of such Person or any of its Subsidiaries under any financing lease or so-called "synthetic" lease transaction, including, without limitation, the Synthetic Leases, or (d) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries.

"OTHER TAXES" is defined in SECTION 2.14(E)(ii) hereof.

"PARTICIPANTS" is defined in SECTION 13.2(A) hereof.

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"PAYMENT DATE" means the last Business Day of each fiscal quarter of the Borrower.

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

"PERMITTED ACQUISITION" is defined in SECTION 7.3(G)(iii) hereof.

"PERMITTED ADDITIONAL SUBORDINATED INDEBTEDNESS" is defined in SECTION 7.3(A)(vii) hereof.

"PERMITTED EXISTING GUARANTIED OBLIGATIONS" means the Guaranteed Obligations of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.2 to this Agreement.

"PERMITTED EXISTING INDEBTEDNESS" means the Indebtedness of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.3 to this Agreement.

"PERMITTED EXISTING INVESTMENTS" means the Investments of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.4 to this Agreement.

"PERMITTED EXISTING LIENS" means the Liens on assets of the Borrower and its Subsidiaries identified as such on SCHEDULE 1.1.5 to this Agreement, together with Liens on the assets of the Borrower and its Subsidiaries arising out of the replacement, extension or renewal of any Permitted Existing Lien, upon or in the same property and securing the same amount of Indebtedness, in each case, in connection with any Permitted Refinancing Indebtedness incurred in respect of the original Indebtedness secured thereby.

"PERMITTED FOREIGN SUBSIDIARY INVESTMENT AMOUNT" means the sum of (i) \$25,000,000 PLUS (ii) Investments in Foreign Incorporated Subsidiaries made in compliance with SECTION 7.3(D) (xv).

"PERMITTED PURCHASE MONEY INDEBTEDNESS" is defined in SECTION 7.3(A) (xii) hereof.

"PERMITTED RECEIVABLES TRANSFER" means (i) a sale or other transfer by Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC to Ball Capital Corp. of "Receivables" and "Related Security" under and as such terms are defined in the Receivables Sale Agreement, in accordance with the terms of the Receivables Sale Agreement and/or (ii) a sale by Ball Capital Corp. to purchasers in accordance with the terms of the Receivables Purchase Agreement.

"PERMITTED REFINANCING INDEBTEDNESS" means any replacement, renewal, refinancing or extension of any Indebtedness (other than the Subordinated Notes) permitted by this Agreement that (i) does not exceed the aggregate principal amount (plus accrued interest and any applicable premium and associated fees and expenses) of the Indebtedness being replaced, renewed, refinanced or extended, (ii) does not have a Weighted Average Life to Maturity at the time of such replacement, renewal, refinancing or extension that is less than the Weighted Average Life to Maturity of the Indebtedness being replaced, renewed, refinanced or extended, (iii) does not rank at the time of such replacement, renewal, refinancing or extension senior to the Indebtedness being replaced, renewed, refinanced or

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extended, and (iv) does not contain terms (including, without limitation, terms relating to security, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies) materially less favorable to the Borrower and its Subsidiaries, taken as a whole, or to the Lenders, taken as a whole, than those applicable to the Indebtedness being replaced, renewed, refinanced or extended.

"PERSON" means any individual, corporation, firm, enterprise, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company or other entity of any kind, or any government or political subdivision or any agency, department or instrumentality thereof.

"PLAN" means an employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any member of the Controlled Group is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

"PLEDGE AGREEMENTS" means each of (a) those certain Pledge Agreements of even date herewith executed by the Borrower in favor of the Administrative Agent, (b) that certain Share Security Deed of even date herewith executed by the Borrower in favor of the Administrative Agent, (c) that certain Pledge Agreement of even date herewith executed by Ball Packaging Corp., a Colorado corporation, in favor of the Administrative Agent, (d) that certain Pledge Agreement of even date herewith executed by Ball Glass Container Corporation, a Delaware corporation, in favor of the Administrative Agent, (e) that certain Pledge Agreement of even date herewith executed by BMBCC, in favor of the Administrative Agent, (f) that certain Pledge Agreement of even date herewith executed by Ball Technologies Holdings Corp., a Colorado corporation, in favor of the Administrative Agent, (g) that certain Pledge Agreement of even date herewith executed by Ball Aerospace & Technologies Corp., a Delaware corporation, in favor of the Administrative Agent, (h) that certain Pledge Agreement of even date herewith executed by RCAL Cans, Inc., a Delaware corporation, in favor of the Administrative Agent and (i) each other Pledge Agreement executed pursuant to the terms of SECTION 7.2(K), in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"PRELIMINARY FINANCIALS" is defined in SECTION 2.14(D) (ii) hereof.

"PRELIMINARY FINANCIAL COMPLIANCE CERTIFICATE" is defined in SECTION 2.14(D) (ii) hereof.

"PRELIMINARY FINANCIAL PACKAGE" is defined in SECTION 2.14(D) (ii) hereof.

"PRO RATA SHARE" means, with respect to any Lender, (i) at any time prior to the Closing Date, the percentage obtained by dividing (A) such Lender's

Commitments at such time (in each case, as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the sum of the Aggregate Term Loan Commitment and the Aggregate Revolving Loan Commitment at such time and (ii) at any time after the Closing Date, the percentage obtained by dividing (A) the sum of such Lender's Term Loans and Revolving Loan Commitment at such time (in each case, as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the sum of the aggregate amount of all of the Term Loans and the Aggregate Revolving Loan Commitment at such time;

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PROVIDED, HOWEVER, if all of the Commitments are terminated pursuant to the terms of this Agreement, then "Pro Rata Share" means the percentage obtained by dividing (x) the sum of (A) such Lender's Term Loans and Revolving Loans, PLUS (B) such Lender's share of the obligations to purchase participations in Swing Line Loans and Letters of Credit, by (y) the sum of (A) the aggregate outstanding amount of all Term Loans and Revolving Loans, PLUS (B) the aggregate outstanding amount of all Swing Line Loans and all Letters of Credit.

"PURCHASERS" is defined in SECTION 13.3(A) hereof.

"RATE OPTION" means the Eurodollar Rate or the Floating Rate.

"RATIONALIZATION COST" means any cash rationalization cost with respect to the Reynolds Acquisition as evidenced by the reduction of the relevant balance sheet liability of the Borrower in accordance with Agreement Accounting Principles.

"RECEIVABLE(S)" means and includes all of the Borrower's and its Subsidiaries' presently existing and hereafter arising or acquired accounts, accounts receivable, and all present and future rights of the Borrower and its Subsidiaries to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether or not they have been earned by performance, and all rights in any merchandise or goods which any of the same may represent, and all rights, title, security and guaranties with respect to each of the foregoing, including, without limitation, any right of stoppage in transit; PROVIDED, HOWEVER, that Receivables that are transferred to Ball Capital Corp. pursuant to a Permitted Receivables Transfer shall be deemed not to be Receivables hereunder, until such time, if any, as any such Receivables are repurchased by or otherwise transferred to Ball Metal Food Container Corp., Ball Plastic Container Corp., or BMBCC pursuant to the terms of the Receivables Sale Agreement or otherwise.

"RECEIVABLES PURCHASE AGREEMENT" means that certain Receivables Purchase Agreement dated as of December 29, 1997, among Ball Capital Corp., as seller, the Borrower, as servicer, Old Line Funding Corp., a Delaware corporation, as buyer, and Royal Bank of Canada, as agent, as such agreement may be amended, restated or otherwise modified from time to time in accordance with the terms hereof, or any replacement or substitution therefor.

"RECEIVABLES PURCHASE DOCUMENTS" means the Receivables Sale Agreement and the Receivables Purchase Agreement.

"RECEIVABLES SALE AGREEMENT" means that certain Originator Purchase Agreement dated as of December 29, 1997, between Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC and Ball Capital Corp., pursuant to which Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC shall sell to Ball Capital Corp. all of its "Receivables" and "Related Security" (as such terms are defined therein), as such agreement may be amended, restated or otherwise modified from time to time in accordance with the terms hereof, or any replacement or substitution therefor.

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"REGISTER" is defined in SECTION 13.3(C) hereof.

"REGULATION T" means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by and to brokers and dealers of securities for the purpose of purchasing or carrying margin stock (as defined therein).

"REGULATION U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks and nonbank, nonbroker lenders for the purpose of purchasing or carrying Margin Stock.

"REGULATION X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the

extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"REIMBURSEMENT OBLIGATION" is defined in SECTION 3.7 hereof.

"RELEASE" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including the movement of Contaminants through or in the air, soil, surface water or groundwater.

"REMEDIAL ACTION" means any action required to (i) clean up, remove, treat or in any other way address Contaminants in the indoor or outdoor environment; (ii) prevent the Release or threat of Release or minimize the further Release of Contaminants; or (iii) perform pre-remedial studies and investigations and post remedial care.

"RENTALS" of a Person means the aggregate fixed amounts payable by such Person under any lease of real or personal property but does not include any amounts payable under Capitalized Leases of such Person.

"REPLACEMENT LENDER" is defined in SECTION 2.19 hereof.

"REPORTABLE EVENT" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days after such event occurs, PROVIDED, HOWEVER, that a failure to meet the minimum funding standards of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"REQUIRED LENDERS" means Lenders whose Pro Rata Shares, in the aggregate, are greater than fifty percent (50%); PROVIDED, HOWEVER, that, if any of the Lenders shall have failed to fund its Revolving Loan Pro Rata Share of any Revolving Loan requested by the Borrower, or any Swing Line

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Loan as requested by the Administrative Agent, which such Lenders are obligated to fund under the terms of this Agreement and any such failure has not been cured, then for so long as such failure continues, "REQUIRED LENDERS" means Lenders (excluding all Lenders whose failure to fund their respective Revolving Loan Pro Rata Shares of such Revolving Loans or Swing Line Loans has not been so cured) whose Pro Rata Shares represent greater than fifty percent (50%) of the aggregate Pro Rata Shares of such Lenders; PROVIDED FURTHER, HOWEVER, that, if the Commitments have been terminated pursuant to the terms of this Agreement, "REQUIRED LENDERS" means Lenders (without regard to such Lenders' performance of their respective obligations hereunder) whose aggregate ratable shares (stated as a percentage) of the aggregate outstanding principal balance of all Loans and L/C Obligations are greater than fifty percent (50%).

"REQUIREMENTS OF LAW" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, 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 property or to which such Person or any of its property is subject including, without limitation, the Securities Act of 1933, the Securities Exchange Act of 1934, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or permit or environmental, labor, employment, occupational safety or health law, rule or regulation, including Environmental, Health or Safety Requirements of Law.

"RESERVES" shall mean the maximum reserve requirement, as prescribed by the Board of Governors of the Federal Reserve System (or any successor), with respect to "Eurocurrency liabilities" or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined or category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents.

"RESTRICTED INVESTMENT" means any Investment other than an Investment permitted by SECTION 7.3(D) (other than CLAUSE (xii) thereof).

"RESTRICTED PAYMENT" means (i) any dividend or other distribution, direct or indirect, on account of any Equity Interests of the Borrower now or hereafter outstanding, except a dividend payable solely in the Borrower's Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock, (ii) any redemption, retirement, purchase or other acquisition for value, direct or indirect, of any Equity Interests of the Borrower now or hereafter outstanding, other than in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Subsidiary of

the Borrower) of other Equity Interests of the Borrower (other than Disqualified Stock), (iii) any redemption, purchase, retirement, defeasance, prepayment or other acquisition for value, direct or indirect, of any Indebtedness prior to the stated maturity thereof, other than the Obligations and other than with the proceeds of Permitted Refinancing Indebtedness, and (iv) any Restricted Investment.

"RESTRICTED SUBSIDIARY" is defined in SECTION 10.14 hereof.

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"REVOLVING CREDIT AVAILABILITY" means, at any particular time, the amount by which the Aggregate Revolving Loan Commitment at such time exceeds the Revolving Credit Obligations at such time.

"REVOLVING CREDIT OBLIGATIONS" means, at any particular time, the sum of (i) the outstanding principal amount of the Revolving Loans at such time, PLUS (ii) the outstanding principal amount of the Swing Line Loans at such time, PLUS (iii) the L/C Obligations at such time.

"REVOLVING LOAN" is defined in SECTION 2.2(a) hereof.

"REVOLVING LOAN COMMITMENT" means, for each Lender, the obligation of such Lender to make Revolving Loans and to purchase participations in Letters of Credit not exceeding the amount set forth on EXHIBIT A to this Agreement opposite its name thereon under the heading "Revolving Loan Commitment" or on Schedule 1 of the assignment and acceptance by which it became a Lender, as such amount may be modified from time to time pursuant to the terms of this Agreement or to give effect to any applicable assignment and acceptance.

"REVOLVING LOAN PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (A) the then aggregate amount of such Lender's Revolving Loan Commitment (as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the Aggregate Revolving Loan Commitment at such time; PROVIDED, HOWEVER, if all of the Commitments are terminated pursuant to the terms of this Agreement, then "Revolving Loan Pro Rata Share" means the percentage obtained by dividing (x) the sum of (A) such Lender's Revolving Loans, PLUS (B) such Lender's share of the obligations to purchase participations in Swing Line Loans and Letters of Credit, by (y) the sum of (A) the aggregate outstanding amount of all Revolving Loans, PLUS (B) the aggregate outstanding amount of all Swing Line Loans and all Letters of Credit.

"REVOLVING LOAN TERMINATION DATE" means August 10, 2004.

"REYNOLDS" means Reynolds Metals Company, a Delaware corporation.

"REYNOLDS ACQUISITION" means the acquisition by the Borrower and certain of its Subsidiaries of certain of the assets and liabilities of the aluminum beverage-can manufacturing business of Reynolds and its Affiliates on the terms and conditions set forth in that certain Asset Purchase Agreement ("ASSET PURCHASE AGREEMENT") dated as of April 22, 1998, as amended through the Closing Date, by and among the Borrower, BMBCC and Reynolds.

"REYNOLDS ACQUISITION DOCUMENTS" means the Asset Purchase Agreement and all other documents, instruments and agreements entered into by the Borrower or any of its Subsidiaries in connection with the Reynolds Acquisition.

"REYNOLDS GROUP" is defined in SECTION 6.4(B).

"RISK-BASED CAPITAL GUIDELINES" is defined in SECTION 4.2.

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"SEC" means the Securities and Exchange Commission and any Person succeeding to the functions thereof.

"SECURED OBLIGATIONS" means, collectively, (i) the Obligations and (ii) all Hedging Obligations owing under Hedging Agreements to any Lender or any Affiliate of any Lender.

"SENIOR NOTE INDENTURE" means that certain Indenture dated as of August 10, 1998, between the Borrower and The Bank of New York, as Trustee, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof.

"SENIOR NOTES" means those certain Senior Notes due 2006, issued by the Borrower in the aggregate principal amount of \$300,000,000 pursuant to the Senior Note Indenture, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof, which term shall include and shall constitute the notes issued in exchange therefor as contemplated by the Senior Note Indenture.

"SHORT-TERM CREDIT AGREEMENT" means that certain Short-Term Credit Agreement, dated as of August 10, 1998 among the Borrower, the Agents, the Arrangers and the financial institutions from time to time parties thereto as lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"SINGLE EMPLOYER PLAN" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group that is not a Multiemployer Plan.

"SOLVENT" shall mean, when used with respect to any Person, that at the time of determination:

(i) the fair value of its assets (both at fair valuation and at present fair saleable value) is equal to or in excess of the total amount of its liabilities, including, without limitation, contingent liabilities; and

(ii) it is then able and expects to be able to pay its debts as they mature; and

(iii) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

With respect to contingent liabilities (such as litigation, guarantees and pension plan liabilities), such liabilities shall be computed at the amount which, in light of all the facts and circumstances existing at the time, represent the amount which can reasonably be expected to become an actual or matured liability.

"SUBORDINATED INDEBTEDNESS" means, (i) the Subordinated Notes and (ii) any Permitted Additional Subordinated Indebtedness.

"SUBORDINATED NOTE INDENTURE" means that certain Indenture dated as of August 10, 1998, between the Borrower and The Bank of New York, as Trustee, as amended, supplemented or modified

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in accordance with SECTION 7.3(R) hereof, which term shall include and shall constitute the notes issued in exchange therefor as contemplated by the Senior Note Indenture.

"SUBORDINATED NOTES" means those certain Senior Subordinated Notes due 2008, issued by the Borrower in the aggregate principal amount of \$250,000,000 pursuant to the Subordinated Note Indenture, as amended, supplemented or modified in accordance with SECTION 7.3(R) hereof.

"SUBSIDIARY" of a Person means (i) any corporation more than 50% of the outstanding Voting Stock of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, joint venture or similar business organization more than 50% of the Voting Stock of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower and any references to Subsidiaries of the Borrower shall not include: (a) any member of the FTB Group or (b) any Excluded Subsidiary.

"SUBSIDIARY GUARANTY" means the Guarantee Agreement of even date herewith entered into by each of the Guarantors in favor of the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"SUPPORT OBLIGATIONS" is defined in the definition of "GUARANTIED OBLIGATIONS".

"SWING LINE BANK" means First Chicago or any other Lender as a successor Swing Line Bank.

"SWING LINE COMMITMENT" means the obligation of the Swing Line Bank to make Swing Line Loans up to a maximum principal amount of \$15,000,000 at any one time outstanding.

"SWING LINE LOAN" means a Loan made available to the Borrower by the Swing Line Bank pursuant to SECTION 2.3 hereof.

"SYNDICATION AGENT" means Bank of America National Trust and Savings Association, in its capacity as syndication agent for the loan transaction evidenced by this Agreement, together with its successors and assigns.

"SYNDICATION PERIOD" is defined in the definition of "Interest Period".

"SYNTHETIC LEASES" means each of (i) that certain Participation Agreement, dated as of September 27, 1996, among Ball Plastic Container Corp., and Ball 1996-A Equipment Trust, the guarantors parties thereto, the certificate purchasers parties thereto, Royal Bank of Canada, as agent, and PNC Bank, Ohio, National Association, as bank and certificate trustee, and the Lease Agreement related thereto, (ii) that certain Participation Agreement, dated as of September 27, 1996, among Ball Aerospace & Technologies Corp., as lessee, Lease

Plan North America, Inc., as lessor, ABN AMRO Bank N.V., Chicago Branch, as participant, and ABN AMRO Bank N.V., Chicago Branch, as agent, and the Master Lease related thereto, and (iii) that certain Participation Agreement, dated as of

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November 15, 1996, among Ball Plastic Container Corp., as lessee, Lease Plan North America, Inc., as lessor, ABN AMRO Bank N.V., Chicago Branch, as agent and participant, and the Master Lease related thereto, in each case, as amended as of the date hereof.

"TAX ALLOCATION AGREEMENT" means the State Tax Sharing Agreement among the Borrower and its Subsidiaries, dated as of December 1, 1990, as amended, modified, supplemented or restated from time to time in compliance with the terms of this Agreement.

"TAXES" is defined in SECTION 2.14(E) (i) hereof.

"TERMINATION DATE" means the earlier of (a) the Revolving Loan Termination Date, and (b) the date of termination in whole of the Aggregate Revolving Loan Commitment pursuant to SECTION 2.6 hereof or the Commitments pursuant to SECTION 9.1 hereof.

"TERMINATION EVENT" means (i) a Reportable Event with respect to any Benefit Plan; (ii) the withdrawal of the Borrower or any member of the Controlled Group from a Benefit Plan during a plan year in which the Borrower or such Controlled Group member was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or the cessation of operations which results in the termination of employment of twenty percent (20%) of Benefit Plan participants who are employees of the Borrower or any member of the Controlled Group; (iii) the imposition of an obligation on the Borrower or any member of the Controlled Group under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Benefit Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC or any similar foreign governmental authority of proceedings to terminate a Benefit Plan or Foreign Pension Plan; (v) any event or condition which would constitute grounds under Section 4042 of ERISA (other than subparagraph (a)(4) of such Section) for the termination of, or the appointment of a trustee to administer, any Benefit Plan; (vi) that a foreign governmental authority shall appoint or institute proceedings to appoint a trustee to administer any Foreign Pension Plan in place of the existing administrator; or (vii) the partial or complete withdrawal of the Borrower or any member of the Controlled Group from a Multiemployer Plan or Foreign Pension Plan.

"TERM LOANS" means, collectively, the Tranche A Term Loans and the Tranche B Term Loans.

"THIRD-PARTY PAYMENTS" is defined in SECTION 7.3(F) (iii) hereof.

"TOTAL DEBT" is defined in SECTION 7.4(A) hereof.

"TRANCHE A PRO RATA SHARE" means, with respect to any Lender, (i) at any time prior to the Closing Date, the percentage obtained by dividing (A) such Lender's Tranche A Term Loan Commitment by (B) the aggregate Tranche A Term Loan Commitment for all Lenders at such time and (ii) at any time after the Closing Date, the percentage obtained by dividing (A) the sum of such Lender's Tranche A Term Loans at such time by (B) the sum of the aggregate amount of all of the Tranche A Term Loans at such time.

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"TRANCHE A TERM LOAN" is defined in SECTION 2.1(a) (i) hereof.

"TRANCHE A TERM LOAN COMMITMENT" means, for each Lender, the obligation of such Lender to make its Tranche A Term Loan pursuant to the terms and conditions of this Agreement, and which shall not exceed the principal amount set forth on EXHIBIT A to this Agreement opposite its name thereon under the heading "Tranche A Term Loan Commitment", as such amount may be modified from time to time pursuant to the terms hereof. The aggregate of the Tranche A Term Loan Commitments is Three Hundred Fifty Million and 00/100 Dollars (\$350,000,000).

"TRANCHE A TERM LOAN LENDER" means any Lender with a Tranche A Term Loan Commitment.

"TRANCHE A TERM LOAN TERMINATION DATE" means August 10, 2004.

"TRANCHE B PRO RATA SHARE" means, with respect to any Lender, (i) at any time prior to the Closing Date, the percentage obtained by dividing (A) such Lender's Tranche B Term Loan Commitment by (B) the aggregate Tranche B Term Loan Commitment for all Lenders at such time and (ii) at any time after the Closing Date, the percentage obtained by dividing (A) the sum of such Lender's Tranche B Term Loans at such time by (B) the sum of the aggregate amount of all of the Tranche B Term Loans at such time.

"TRANCHE B TERM LOAN" is defined in SECTION 2.1(a)(ii) hereof.

"TRANCHE B TERM LOAN COMMITMENT" means, for each Lender, the obligation of such Lender to make its Tranche B Term Loan pursuant to the terms and conditions of this Agreement, and which shall not exceed the principal amount set forth on EXHIBIT A to this Agreement opposite its name thereon under the heading "Tranche B Term Loan Commitment", as such amount may be modified from time to time pursuant to the terms hereof. The aggregate of the Tranche B Term Loan Commitments is Two Hundred Million and 00/100 Dollars (\$200,000,000).

"TRANCHE B TERM LOAN LENDER" means any Lender with a Tranche B Term Loan Commitment.

"TRANCHE B TERM LOAN TERMINATION DATE" means March 10, 2006.

"TRANSACTION COSTS" means the fees, costs and expenses payable by the Borrower or any of its Subsidiaries in connection with the execution, delivery and performance of the Transaction Documents, the issuance of the Senior Notes and the Subordinated Notes, the extinguishment of term Indebtedness existing immediately prior to the Closing Date, and the consummation of the Reynolds Acquisition.

"TRANSACTION DOCUMENTS" means the Loan Documents, the Reynolds Acquisition Documents, and the documents executed in connection with the Subordinated Notes and the Senior Notes.

"TRANSFEREE" is defined in SECTION 13.5 hereof.

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"TYPE" means, with respect to any Loan, its nature as a Floating Rate Loan or a Eurodollar Rate Loan.

"UNFUNDED LIABILITIES" means (i) in the case of Single Employer Plans, the amount (if any) by which the present value of all vested nonforfeitable benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans, and (ii) in the case of Multiemployer Plans, the withdrawal liability that would be incurred by the Controlled Group if all members of the Controlled Group completely withdrew from all Multiemployer Plans.

"UNMATURED DEFAULT" means an event which, but for the lapse of time or the giving of notice, or both, would constitute a Default.

"VOTING STOCK" means stock or similar interests of any class or classes (however designated), the holders of which are generally and ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) of a corporation or other Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"WHOLLY-OWNED SUBSIDIARY" means any member of the Ball Corporate Group 100% of the Capital Stock and other Equity Interests of which is directly or indirectly owned by the Borrower (other than director's qualifying shares).

"YEAR 2000 ISSUES" means, with respect to any Person, anticipated costs, problems and uncertainties associated with the inability of certain computer applications and imbedded systems to effectively handle data, including dates, prior to, on and after January 1, 2000, as it affects the business, operations, and financial condition of such Person, and such Person's customers, suppliers and vendors.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with Agreement Accounting Principles.

1.2 REFERENCES. Any references to Subsidiaries of the Borrower set forth herein shall (i) with respect to representations and warranties which deal with historical matters be deemed to include the Borrower and its Subsidiaries, together with the businesses acquired pursuant to the Reynolds Acquisition; and (ii) shall not in any way be construed as consent by any Agent or any Lender to the establishment, maintenance or acquisition of any Subsidiary, except as may otherwise be permitted hereunder.

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1.3 CURRENCY EQUIVALENTS. If at the time of determination of any amount hereunder, such amount shall be in a currency other than U.S. Dollars, such amount shall be deemed to be equal to the Dollar Amount thereof.

ARTICLE II: THE TERM LOAN AND REVOLVING LOAN FACILITIES

2.1. TERM LOANS. (a) (i) Amount of TRANCHE A TERM LOANS. Subject to the terms and conditions set forth in this Agreement, each Tranche A Term Loan Lender on the Closing Date severally and not jointly agrees to make on the Closing Date, a term loan, in Dollars, to the Borrower in an amount equal to such Lender's Tranche A Term Loan Commitment (each individually, a "TRANCHE A TERM LOAN" and, collectively, the "Tranche A Term Loans"). All Tranche A Term Loans shall be made by the Lenders on the Closing Date simultaneously and proportionately to their respective Tranche A Pro Rata Shares, it being understood that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Tranche A Term Loan hereunder nor shall the Tranche A Term Loan Commitment of any Lender be increased or decreased as a result of any such failure.

(ii) AMOUNT OF TRANCHE B TERM LOANS. Subject to the terms and conditions set forth in this Agreement, each Tranche B Term Loan Lender on the Closing Date severally and not jointly agrees to make on the Closing Date, a term loan, in Dollars, to the Borrower in an amount equal to such Lender's Tranche B Term Loan Commitment (each individually, a "TRANCHE B TERM LOAN" and, collectively, the "TRANCHE B TERM LOANS"). All Tranche B Term Loans shall be made by the Lenders on the Closing Date simultaneously and proportionately to their respective Tranche B Pro Rata Shares, it being understood that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Tranche B Term Loan hereunder nor shall the Tranche B Term Loan Commitment of any Lender be increased or decreased as a result of any such failure.

(b) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall deliver to the Administrative Agent a Borrowing/Conversion/Continuation Notice, signed by it, on the Closing Date. Such Borrowing/Conversion/Continuation Notice shall specify (i) the aggregate amount of the Tranche A Term Loans and Tranche B Term Loans being requested and (ii) instructions for the disbursement of the proceeds of such Term Loans. The Term Loans shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or converted into Eurodollar Rate Loans in the manner provided in SECTION 2.10 and subject to the other conditions and limitations therein set forth and set forth in this ARTICLE II. Any Borrowing/Conversion/Continuation Notice given pursuant to this SECTION 2.1(b) shall be irrevocable.

(c) MAKING OF TERM LOANS. Promptly after receipt of the Borrowing/Conversion/Continuation Notice under SECTION 2.1(b) in respect of the Term Loans, the Administrative Agent shall notify each Lender by telex or telecopy, or other similar form of transmission, of the proposed Advance. Each Lender shall deposit an amount equal to its Tranche A Pro Rata Share of the Tranche A Term Loans and its Tranche B Pro Rata Share of the Tranche B Term Loans, as applicable, with the Administrative Agent at its office in Chicago, Illinois, in immediately available funds, on the Closing Date, as specified in the Borrowing/Conversion/Continuation Notice. Subject to the fulfillment of the conditions

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precedent set forth in SECTIONS 5.1 and 5.2, as applicable, the Administrative Agent shall make the proceeds of such amounts received by it available to the Borrower at the Administrative Agent's office in Chicago, Illinois on the Closing Date and shall disburse such proceeds in accordance with the Borrower's disbursement instructions set forth in such Borrowing/Conversion/Continuation Notice. The failure of any Lender to deposit the amount described above with the Administrative Agent on the Closing Date shall not relieve any other Lender of its obligations hereunder to make its Term Loan on the Closing Date.

(d) REPAYMENT OF THE TRANCHE A TERM LOANS. (i) The Tranche A Term Loans shall be repaid in twenty-three (23) consecutive quarterly principal installments, payable on the last Business Day of each fiscal quarter of the Borrower, commencing on March 31, 1999 and continuing thereafter until the Tranche A Term Loan Termination Date, and the Tranche A Term Loans shall be permanently reduced by the amount of each installment on the date payment thereof is made hereunder. The installments shall be in the aggregate amounts set forth below:

<TABLE>
<CAPTION>

INSTALLMENT DATE	TRANCHE A TERM LOAN INSTALLMENT AMOUNT
-----	-----
<S>	<C>
March 31, 1999	\$5,000,000

June 30, 1999	\$5,000,000
September 30, 1999	\$5,000,000
December 31, 1999	\$5,000,000
March 31, 2000	\$8,750,000
June 30, 2000	\$8,750,000
September 30, 2000	\$8,750,000
December 31, 2000	\$8,750,000
March 31, 2001	\$12,500,000
June 30, 2001	\$12,500,000
September 30, 2001	\$12,500,000
December 31, 2001	\$12,500,000
March 31, 2002	\$16,250,000
June 30, 2002	\$16,250,000
September 30, 2002	\$16,250,000
December 31, 2002	\$16,250,000

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March 31, 2003	\$21,250,000
June 30, 2003	\$21,250,000
September 30, 2003	\$21,250,000
December 31, 2003	\$21,250,000
March 31, 2004	\$31,666,666
June 30, 2004	\$31,666,667
Tranche A Term Loan	
Termination Date	\$31,666,667

</TABLE>

Notwithstanding the foregoing, the final installment shall be in the amount of the then outstanding principal balance of the Tranche A Term Loans. In addition, the then outstanding principal balance of the Tranche A Term Loans, if any, shall be due and payable on the Tranche A Term Loan Termination Date. No installment of any Tranche A Term Loan shall be reborrowed once repaid.

(e) REPAYMENT OF THE TRANCHE B TERM LOANS. (i) The Tranche B Term Loans shall be repaid in thirty-one (31) consecutive quarterly principal installments, payable on the last Business Day of each fiscal quarter of the Borrower, commencing on March 31, 1999, and continuing thereafter until the Tranche B Term Loan Termination Date, and the Tranche B Term Loans shall be permanently reduced by the amount of each installment on the date payment thereof is made hereunder. The installments shall be in the aggregate amounts set forth below:

<TABLE>

<CAPTION>

INSTALLMENT DATE	TRANCHE B TERM LOAN INSTALLMENT AMOUNT
-----	-----
<S>	<C>
March 31, 1999	\$500,000
June 30, 1999	\$500,000
September 30, 1999	\$500,000
December 31, 1999	\$500,000
March 31, 2000	\$500,000
June 30, 2000	\$500,000
September 30, 2000	\$500,000
December 31, 2000	\$500,000
March 31, 2001	\$500,000
June 30, 2001	\$500,000
September 30, 2001	\$500,000
December 31, 2001	\$500,000

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March 31, 2002	\$500,000
June 30, 2002	\$500,000
September 30, 2002	\$500,000
December 31, 2002	\$500,000
March 31, 2003	\$500,000
June 30, 2003	\$500,000
September 30, 2003	\$500,000
December 31, 2003	\$500,000

March 31, 2004	\$500,000
June 30, 2004	\$500,000
September 30, 2004	\$500,000
December 31, 2004	\$500,000
March 31, 2005	\$500,000
June 30, 2005	\$500,000
September 30, 2005	\$500,000
December 31, 2005	\$500,000
Tranche B Term Loan	
Termination Date	\$186,000,000

</TABLE>

Notwithstanding the foregoing, the final installment shall be in the amount of the then outstanding principal balance of the Tranche B Term Loans. In addition, the then outstanding principal balance of the Tranche B Term Loans, if any, shall be due and payable on the Tranche B Term Loan Termination Date. No installment of any Tranche B Term Loan shall be reborrowed once repaid.

(f) In addition to the scheduled payments on the Term Loans, the Borrower (a) may make the voluntary prepayments described in SECTION 2.5(A) for credit against the scheduled payments on the Term Loans pursuant to SECTION 2.5(A) and (b) shall make the mandatory prepayments prescribed in SECTION 2.5(B) for credit against the scheduled payments on the Term Loans pursuant to SECTION 2.5(B).

2.2 REVOLVING LOANS. (a) Upon the satisfaction of the conditions precedent set forth in SECTIONS 5.1 and 5.2, as applicable, from and including the date of this Agreement and prior to the Termination Date, each Lender severally and not jointly agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to the Borrower from time to time, in Dollars, in an amount not to exceed such Lender's Revolving Loan Pro Rata Share of Revolving Credit Availability at such time (each individually, a "REVOLVING LOAN" and, collectively, the "REVOLVING LOANS"); PROVIDED, HOWEVER, at no time shall the Revolving Credit Obligations exceed the Aggregate Revolving Loan Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Termination Date. The Revolving Loans made on the Closing Date or on or before the third (3rd) Business Day thereafter shall initially be Floating Rate Loans and

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thereafter may be continued as Floating Rate Loans or converted into Eurodollar Rate Loans in the manner provided in SECTION 2.10 and subject to the other conditions and limitations therein set forth, set forth in this ARTICLE II and set forth in the definition of Interest Period. Revolving Loans made after the third (3rd) Business Day after the Closing Date shall be, at the option of the Borrower, selected in accordance with SECTION 2.10, either Floating Rate Loans or Eurodollar Rate Loans. On the Termination Date, the Borrower shall repay in full the outstanding principal balance of the Revolving Loans. Each Advance under this SECTION 2.2 shall consist of Revolving Loans made by each Lender ratably in proportion to such Lender's respective Revolving Loan Pro Rata Share.

(b) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall deliver to the Administrative Agent a Borrowing/Conversion/Continuation Notice, signed by it, in accordance with the terms of SECTION 2.8. The Administrative Agent shall promptly notify each Lender with a Revolving Loan Commitment greater than zero of such request.

(c) MAKING OF REVOLVING LOANS. Promptly after receipt of the Borrowing/Conversion/Continuation Notice under SECTION 2.8 in respect of Revolving Loans, the Administrative Agent shall notify each Lender with a Revolving Loan Commitment greater than zero by telex or telecopy, or other similar form of transmission, of the requested Revolving Loan. Each Lender with a Revolving Loan Commitment greater than zero shall make available its Revolving Loan in accordance with the terms of SECTION 2.7. The Administrative Agent will promptly make the funds so received from the Lenders available to the Borrower at the Administrative Agent's office in Chicago, Illinois on the applicable Borrowing Date and shall disburse such proceeds in accordance with the Borrower's disbursement instructions set forth in such Borrowing/Conversion/Continuation Notice. The failure of any Lender to deposit the amount described above with the Administrative Agent on the applicable Borrowing Date shall not relieve any other Lender of its obligations hereunder to make its Revolving Loan on such Borrowing Date.

2.3 SWING LINE LOANS. (a) AMOUNT OF SWING LINE LOANS. Upon the satisfaction of the conditions precedent set forth in SECTION 5.1 and 5.2, as applicable, from and including the date of this Agreement and prior to the Termination Date, the Swing Line Bank agrees, on the terms and conditions set

forth in this Agreement, to make swing line loans to the Borrower from time to time, in Dollars, in an amount not to exceed the Swing Line Commitment (each, individually, a "SWING LINE LOAN" and collectively, the "SWING LINE LOANS"); PROVIDED, HOWEVER, at no time shall the Revolving Credit Obligations exceed the Aggregate Revolving Loan Commitment; and PROVIDED, FURTHER, that at no time shall the sum of (a) the outstanding amount of the Swing Line Loans, PLUS (b) the outstanding amount of Revolving Loans made by the Swing Line Bank pursuant to SECTION 2.2 (after giving effect to any concurrent repayment of Loans), exceed the Swing Line Bank's Revolving Loan Commitment at such time. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Swing Line Loans at any time prior to the Termination Date.

(b) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall deliver to the Administrative Agent and the Swing Line Bank a Borrowing/Conversion/Continuation Notice, signed by it, not later than 1:00 p.m. (Chicago time) on the Borrowing Date of each Swing Line Loan, specifying (i) the applicable Borrowing Date (which date shall be a Business Day and which may be the same date as the date the Borrowing/Conversion/Continuation Notice is given), (ii) the aggregate

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amount of the requested Swing Line Loan which shall be an amount not less than \$1,000,000 and (iii) instructions for the disbursement of the proceeds of such Swing Line Loan. The Swing Line Loans shall at all times be Floating Rate Loans. The Administrative Agent shall promptly notify the Swing Line Bank of such request.

(c) MAKING OF SWING LINE LOANS. Promptly after receipt of the Borrowing/Conversion/Continuation Notice under SECTION 2.3(b) in respect of Swing Line Loans, the Administrative Agent shall notify the Swing Line Bank by telex or telecopy, or other similar form of transmission, of the requested Swing Line Loan. Not later than 3:00 p.m. (Chicago time) on the applicable Borrowing Date, the Swing Line Bank shall make available its Swing Line Loan, in funds immediately available in Chicago, Illinois to the Administrative Agent at its address specified pursuant to ARTICLE XIV. The Administrative Agent will promptly make the funds so received from the Swing Line Bank available to the Borrower on the Borrowing Date at the Administrative Agent's aforesaid address and shall disburse such funds in accordance with the Borrower's disbursement instructions set forth in the related Borrowing/Conversion/Continuation Notice.

(d) REPAYMENT OF SWING LINE LOANS. Each Swing Line Loan shall be paid in full by the Borrower on or before the fifth Business Day after the Borrowing Date for such Swing Line Loan. The Borrower may at any time pay, without penalty or premium, all outstanding Swing Line Loans or, in a minimum amount of \$1,000,000 and increments of \$100,000 in excess thereof, any portion of the outstanding Swing Line Loans, upon notice to the Administrative Agent and the Swing Line Bank. In addition, the Administrative Agent (i) may at any time in its sole discretion with respect to any outstanding Swing Line Loan, or (ii) shall on the fifth Business Day after the Borrowing Date of any Swing Line Loan, require each Lender (including the Swing Line Bank) to make a Revolving Loan in the amount of such Lender's Revolving Loan Pro Rata Share of such Swing Line Loan, for the purpose of repaying such Swing Line Loan. Not later than 2:00 p.m. (Chicago time) on the date of any notice from the Administrative Agent to the Lenders received pursuant to this SECTION 2.3(d), each Lender shall make available its required Revolving Loan or Revolving Loans, in funds immediately available in Chicago, Illinois to the Administrative Agent at its address specified pursuant to ARTICLE XIV. Revolving Loans made pursuant to this SECTION 2.3(d) shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or converted into Eurodollar Rate Loans in the manner provided in SECTION 2.10 and subject to the other conditions and limitations therein set forth and set forth in this ARTICLE II. Unless a Lender shall have notified the Swing Line Bank, prior to its making any Swing Line Loan, that any applicable condition precedent set forth in SECTIONS 5.1 and 5.2 had not then been satisfied, such Lender's obligation to make Revolving Loans pursuant to this SECTION 2.3(d) to repay Swing Line Loans shall be unconditional, continuing, irrevocable and absolute and shall not be affected by any circumstances, including, without limitation, (A) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Administrative Agent, the Swing Line Bank or any other Person, (B) the occurrence and continuance of a Default or Unmatured Default, (C) any adverse change in the condition (financial or otherwise) of the Borrower, or (D) any other circumstance, happening or event whatsoever. In the event that any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.3(d), the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Administrative Agent receives such payment from such Lender or such obligation is otherwise fully satisfied. In addition to the foregoing, if for any

reason any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.3(d), such Lender shall be deemed, at the option of the Administrative Agent, to have unconditionally and irrevocably purchased from the Swing Line Bank, without recourse or warranty, an undivided interest and participation in the applicable Swing Line Loan in the amount of such Revolving Loan, and such interest and participation may be recovered from such Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of demand and ending on the date such amount is received. On the Termination Date, the Borrower shall repay in full the outstanding principal balance of the Swing Line Loans.

2.4 RATE OPTIONS FOR ALL ADVANCES. The Swing Line Loans shall be Floating Rate Loans at all times. The Revolving Loans and Term Loans may be Floating Rate Loans or Eurodollar Rate Loans, or a combination thereof, selected by the Borrower in accordance with SECTION 2.10; PROVIDED, HOWEVER, notwithstanding anything herein to the contrary, the Borrower may not without the Administrative Agent's consent select, convert or continue any Loans as Eurodollar Rate Loans during the Syndication Period; and, PROVIDED, FURTHER, that, in the event that the Administrative Agent consents to the selection, conversion or continuation of any Loans as Eurodollar Rate Loans during the Syndication Period, the Borrower may not select Interest Periods for Eurodollar Rate Advances made during the Syndication Period which exceed seven (7) days and all Interest Periods with respect to all such Eurodollar Rate Advances made, converted or continued during the Syndication Period shall be required to expire on the same date. The Borrower may select, in accordance with SECTION 2.10, Rate Options and Interest Periods applicable to portions of the Revolving Loans and the Term Loans; PROVIDED that there shall be no more than twelve (12) Interest Periods in effect with respect to all of the Loans at any time.

2.5 OPTIONAL PAYMENTS; MANDATORY PREPAYMENTS.

(A) OPTIONAL PAYMENTS. The Borrower may from time to time and at any time repay or prepay, without penalty or premium all or any part of outstanding Floating Rate Advances; PROVIDED, that the Borrower may not so prepay Floating Rate Advances consisting of Term Loans unless it shall have provided at least one Business Day's written notice to the Administrative Agent of such prepayment. Any optional prepayment of the Term Loans must be applied ratably to the Tranche A Term Loans and the Tranche B Term Loans. Eurodollar Rate Advances may be voluntarily repaid or prepaid prior to the last day of the applicable Interest Period, subject to the indemnification provisions contained in SECTION 4.4, PROVIDED, that the Borrower may not so prepay Eurodollar Rate Advances unless it shall have provided at least one (1) Business Day's prior written notice to the Administrative Agent of such prepayment. Unless the aggregate outstanding principal balance of the Term Loans is to be prepaid in full, voluntary prepayments of the Term Loans and the Revolving Loans shall be in an aggregate minimum amount of \$5,000,000 and integral multiples of \$1,000,000 in excess of that amount. Voluntary prepayments of the Term Loans shall be applied to each of the then remaining installments payable thereunder, on a ratable basis based upon the respective amounts of such remaining installments.

(B) MANDATORY PREPAYMENTS.

(i) MANDATORY PREPAYMENTS OF TERM LOANS.

(a) Upon the consummation of any Asset Sale by the Borrower or any Subsidiary of the Borrower, other than those Asset Sales permitted pursuant to SECTION 7.3(B)(i), (ii), (iii), (iv) and (v), except to the extent that the Net Cash Proceeds of such Asset Sale, when combined with the Net Cash Proceeds of all such Asset Sales during the immediately preceding twelve-month period, do not exceed \$25,000,000 plus the "Carryover Amount" (as defined below), and except as provided in the second sentence of this SECTION 2.5(B)(i)(a), within five (5) Business Days after the Borrower's or any of its Subsidiaries' (i) receipt of any Net Cash Proceeds from any such Asset Sale, or (ii) conversion to cash or Cash Equivalents of non-cash proceeds (whether principal or interest and including securities, release of escrow arrangements or lease payments) received from any Asset Sale, the Borrower shall make a mandatory prepayment of the Obligations in an amount equal to one hundred percent (100%) of the excess of (x) such Net Cash Proceeds or such proceeds converted from non-cash to cash or Cash Equivalents over (y) \$25,000,000 PLUS the Carryover Amount for such twelve-month period; PROVIDED, that, notwithstanding the foregoing, the Borrower shall make mandatory prepayments of the Obligations in an amount equal to one hundred percent (100%) of the Net Cash Proceeds or such

proceeds converted from non-cash to cash or Cash Equivalents from the sale of the PET business unit of the Borrower and the disposition of the Aerospace business unit of the Borrower. So long as no Default shall have occurred and is continuing, Net Cash Proceeds of Asset Sales (other than Net Cash Proceeds related to the sale of the PET business unit of the Borrower and the disposition of the Aerospace business unit of the Borrower) with respect to which the Borrower shall have given the Administrative Agent written notice prior to the consummation of the Asset Sale of the Borrower's or the applicable Subsidiary's intention to reinvest such Net Cash Proceeds in the Borrower's and its Subsidiaries' existing business, and in connection with which the Borrower or the applicable Subsidiary shall have commenced such reinvestment within 360 days after such Asset Sale and shall have completed such reinvestment within twenty-four (24) months after such Asset Sale, shall not be subject to the provisions of the first sentence of this SECTION 2.5(B)(i)(a) unless and to the extent that such applicable period shall have expired without such reinvestment having been made; PROVIDED, that upon the occurrence of any Default, such portion of such Net Cash Proceeds as has not been reinvested shall be paid to the Administrative Agent to be applied as a mandatory prepayment of the Obligations in an amount equal to 100% of such Net Cash Proceeds or such proceeds converted from non-cash to cash or Cash Equivalents. The "CARRYOVER AMOUNT" for any twelve-month period means an amount, if positive, equal to (1) \$25,000,000 MINUS (2) the aggregate amount of Net Cash Proceeds of all Asset Sales during the immediately preceding twelve-month period; PROVIDED, that the Carryover Amount shall not at any time exceed \$25,000,000, and the Carryover Amount shall be reduced to zero if a Default shall have occurred and is continuing as of the date any mandatory prepayment is required to be made pursuant to this SECTION 2.5(B)(i)(a). No portion of the Carryover Amount available in any twelve-month period can be utilized in the following twelve-month period. Without in any way limiting the foregoing but without duplication of the foregoing, upon the consummation of any "Asset Sale" (as such term is defined in the Senior Note Indenture and the Subordinated Note Indenture) where, but for the provisions of this sentence, some or all of the Net Cash Proceeds would constitute "Excess Proceeds" (as such term is defined in the Senior Note Indenture or the Subordinated Note Indenture), prior to the date on which the Borrower shall be required to make an offer to purchase the Senior Notes and/or the Subordinated Notes, the Borrower shall

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make a mandatory prepayment of the Obligations in an amount equal to one hundred percent (100%) of such Net Cash Proceeds.

(b) (i) Except as provided in CLAUSE (ii) below, upon the consummation of any Financing, including, without limitation any Restricted Payment made in compliance with SECTION 7.3(F)(v), by the Borrower or any Subsidiary of the Borrower, within three (3) Business Days after the Borrower's or any of its Subsidiaries' receipt of any Net Cash Proceeds from such Financing, the Borrower shall make a mandatory prepayment of the Obligations in an amount equal to one hundred percent (100%) of such Net Cash Proceeds; PROVIDED, HOWEVER, that such prepayments (other than prepayments resulting from a Restricted Payment made in compliance with SECTION 7.3(F)(v) which prepayments shall be made without regard to the ratio of Total Debt to EBITDA) shall be required only to the extent that the ratio of (x) Total Debt to (y) EBITDA for the immediately preceding four fiscal quarters is equal to or greater than 3.50 to 1.00 immediately after taking into account the receipt of such Net Cash Proceeds and the making of such prepayments.

(ii) Notwithstanding the foregoing, Net Cash Proceeds subject to CLAUSE (i) above shall not include (x) Net Cash Proceeds received in connection with the issuance of any Capital Stock, other than Disqualified Stock, to any employee and (y) Net Cash Proceeds of Financings consisting of Permitted Refinancing Indebtedness or which are used, after written notice by the Borrower to the Administrative Agent thereof, for any Permitted Acquisition.

(c) Simultaneously with the delivery of the annual audited financial statements required to be delivered pursuant to SECTION 7.1(A)(ii) for each Cash Flow Period commencing with the fiscal year ending December 31, 1999, the Borrower shall calculate Excess Cash Flow for such Cash Flow Period and shall make a mandatory prepayment of the Obligations, payable not later than the earlier of ten (10) days after such financial statements and calculation are delivered or one hundred (100) days after the end of such Cash Flow Period, in an amount equal to:

- (x) at any time the Leverage Ratio (calculated as of the last day of such Cash Flow Period) shall be greater than or equal to 4.0 to 1.0, 65% of such Excess Cash Flow;
- (y) at any time the Leverage Ratio (calculated as of the last day of such Cash Flow Period) shall be less than 4.0 to 1.0 and greater than or equal to 3.5 to 1.0, 50% of such Excess Cash Flow; and

(z) at any time the Leverage Ratio (calculated as of the last day of such Cash Flow Period) shall be less than 3.5 to 1.0, 0% of such Excess Cash Flow.

(d) Nothing in this SECTION 2.5(B)(i) shall be construed to constitute the Lenders' consent to any transaction referred to in CLAUSES (a) and (b) above which is not expressly permitted by the terms of this Agreement.

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(e) Each mandatory prepayment required by CLAUSES (a), (b) and (c) of this SECTION 2.5(B) shall be referred to herein as a "DESIGNATED PREPAYMENT". Designated Prepayments shall be allocated and applied to the Obligations as follows:

(I) except as set forth in CLAUSE (f) below, the amount of each Designated Prepayment shall be applied ratably to the Tranche A Term Loans and the Tranche B Term Loans, in each case applied to each of the then remaining installments payable under such Term Loans, on a ratable basis based upon the respective amounts of such remaining installments; and

(II) following the payment in full of the Term Loans, the amount of each Designated Prepayment shall be applied to repay Revolving Loans (but shall reduce Revolving Loan Commitments only at the option of the Required Lenders) and following the payment in full of the Revolving Loans, the amount of each Designated Prepayment shall be applied first to interest on the Reimbursement Obligations, then to principal on the Reimbursement Obligations, then to fees on account of Letters of Credit and then, to the extent any L/C Obligations are contingent, deposited with the Administrative Agent as cash collateral in respect of such L/C Obligations.

(f) The Borrower shall have the right to offer the Tranche B Term Loan Lenders to decline any Designated Prepayment pursuant to CLAUSES (a) or (c) above, unless the amount of such Designated Prepayment if made would repay the Tranche B Term Loans in their entirety (which offer shall be communicated to the Administrative Agent by irrevocable written notice not later than 1:00 p.m. (Chicago time) on the Business Day preceding the date on which such Designated Prepayment shall be made, and the Administrative Agent shall promptly notify each of the Tranche B Lenders of such offer). If given such option by the Borrower, any Tranche B Term Loan Lender may decline any such Designated Prepayment by written notice to the Administrative Agent not later than 10:00 a.m. (Chicago time) on the date on which such Designated Prepayment shall be made (and the failure to provide such notice shall be deemed to be a decision not to decline such Designated Prepayment), in which case the amount declined will be applied pro rata to each of the then remaining installments of the Tranche A Term Loans.

(ii) MANDATORY PREPAYMENTS OF REVOLVING LOANS. In addition to repayments under SECTION 2.5(B)(i)(e)(II), if at any time and for any reason the Revolving Credit Obligations are greater than the Aggregate Revolving Loan Commitment, the Borrower shall immediately make a mandatory prepayment of the Revolving Credit Obligations in an amount equal to such excess.

(iii) Subject to the preceding provisions of this SECTION 2.5(B), all of the mandatory prepayments made under this SECTION 2.5(B) shall be applied first to the applicable Floating Rate Loans and to any Eurodollar Rate Loans maturing on such date and then to subsequently maturing Eurodollar Rate Loans in order of maturity.

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2.6 REDUCTION OF COMMITMENTS. The Borrower may permanently reduce the Aggregate Revolving Loan Commitment in whole, or in part ratably among the Lenders, in an aggregate minimum amount of \$5,000,000 and integral multiples of \$1,000,000 in excess of that amount (unless the Aggregate Revolving Loan Commitment is reduced in whole), upon at least one (1) Business Day's written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; PROVIDED, HOWEVER, that the amount of the Aggregate Revolving Loan Commitment may not be reduced below the aggregate outstanding principal amount of the outstanding Revolving Credit Obligations. All accrued commitment fees due and payable pursuant to SECTION 2.15(c) shall be payable on the effective date of any termination of the obligations of the Lenders to make Revolving Loans hereunder.

2.7 METHOD OF BORROWING. Not later than 2:00 p.m. (Chicago time) on each Borrowing Date, each Lender shall make available its Revolving Loan or Term Loan, in funds immediately available in Chicago to the Administrative Agent at its address specified pursuant to ARTICLE XIV.

2.8 METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR ADVANCES. The

Borrower shall select the Type of Advance and, in the case of each Eurodollar Rate Advance, the Interest Period applicable to each Advance from time to time. The Borrower shall give the Administrative Agent irrevocable notice in substantially the form of EXHIBIT B hereto (a "BORROWING/CONVERSION/CONTINUATION NOTICE") not later than 11:00 a.m. (Chicago time) (a) on or before the Borrowing Date of each Floating Rate Advance and (b) three Business Days before the Borrowing Date for each Eurodollar Rate Advance, specifying: (i) the Borrowing Date (which shall be a Business Day) of such Advance; (ii) the aggregate amount of such Advance; (iii) the Type of Advance selected; and (iv) in the case of each Eurodollar Rate Advance, the Interest Period applicable thereto. Each Floating Rate Advance and all Obligations other than Loans shall bear interest from and including the date of the making of such Advance, in the case of Loans, and the date such Obligation is due and owing in the case of such other Obligations, to (but not including) the date of repayment thereof at the Floating Rate, changing when and as such Floating Rate changes. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Loan will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Rate Advance shall bear interest from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined as applicable to such Eurodollar Rate Advance; PROVIDED, that the Eurodollar Rate applicable to any Eurodollar Rate Advance shall change when and as the Applicable Eurodollar Rate Margin changes.

2.9 MINIMUM AMOUNT OF EACH ADVANCE. Each Advance (other than an Advance to repay Swing Line Loans pursuant to SECTION 2.3(d) or a Reimbursement Obligation pursuant to SECTION 3.7) shall be in the minimum amount of \$5,000,000 (and in multiples of \$1,000,000 if in excess thereof), PROVIDED, HOWEVER, that any Floating Rate Advance may be in the amount of the unused Aggregate Revolving Loan Commitment.

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2.10 METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR CONVERSION AND CONTINUATION OF ADVANCES.

(A) RIGHT TO CONVERT. The Borrower may elect from time to time, subject to the provisions of SECTION 2.4 and this SECTION 2.10, to convert all or any part of a Loan of any Type into any other Type or Types of Loans; PROVIDED that any conversion of any Eurodollar Rate Advance shall be made on, and only on, the last day of the Interest Period applicable thereto.

(B) AUTOMATIC CONVERSION AND CONTINUATION. Floating Rate Loans shall continue as Floating Rate Loans unless and until such Floating Rate Loans are converted into Eurodollar Rate Loans. Eurodollar Rate Loans shall continue as Eurodollar Rate Loans until the end of the then applicable Interest Period therefor, at which time such Eurodollar Rate Loans shall be automatically converted into Floating Rate Loans unless the Borrower shall have given the Administrative Agent notice in accordance with SECTION 2.10(D) requesting that, at the end of such Interest Period, such Eurodollar Rate Loans continue as a Eurodollar Rate Loan.

(C) NO CONVERSION POST-DEFAULT OR POST-UNMATURED DEFAULT. Notwithstanding anything to the contrary contained in SECTION 2.10(A) or SECTION 2.10(B), no Loan may be converted into or continued as a Eurodollar Rate Loan (except with the consent of the Required Lenders) when any Default or Unmatured Default has occurred and is continuing.

(D) BORROWING/CONVERSION/CONTINUATION NOTICE. The Borrower shall give the Administrative Agent irrevocable notice, in substantially the form of a Borrowing/Conversion/Continuation Notice, of each conversion of a Floating Rate Loan into a Eurodollar Rate Loan or continuation of a Eurodollar Rate Loan not later than 11:00 a.m. (Chicago time) three Business Days prior to the date of the requested conversion or continuation, specifying: (1) the requested date (which shall be a Business Day) of such conversion or continuation; (2) the amount and Type of the Loan to be converted or continued; and (3) the amount of Eurodollar Rate Loan(s) into which such Loan is to be converted or continued and the duration of the Interest Period applicable thereto.

2.11 DEFAULT RATE. After the occurrence and during the continuance of a Default, at the option of the Administrative Agent or at the direction of the Required Lenders, the interest rate(s) applicable to the Obligations and the fees payable under SECTION 3.9 with respect to Letters of Credit shall be increased by two percent (2.0%) per annum above the Floating Rate or Eurodollar Rate, as applicable, or, if such increase results in the violation of applicable usury law, shall be increased to the maximum interest rate allowed under such usury law.

2.12 METHOD OF PAYMENT. All payments of principal, interest, and fees hereunder shall be made, without setoff, deduction or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to ARTICLE XIV, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by (x) 1:00 p.m. (Chicago time) with respect to each Swing Line Loan and (y) 12:00 noon (Chicago time) with respect

to all other Loans, in each case, on the date when due and shall be made ratably among the Swing Line Banks and the Lenders, as applicable (unless such amount is not to be shared ratably in accordance with the terms hereof). Each payment delivered to the Administrative

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Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds which the Administrative Agent received at its address specified pursuant to ARTICLE XIV or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender. The Borrower authorizes the Administrative Agent to charge the account of the Borrower maintained with First Chicago for each payment of principal, interest and fees as it becomes due hereunder.

2.13 EVIDENCE OF DEBT, TELEPHONIC NOTICES.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts (a "LOAN ACCOUNT") evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to SUBSECTIONS (A) or (B) of this Section shall be PRIMA FACIE evidence of the existence and amounts of the obligations recorded therein; PROVIDED that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that the Revolving Loans or Term Loans made by it each be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note for such Loans payable to the order of such Lender and in a form approved by the Administrative Agent and consistent with the terms of this Agreement. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to SECTION 13.3) be represented by one or more promissory notes in such form payable to the order of the payee named therein.

(e) The Borrower authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be an Authorized Officer acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation of each telephonic notice signed by an Authorized Officer of the Borrower. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error. In case of disagreement concerning such notices, if the Administrative Agent has recorded telephonic borrowing notices, such recordings will be made available to the Borrower upon the Borrower's request therefor.

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2.14 PROMISE TO PAY; INTEREST AND COMMITMENT FEES; INTEREST PAYMENT DATES; INTEREST AND FEE BASIS; TAXES; LOAN AND CONTROL ACCOUNTS.

(A) PROMISE TO PAY. The Borrower unconditionally promises to pay when due the principal amount of each Loan and all other Obligations incurred by it, and to pay when due all unpaid interest accrued thereon, in accordance with the terms of this Agreement and the other Loan Documents.

(B) INTEREST PAYMENT DATES. Interest accrued on each Floating Rate Loan shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof, on any date on which the Floating Rate Loan is prepaid, whether due to acceleration or otherwise, and at maturity (whether by acceleration or otherwise). Interest accrued on each Eurodollar Rate Loan shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Rate Loan is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Rate Loan having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest accrued on the principal balance of all other Obligations shall be payable in arrears (i) on the last day of each calendar month, commencing on the first such day following the incurrence of such Obligation, (ii) upon repayment thereof in full

or in part, and (iii) if not theretofore paid in full, at the time such other Obligation becomes due and payable (whether by acceleration or otherwise).

(C) COMMITMENT FEES. (i) The Borrower shall pay to the Administrative Agent, for the account of the Lenders in accordance with their Revolving Loan Pro Rata Shares, from and after the Closing Date until the date on which the Aggregate Revolving Loan Commitment shall be terminated in whole, a commitment fee accruing at the rate of the Applicable Commitment Fee Percentage, on the average daily closing amount (as of 2:00 p.m. (Chicago time)) by which (A) the Aggregate Revolving Loan Commitment in effect from time to time exceeds (B) the Revolving Credit Obligations (excluding the outstanding principal amount of the Swing Line Loans) in effect from time to time. All such commitment fees payable under this CLAUSE (C) shall be payable quarterly in arrears on the last day of each fiscal quarter of the Borrower occurring after the Closing Date (with the first such payment being calculated for the period from the Closing Date and ending on September 30, 1998), and, in addition, on the date on which the Aggregate Revolving Loan Commitment shall be terminated in whole.

(ii) The Borrower agrees to pay to the Administrative Agent for the sole account of the Agents and the Arrangers (unless otherwise agreed between the Administrative Agent, the other Agents and the Arrangers and any Lender) the fees set forth in the letter agreement between the Agents, the Arrangers and the Borrower, dated April 22, 1998, payable at the times and in the amounts set forth therein.

(iii) The Borrower agrees to pay to the Administrative Agent for its sole account the fees set forth in the letter agreement between the Administrative Agent and the Borrower, dated April 22, 1998, payable at the times and in the amounts set forth therein.

(D) INTEREST AND FEE BASIS; APPLICABLE FLOATING RATE MARGINS; APPLICABLE EURODOLLAR MARGINS AND APPLICABLE COMMITMENT FEE PERCENTAGE.

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(i) Interest on Floating Rate Loans and the commitment fee payable under SECTION 2.14(C) shall be calculated for actual days elapsed on the basis of a 365/366-day year. All other interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Obligation is incurred but not for the day of any payment on the amount paid if payment is received prior to 2:00 p.m. (Chicago time) at the place of payment. If any payment of principal of or interest on a Loan or any payment of any other Obligations shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

(ii) The Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be determined from time to time by reference to the table set forth below, on the basis of the then applicable Leverage Ratio as described in this SECTION 2.14(D) (ii):

<TABLE>

<CAPTION>

LEVERAGE RATIO	APPLICABLE FLOATING RATE MARGINS		APPLICABLE EURODOLLAR MARGINS		APPLICABLE COMMITMENT FEE PERCENTAGE
	TRANCHE A TERM LOANS AND REVOLVING LOANS	TRANCHE B TERM LOANS	TRANCHE A TERM LOANS AND REVOLVING LOANS	TRANCHE B TERM LOANS	
<S> Greater than or equal to 4.75 to 1.0	<C> 0.75%	<C> 1.125%	<C> 1.75%	<C> 2.125%	<C> 0.375%
Greater than or equal to 4.25 to 1.0 and less than 4.75 to 1.0	0.50%	1.125%	1.50%	2.125%	0.375%
Greater than or equal to 3.75 to 1.0 and less than 4.25 to 1.0	0.25%	1.00%	1.25%	2.00%	0.300%
Greater than or equal to	0.00%	1.00%	1.00%	2.00%	0.300%

3.25 to 1.0
and less than
3.75 to 1.0

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<CAPTION>

LEVERAGE RATIO	APPLICABLE FLOATING RATE MARGINS		APPLICABLE EURODOLLAR MARGINS		APPLICABLE COMMITMENT FEE PERCENTAGE
	TRANCHE A TERM LOANS AND REVOLVING LOANS	TRANCHE B TERM LOANS	TRANCHE A TERM LOANS AND REVOLVING LOANS	TRANCHE B TERM LOANS	
<S>	<C>	<C>	<C>	<C>	<C>
Greater than or equal to 2.75 to 1.0 and less than 3.25 to 1.0	0.00%	.875%	.875%	1.875%	0.250%
Less than 2.75 to 1.0	0.00%	.875%	.750%	1.875%	0.200%

</TABLE>

For purposes of this SECTION 2.14(D) (ii), the Leverage Ratio shall be determined as of the last day of each fiscal quarter based upon (a) for Total Debt, Total Debt as of the last day of each such fiscal quarter; and (b) for EBITDA, the actual amount for the four-quarter period ending on such day, calculated, with respect to Permitted Acquisitions, on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment. Except as provided in CLAUSE (III) below, upon receipt of (x) (i) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of each fiscal quarter for each fiscal year and the related consolidated statements of income, stockholder's equity and cash flows of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, together with consolidating schedules, in form and substance sufficient to calculate the financial covenants set forth in SECTIONS 2.5(B), 7.3(A) through (G), 7.3(L), 7.3(T) and 7.4; and (ii) the consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidating statements of income of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, in each case, prepared in a manner consistent with past practice (collectively, the "PRELIMINARY FINANCIALS"), and (y) a compliance certificate signed by the chief financial officer or treasurer of the Borrower substantially in the form of EXHIBIT H attached hereto and made a part hereof, which demonstrates compliance with the provisions of SECTION 7.4 (a "PRELIMINARY FINANCIAL COMPLIANCE CERTIFICATE", and together with the Preliminary Financials, the "PRELIMINARY FINANCIAL PACKAGE") for each quarter of each fiscal year, the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be adjusted, such adjustment being effective five (5) Business Days following the Administrative Agent's receipt of such Preliminary Financial Package (the "INITIAL ADJUSTMENT DATE"); PROVIDED, that, if upon receipt of the Borrower's financial statements delivered pursuant to SECTION 7.1(A) (i) for the first three quarters of each fiscal year and pursuant to SECTION 7.1(A) (ii) for the fourth quarter of each fiscal year, such financial statements indicate that the Leverage Ratio as of such fiscal quarter end or fiscal year end, as applicable, was higher or lower, as applicable, than the Leverage Ratio set forth in the

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Preliminary Financial Compliance Certificate for such fiscal quarter or fiscal year, as applicable, then an appropriate adjustment to the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be made (x) in the case of an adjustment upward, retroactively to the Initial Adjustment Date and the Borrower shall pay adjusted interest and commitment fees to the Administrative Agent for the account of the applicable Lenders for the period from the effective date of such initial adjustment based upon such Preliminary Financial Compliance Certificate to the date of such subsequent adjustment based upon such financial statements, such payment to be made not later than five (5) Business Days following delivery of such financial statements, and (y) in the case of an adjustment downward, retroactively to the Initial Adjustment Date, and an appropriate reduction to the Applicable Floating Rate Margins,

Applicable Eurodollar Margins and Applicable Commitment Fee Percentage for the next succeeding fiscal quarter shall be made such that the Borrower shall pay adjusted interest and commitment fees to the Administrative Agent for the account of the applicable Lenders for such next succeeding fiscal quarter in an amount equal to (i) the then due and payable interest and commitment fees for such next succeeding fiscal quarter MINUS (ii) the excess payment made during the period from the effective date of such initial adjustment based upon such Preliminary Financial Compliance Certificate to the date of such subsequent adjustment based upon such financial statements; PROVIDED, FURTHER, that if the Borrower shall not have timely delivered its financial statements in accordance with SECTION 7.1(A)(i) or SECTION 7.1(A)(ii), as applicable, then commencing on the date upon which such financial statements should have been delivered and continuing until such financial statements are actually delivered, it shall be assumed for purposes of determining the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage that the Leverage Ratio was greater than 4.75 to 1.0.

(iii) Notwithstanding anything herein to the contrary, from the Closing Date to but not including the later of (i) the fifth Business Day following receipt of a Preliminary Financial Package in respect of the fiscal quarter ending December 31, 1998 and (ii) the six month anniversary of the Closing Date, the Applicable Floating Rate Margin, Applicable Eurodollar Margin and Applicable Commitment Fee Percentage shall be determined as though the Leverage Ratio is greater than 4.75 to 1.00. The Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be initially adjusted based upon the Preliminary Financial Package in respect of the fiscal quarter ending December 31, 1998, such initial adjustment being effective on the later of (i) five (5) Business Days following the Administrative Agent's receipt of such Preliminary Financial Package and (ii) the six month anniversary of the Closing Date; PROVIDED, that, if upon receipt of the Borrower's audited financial statements delivered pursuant to SECTION 7.1(A)(ii) for the fiscal year ending December 31, 1998, such audited financial statements indicate that the Leverage Ratio for the fiscal quarter ending December 31, 1998 was higher than the Leverage Ratio set forth in the Preliminary Financial Compliance Certificate for such fiscal quarter, then an appropriate adjustment to the Applicable Floating Rate Margins, Applicable Eurodollar Margins and Applicable Commitment Fee Percentage shall be made retroactively to the applicable Initial Adjustment Date and the Borrower shall pay adjusted interest and commitment fees to the Administrative Agent for the account of the applicable Lenders for the period from such Initial Adjustment Date based upon such Preliminary Financial Compliance Certificate to the date of such subsequent adjustment based upon the audited financial statements, such payment to be made not later than five (5) Business Days following the delivery of such audited financial statements.

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(E) TAXES.

(i) Except as otherwise provided herein, any and all payments by the Borrower hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings or any liabilities with respect thereto including those arising after the date hereof as a result of the adoption of or any change in any law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the interpretation or application thereof by a Governmental Authority but excluding, in the case of each Lender and each Agent, such taxes (including, without limitation, income taxes, franchise taxes and branch profit taxes) as are imposed on or measured by such Lender's or Agent's, as the case may be, income by the United States of America or any political subdivision thereof or any Governmental Authority of the jurisdiction under the laws of which such Lender or Agent, as the case may be, is organized or maintains a Lending Installation (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities applicable to this Agreement, the other Loan Documents, the Revolving Loan Commitments, the Loans or the Letters of Credit being hereinafter referred to as "TAXES"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under the other Loan Documents to any Lender or Agent that has fully complied with all provisions of SECTION 2.14(e)(vi) and has delivered a certificate described in SECTION 2.14(E)(vi)(a) or (c), (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this SECTION 2.14(E)) such Lender or Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any other Loan Documents to any Lender or Agent that has not fully complied with all provisions of SECTION 2.14(E)(vi) or has complied with such provisions by delivering a certificate described in SECTION 2.14(E)(vi)(b), (i) the sum payable shall not be increased as a result of any required deductions, (ii) the Borrower shall make such deductions, and (iii) the Borrower shall pay

the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If a withholding tax of the United States of America or any other Governmental Authority shall be or become applicable (y) after the date of this Agreement, to such payments by the Borrower made to the Lending Installation or any other office that a Lender may claim as its Lending Installation, or (z) after such Lender's selection and designation of any other Lending Installation, to such payments made to such other Lending Installation, such Lender shall use reasonable efforts to make, fund and maintain its Loans through another Lending Installation of such Lender in another jurisdiction so as to reduce the Borrower's liability hereunder, if the making, funding or maintenance of such Loans through such other Lending Installation of such Lender does not, in the good faith judgment of such Lender, otherwise adversely affect such Loans, or obligations under the Revolving Loan Commitments or such Lender.

(ii) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, goods and services tax, or

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similar levies which arise from any payment made hereunder, from the issuance of Letters of Credit hereunder, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the other Loan Documents, the Revolving Loan Commitments, the Loans or the Letters of Credit (hereinafter referred to as "OTHER TAXES").

(iii) The Borrower indemnifies each Lender and Agent for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any Governmental Authority on amounts payable under this SECTION 2.14(E)) paid by such Lender or Agent (as the case may be) and any liability (including penalties, interest, and out-of-pocket expenses) arising therefrom or with respect thereto. This indemnification shall be made within thirty (30) days after the date such Lender or Agent (as the case may be) makes written demand therefor. A certificate as to any additional amount payable to any Lender or Agent under this SECTION 2.14(E) submitted to the Borrower and the Administrative Agent (if a Lender is so submitting) by such Lender or Agent shall show in reasonable detail the amount payable and the calculations used to determine such amount and shall, absent manifest error, be final, conclusive and binding upon all parties hereto. With respect to such deduction or withholding for or on account of any Taxes and to confirm that all such Taxes have been paid to the appropriate Governmental Authorities, the Borrower shall promptly (and in any event not later than thirty (30) days after receipt) furnish to each Lender and Agent such certificates, receipts and other documents as may be required (in the judgment of such Lender or Agent) to establish any tax credit to which such Lender or Agent may be entitled.

(iv) Within thirty (30) days after the date of any payment of Taxes or Other Taxes by the Borrower, the Borrower shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof.

(v) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this SECTION 2.14(E) shall survive the payment in full of principal and interest hereunder, the termination of the Letters of Credit and the termination of this Agreement and shall continue to survive until the expiration of the applicable statute of limitations for collection of the relevant Tax or Other Tax.

(vi) Each Lender and Agent that is not created or organized under the laws of the United States of America or a political subdivision thereof shall deliver to the Borrower and the Administrative Agent on or before the Closing Date, or, in the case of any Person that becomes a Lender or an Agent after the date hereof, on or before the date on which such Person becomes a Lender or an Agent, as applicable, after the date hereof, a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender or Agent, in a form satisfactory to the Borrower and the Administrative Agent, to the effect that such Lender or Agent is eligible under the provisions of an applicable tax treaty concluded by the United States of America or other exemption (in which case the certificate shall be accompanied by two executed copies of Form 1001 of the IRS or successor applicable form) or under Section 1442 of the Code (in which case the certificate shall be accompanied by two copies of Form 4224 of the IRS or successor applicable form) or, if such Lender is not a "bank" within the meaning of

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Section 881(c)(3)(A) of the Code, two completed signed copies of IRS Form W-8 or W-9 or successor applicable form, to receive payments of

interest hereunder without deduction or withholding of United States federal income tax. Each such Lender and Agent further agrees to deliver to the Borrower and the Administrative Agent from time to time a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender or Agent substantially in a form satisfactory to the Borrower and the Administrative Agent, before or promptly upon the occurrence of any event requiring a change in the most recent certificate previously delivered by it to the Borrower and the Administrative Agent pursuant to this SECTION 2.14(E)(vi). Further, each Lender or Agent which delivers a certificate accompanied by Form 1001 of the IRS covenants and agrees to deliver to the Borrower and the Administrative Agent within fifteen (15) days prior to January 1, 1999, and every third (3rd) anniversary of such date thereafter on which this Agreement is still in effect, another such certificate and two accurate and complete original signed copies of Form 1001 (or any successor form or forms required under the Code or the applicable regulations promulgated thereunder to establish an exemption from or reduction in the rate of withholding), and each Lender or Agent that delivers a Form W-8 or W-9 as prescribed above or a certificate accompanied by Form 4224 of the IRS covenants and agrees to deliver to the Borrower and the Administrative Agent within fifteen (15) days prior to the beginning of each subsequent taxable year of such Lender or Agent during which this Agreement is still in effect, another such Form W-8 or W-9 or another such certificate and two accurate and complete original signed copies of IRS Form 4224 (or any successor form or forms required under the Code or the applicable regulations promulgated thereunder to establish an exemption from withholding). Each such certificate shall certify as to one of the following:

(a) that such Lender or Agent is eligible to receive payments of interest hereunder without deduction or withholding of United States of America federal income tax;

(b) that such Lender or Agent is not eligible to receive payments of interest hereunder without deduction or withholding of United States of America federal income tax as specified therein but is capable of recovering the full amount of any such deduction or withholding from a source other than the Borrower and will not seek any such recovery from the Borrower; or

(c) that, as a result of the adoption of or any change in any law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the interpretation or application thereof by a Governmental Authority after the date such Lender became a party hereto, such Lender is not eligible to receive payments of interest hereunder without deduction or withholding of United States of America federal income tax as specified therein and that it is not capable of recovering the full amount of the same from a source other than the Borrower.

Each Lender and Agent shall promptly furnish to the Borrower and the Administrative Agent such additional documents as may be reasonably required by the Borrower or the

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Administrative Agent to establish any exemption from or reduction of any Taxes or Other Taxes required to be deducted or withheld and which may be obtained without undue expense to such Lender.

(F) CONTROL ACCOUNT. The Register maintained by the Administrative Agent pursuant to SECTION 13.3(C) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Advance made hereunder, the type of Loan comprising such Advance and any Interest Period applicable thereto, (ii) the effective date and amount of each Assignment Agreement delivered to and accepted by it and the parties thereto pursuant to SECTION 13.3, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (iv) the amount of any sum received by the Administrative Agent from the Borrower hereunder and each Lender's share thereof, and (v) all other appropriate debits and credits as provided in this Agreement, including, without limitation, all fees, charges, expenses and interest.

(G) ENTRIES BINDING. The entries made in the Register and each Loan Account shall be conclusive and binding for all purposes, absent manifest error, unless the Borrower objects to information contained in the Register and each Loan Account within thirty (30) days of the Borrower's receipt of such information.

2.15 NOTIFICATION OF ADVANCES, INTEREST RATES, PREPAYMENTS AND AGGREGATE REVOLVING LOAN COMMITMENT REDUCTIONS. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Revolving Loan Commitment reduction notice, Borrowing/Conversion/Continuation Notice, and repayment notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Rate

Loan promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.16 LENDING INSTALLATIONS. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation. Each Lender may, by written or facsimile notice to the Administrative Agent and the Borrower, designate a Lending Installation through which Loans will be made by it and for whose account Loan payments are to be made.

2.17 NON-RECEIPT OF FUNDS BY THE ADMINISTRATIVE AGENT. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by

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the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of payment by a Lender, the Federal Funds Effective Rate for such day or (ii) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

2.18 TERMINATION DATE. This Agreement shall be effective until the later of (i) the Termination Date, (ii) the Tranche A Term Loan Termination Date and (iii) the Tranche B Term Loan Termination Date. Notwithstanding the termination of this Agreement, until all of the Obligations (other than contingent indemnity obligations) shall have been fully and indefeasibly paid and satisfied, all financing arrangements among the Borrower and the Lenders shall have been terminated (other than under Hedging Agreements or other agreements with respect to Hedging Obligations) and all of the Letters of Credit shall have expired, been canceled or terminated, all of the rights and remedies under this Agreement and the other Loan Documents shall survive.

2.19 REPLACEMENT OF CERTAIN LENDERS. In the event a Lender ("AFFECTED LENDER") shall have: (i) failed to fund its Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of any Advance requested by the Borrower, or to fund a Revolving Loan in order to repay Swing Line Loans pursuant to SECTION 2.3(d), which such Lender is obligated to fund under the terms of this Agreement and which failure has not been cured, (ii) requested compensation from the Borrower under SECTIONS 2.14(E), 4.1 or 4.2 to recover Taxes, Other Taxes or other additional costs incurred by such Lender which are not being incurred generally by the other Lenders, (iii) delivered a notice pursuant to SECTION 4.3 claiming that such Lender is unable to extend Eurodollar Rate Loans to the Borrower for reasons not generally applicable to the other Lenders or (iv) has invoked SECTION 10.2, then, in any such case, the Borrower or the Administrative Agent may make written demand on such Affected Lender (with a copy to the Administrative Agent in the case of a demand by the Borrower and a copy to the Borrower in the case of a demand by the Administrative Agent) for the Affected Lender to assign, and such Affected Lender shall use commercially reasonable efforts to assign pursuant to one or more duly executed Assignment Agreements five (5) Business Days after the date of such demand, to one or more financial institutions that comply with the provisions of SECTION 13.3(A) which the Borrower or the Administrative Agent, as the case may be, shall have engaged for such purpose ("REPLACEMENT LENDER"), all of such Affected Lender's rights and obligations under this Agreement and the other Loan Documents (including, without limitation, its Revolving Loan Commitment, all Loans owing to it, all of its participation interests in existing Letters of Credit, and its obligation to participate in additional Letters of Credit hereunder) in accordance with SECTION 13.3. The Administrative Agent agrees, upon the occurrence of such events with respect to an Affected Lender and upon the written request of the Borrower, to use its reasonable efforts to obtain the commitments from one or more financial institutions to act as a Replacement Lender. The Administrative Agent is authorized to execute one or more of such assignment agreements as attorney-in-fact for any Affected Lender failing to execute and deliver the same within five (5) Business Days after the date of such demand. Further, with respect to such assignment the Affected Lender shall have concurrently received, in cash, all amounts due and owing to the Affected Lender hereunder or under any other Loan Document, including, without limitation, the aggregate outstanding principal amount of the Loans owed to such Lender, together with accrued interest thereon through the date of such assignment, amounts payable under SECTIONS 2.14(E), 4.1, and 4.2 with respect to such Affected Lender and compensation payable under SECTION 2.14(C) in the event of any replacement of

any Affected Lender under CLAUSE (ii) or CLAUSE (III) of this SECTION 2.19; PROVIDED that upon such Affected Lender's

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replacement, such Affected Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of SECTIONS 2.14(E), 4.1, 4.2, 4.4, and 10.7 accrued with respect to the period prior to the date such Affected Lender is replaced, as well as to any fees accrued through the date of such assignment for its account hereunder and not yet paid, and shall continue to be obligated under SECTION 11.8. Upon the replacement of any Affected Lender pursuant to this SECTION 2.19, the provisions of SECTION 9.2 shall continue to apply with respect to Borrowings which are then outstanding with respect to which the Affected Lender failed to fund its Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, and which failure has not been cured.

ARTICLE III: THE LETTER OF CREDIT FACILITY

3.1 OBLIGATION TO ISSUE. Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants of the Borrower herein set forth, each Issuing Bank hereby agrees to issue upon Borrower's request, for the account of the Borrower or any Guarantor through such Issuing Bank's branches as it and the Borrower may jointly agree, one or more Letters of Credit in accordance with this ARTICLE III, from time to time during the period, commencing on the date hereof and ending on the Business Day prior to the Termination Date; PROVIDED, HOWEVER, that no Issuing Bank shall have any obligation to issue any Letter of Credit if, after taking into account such issuance, the aggregate L/C Obligations outstanding under Letters of Credit issued by such Issuing Bank would exceed the amount set forth on SCHEDULE 3.1 opposite such Issuing Bank's name. SCHEDULE 3.1 may be updated at any time and from time to time by the Administrative Agent in connection with the addition of any Issuing Bank.

3.2 TRANSITIONAL PROVISION. SCHEDULE 3.2 contains a schedule of certain letters of credit issued for the account of the Borrower and certain Guarantors prior to the Closing Date. Subject to the satisfaction of the conditions contained in SECTIONS 5.1 and 5.2, from and after the Closing Date such letters of credit shall be deemed to be Letters of Credit issued pursuant to this ARTICLE III.

3.3 TYPES AND AMOUNTS. No Issuing Bank shall have any obligation to and no Issuing Bank shall:

- (i) issue any Letter of Credit if on the date of issuance, before or after giving effect to the Letter of Credit requested hereunder, (a) the Revolving Credit Obligations at such time would exceed the Aggregate Revolving Loan Commitment at such time, or (b) the aggregate outstanding amount of the L/C Obligations would exceed \$100,000,000; or
- (ii) issue any Letter of Credit which has an expiration date later than the date which is the earlier of (A) one (1) year after the date of issuance thereof (other than pursuant to evergreen renewal provisions with respect to letters of credit issued in support of the industrial revenue bonds identified on SCHEDULE 3.3 hereto and Permitted Refinancing Indebtedness in respect thereof) and (B) the Revolving Loan Termination Date.

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3.4 CONDITIONS. In addition to being subject to the satisfaction of the conditions contained in SECTIONS 5.1 and 5.2, the obligation of an Issuing Bank to issue any Letter of Credit is subject to the satisfaction in full of the following conditions:

- (i) the Borrower shall have delivered or caused the applicable Guarantor applicant to deliver to the applicable Issuing Bank at such times and in such manner as such Issuing Bank may reasonably prescribe, a request for issuance of such Letter of Credit in substantially the form of EXHIBIT C hereto, duly executed applications for such Letter of Credit, and such other customary documents, instructions and agreements as may be required pursuant to the terms thereof (all such applications, documents, instructions, and agreements being referred to herein as the "L/C Documents"), and the proposed Letter of Credit shall be reasonably satisfactory to such Issuing Bank as to form and content; and
- (ii) as of the date of issuance of such Letter of Credit, no order, judgment or decree of any court, arbitrator or Governmental Authority shall purport by its terms to enjoin or restrain the applicable Issuing Bank from issuing such Letter of Credit and no law, rule or regulation applicable to such Issuing Bank and no request or directive (whether or not having the force of law) from a Governmental

Authority with jurisdiction over such Issuing Bank shall prohibit or request that such Issuing Bank refrain from the issuance of Letters of Credit generally or the issuance of that Letter of Credit.

To the extent that any provision of any L/C Document cannot reasonably be construed to be consistent with this Agreement, requires greater collateral security or imposes additional obligations not reasonably related to customary letter of credit arrangements, such provision shall be invalid and this Agreement shall control.

3.5 PROCEDURE FOR ISSUANCE OF LETTERS OF CREDIT. (a) Subject to the terms and conditions of this ARTICLE III and provided that the applicable conditions set forth in SECTIONS 5.1 and 5.2 hereof have been satisfied, the applicable Issuing Bank shall, on the requested date, issue a Letter of Credit on behalf of the Borrower or Guarantor, as applicable, in accordance with such Issuing Bank's usual and customary business practices and, in this connection, such Issuing Bank may assume that the applicable conditions set forth in SECTION 5.2 hereof have been satisfied unless it shall have received notice to the contrary from the Administrative Agent or a Lender or has knowledge that the applicable conditions have not been met.

(b) The applicable Issuing Bank shall give the Administrative Agent written or telex notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance of a Letter of Credit, PROVIDED, HOWEVER, that the failure to provide such notice shall not result in any liability on the part of such Issuing Bank.

(c) No Issuing Bank shall extend or amend any Letter of Credit unless the requirements of this SECTION 3.5 are met as though a new Letter of Credit was being requested and issued.

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3.6 LETTER OF CREDIT PARTICIPATION. Immediately upon the issuance of each Letter of Credit hereunder, each Lender with a Revolving Loan Pro Rata Share shall be deemed to have automatically, irrevocably and unconditionally purchased and received from the applicable Issuing Bank an undivided interest and participation in and to such Letter of Credit, the obligations of the Borrower and/or Guarantor, as applicable, in respect thereof, and the liability of such Issuing Bank thereunder (collectively, an "L/C INTEREST") in an amount equal to the amount available for drawing under such Letter of Credit multiplied by such Lender's Revolving Loan Pro Rata Share. Each Issuing Bank will notify each Lender promptly upon presentation to it of an L/C Draft or upon any other draw under a Letter of Credit. On or before the Business Day on which an Issuing Bank makes payment of each such L/C Draft or, in the case of any other draw on a Letter of Credit, on demand by the Administrative Agent or the applicable Issuing Bank, each Lender shall make payment to the Administrative Agent, for the account of the applicable Issuing Bank, in immediately available funds in an amount equal to such Lender's Revolving Loan Pro Rata Share of the amount of such payment or draw.

The obligation of each Lender to reimburse the Issuing Banks under this SECTION 3.6 shall be unconditional, continuing, irrevocable and absolute. In the event that any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 3.6, the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Administrative Agent receives such payment from such Lender or such obligation is otherwise fully satisfied; PROVIDED, HOWEVER, that nothing contained in this sentence shall relieve such Lender of its obligation to reimburse the applicable Issuing Bank for such amount in accordance with this SECTION 3.6.

3.7 REIMBURSEMENT OBLIGATION. The Borrower agrees unconditionally, irrevocably and absolutely to pay promptly upon demand therefor to the Administrative Agent, for the account of the Lenders, the amount of each advance which may be drawn under or pursuant to a Letter of Credit (whether such Letter of Credit was issued for the account of the Borrower or any Guarantor) or an L/C Draft related thereto (such obligation of the Borrower to reimburse the Administrative Agent for an advance made under a Letter of Credit or L/C Draft being hereinafter referred to as a "REIMBURSEMENT OBLIGATION" with respect to such Letter of Credit or L/C Draft). If the Borrower at any time fails to repay when due a Reimbursement Obligation pursuant to this SECTION 3.7, the Borrower shall be deemed to have elected to borrow Revolving Loans from the Lenders, as of the date of the advance giving rise to the Reimbursement Obligation, equal in amount to the amount of the unpaid Reimbursement Obligation. Such Revolving Loans shall be made as of the date of the payment giving rise to such Reimbursement Obligation, automatically, without notice and without any requirement to satisfy the conditions precedent otherwise applicable to an Advance of Revolving Loans. Such Revolving Loans shall constitute a Floating Rate Advance, the proceeds of which Advance shall be used to repay such Reimbursement Obligation. If, for any reason, the Borrower fails to repay a Reimbursement Obligation on the day such Reimbursement Obligation arises and, for any reason, the Lenders are unable to make or have no obligation to make Revolving Loans, then such Reimbursement Obligation shall bear interest from and after such day, until paid in full, at the interest rate applicable to a

3.8 CASH COLLATERAL. Notwithstanding anything to the contrary herein or in any application for a Letter of Credit, after the occurrence and during the continuance of a Default, the Borrower shall, upon the Administrative Agent's demand, deliver to the Administrative Agent for the benefit of the

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Lenders and the Issuing Banks, cash, or other collateral of a type reasonably satisfactory to the Required Lenders, having a value, as determined by such Lenders, equal to the aggregate outstanding L/C Obligations. Any such collateral shall be held by the Administrative Agent in a separate interest bearing account appropriately designated as a cash collateral account in relation to this Agreement and the Letters of Credit and retained by the Administrative Agent for the benefit of the Lenders and the Issuing Banks as collateral security for the Borrower's obligations in respect of this Agreement and each of the Letters of Credit and L/C Drafts. Such amounts shall be applied to reimburse the Issuing Banks for drawings or payments under or pursuant to Letters of Credit or L/C Drafts, or if no such reimbursement is required, to payment of such of the other Obligations as the Administrative Agent shall determine. If no Default shall be continuing all amounts (including interest income), or, to the extent that L/C Obligations have been paid in full in cash or have otherwise been reduced to \$0 amounts (including interest income) equal to the reduction in such L/C Obligations, in each case, remaining in any cash collateral account established pursuant to this SECTION 3.8 which are not to be applied to reimburse an Issuing Bank for amounts actually paid or to be paid by such Issuing Bank in respect of a Letter of Credit or L/C Draft, shall be returned to the Borrower (after deduction of the Administrative Agent's expenses incurred in connection with such cash collateral account).

3.9 LETTER OF CREDIT FEES. The Borrower agrees to pay (i) on each Payment Date and on the Termination Date, in arrears, to the Administrative Agent for the ratable benefit of the Lenders, except as set forth in SECTION 9.2, a letter of credit fee at a rate per annum equal to the Applicable L/C Fee Percentage on the average daily outstanding face amount available for drawing under all Letters of Credit, (ii) on each Payment Date and on the Termination Date, in arrears, to the Administrative Agent for the sole account of each Issuing Bank, a letter of credit fronting fee at such percentage rate as may be agreed between the Borrower or Guarantor, as applicable, and each Issuing Bank on the average daily outstanding face amount available for drawing under all Letters of Credit issued by such Issuing Bank, and (iii) to the Administrative Agent for the benefit of each Issuing Bank, all customary fees and other issuance, amendment, document examination, negotiation and presentment expenses and related charges in connection with the issuance, amendment, presentation of L/C Drafts, and the like customarily charged by such Issuing Banks with respect to standby and commercial Letters of Credit, including, without limitation, standard commissions with respect to commercial Letters of Credit, payable at the time of invoice of such amounts.

3.10 ISSUING BANK REPORTING REQUIREMENTS. Each Issuing Bank shall, no later than the tenth Business Day following the last day of each month, provide to the Administrative Agent, upon the Administrative Agent's request, schedules, in form and substance reasonably satisfactory to the Administrative Agent, showing the date of issue, account party, amount, expiration date and the reference number of each Letter of Credit issued by it outstanding at any time during such month and the aggregate amount payable by the Borrower and/or any Guarantor during such month. In addition, upon the request of the Administrative Agent, each Issuing Bank shall furnish to the Administrative Agent copies of any Letter of Credit and any application for or reimbursement agreement with respect to a Letter of Credit to which the Issuing Bank is party and such other documentation as may reasonably be requested by the Administrative Agent. Upon the request of any Lender, the Administrative Agent will provide to such Lender information concerning such Letters of Credit.

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3.11 INDEMNIFICATION; EXONERATION. (a) In addition to amounts payable as elsewhere provided in this ARTICLE III, the Borrower hereby agrees to protect, indemnify, pay and save harmless the Administrative Agent, each Issuing Bank and each Lender from and against any and all liabilities and costs which the Administrative Agent, such Issuing Bank or such Lender may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit other than, in the case of the applicable Issuing Bank, as a result of its Gross Negligence or willful misconduct, or (ii) the failure of the applicable Issuing Bank to honor a drawing under a Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future DE JURE or DE FACTO Governmental Authority (all such acts or omissions herein called "GOVERNMENTAL ACTS").

(b) As among the Borrower, the Lenders, the Administrative Agent and the Issuing Banks, the Borrower assumes all risks of the acts and omissions of, or misuse of such Letter of Credit by, the beneficiary of any Letters of Credit. In furtherance and not in limitation of the foregoing, subject to the provisions

of the Letter of Credit applications and Letter of Credit reimbursement agreements executed by the Borrower or any Guarantor at the time of request for any Letter of Credit, neither the Administrative Agent, any Issuing Bank nor any Lender shall be responsible (in the absence of Gross Negligence or willful misconduct in connection therewith): (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of a Letter of Credit to comply duly with conditions required in order to draw upon such Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, or other similar form of teletransmission or otherwise; (v) for errors in interpretation of technical trade terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Administrative Agent, the Issuing Banks and the Lenders, including, without limitation, any Governmental Acts. None of the above shall affect, impair, or prevent the vesting of any Issuing Bank's rights or powers under this SECTION 3.11.

(c) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by any Issuing Bank under or in connection with the Letters of Credit or any related certificates shall not, in the absence of Gross Negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, put the applicable Issuing Bank, the Administrative Agent or any Lender under any resulting liability to the Borrower or any Guarantor or relieve the Borrower of any of its obligations hereunder to any such Person.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this SECTION 3.11 shall survive the payment in full of principal and interest hereunder, the termination of the Letters of Credit and the termination of this Agreement.

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ARTICLE IV: CHANGE IN CIRCUMSTANCES

4.1 YIELD PROTECTION. If any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) adopted after the date of this Agreement and having general applicability to all banks within the jurisdiction in which such Lender operates (excluding, for the avoidance of doubt, the effect of and phasing in of capital requirements or other regulations or guidelines passed prior to the date of this Agreement), or any interpretation or application thereof by any Governmental Authority charged with the interpretation or application thereof, or the compliance of any Lender therewith,

(i) subjects any Lender or any applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding federal taxation of the overall net income of any Lender or applicable Lending Installation), or changes the basis of taxation of payments to any Lender in respect of its Loans, its L/C Interests, the Letters of Credit or other amounts due it hereunder, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Rate Loans) with respect to its Loans, L/C Interests or the Letters of Credit, or

(iii) imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining the Loans, the L/C Interests or the Letters of Credit or reduces any amount received by any Lender or any applicable Lending Installation in connection with Loans or Letters of Credit, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Loans or L/C Interests held or interest received by it or by reference to the Letters of Credit, by an amount deemed material by such Lender;

and the result of any of the foregoing is to increase the cost to that Lender of making, renewing or maintaining its Loans, L/C Interests or Letters of Credit or to reduce any amount received under this Agreement, then, within 15 days after receipt by the Borrower of written demand by such Lender pursuant to SECTION 4.5, the Borrower shall pay such Lender that portion of such increased expense incurred or reduction in an amount received which such Lender determines is attributable to making, funding and maintaining its Loans, L/C Interests, Letters of Credit and its Revolving Loan Commitment.

4.2 CHANGES IN CAPITAL ADEQUACY REGULATIONS. If a Lender determines (i) the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a "Change in Capital Adequacy" (as defined below), and (ii) such increase in capital will result in an increase in the cost to such Lender of maintaining its Loans, L/C Interests, the Letters of Credit or its obligation to make Loans hereunder, then, within 15 days after receipt by the Borrower of written demand by such Lender pursuant to

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SECTION 4.5, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Loans, its L/C Interests, the Letters of Credit or its obligation to make Loans hereunder (after taking into account such Lender's policies as to capital adequacy). "CHANGE IN CAPITAL ADEQUACY" means (i) any change after the date of this Agreement in the "Risk-Based Capital Guidelines" (as defined below) excluding, for the avoidance of doubt, the effect of any phasing in of such Risk-Based Capital Guidelines or any other capital requirements passed prior to the date hereof, or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement and having general applicability to all banks and financial institutions within the jurisdiction in which such Lender operates which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "RISK-BASED CAPITAL GUIDELINES" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

4.3 AVAILABILITY OF TYPES OF ADVANCES. If (i) any Lender determines that maintenance of its Eurodollar Rate Loans at a suitable Lending Installation would violate any applicable law, rule, regulation or directive, whether or not having the force of law, or (ii) the Required Lenders determine that (x) deposits of a type and maturity appropriate to match fund Eurodollar Rate Advances are not available or (y) the interest rate applicable to a Type of Advance does not accurately reflect the cost of making or maintaining such an Advance, then the Administrative Agent shall suspend the availability of the affected Type of Advance and, in the case of any occurrence set forth in clause (i) require any Advances of the affected Type to be repaid.

4.4 FUNDING INDEMNIFICATION. If any payment of a Eurodollar Rate Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment, or otherwise, or a Eurodollar Rate Advance is not made on the date specified by the Borrower in any Borrowing/Conversion/Continuation Notice for any reason other than default by the Lenders, the Borrower agrees to indemnify each Lender upon such Lender's delivery of written demand therefor to the Borrower in accordance with the terms of SECTION 4.5 for any reasonable loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain the Eurodollar Rate Advance. In connection with any assignment by any Lender of any portion of the Loans made pursuant to SECTION 13.3 and made during the Syndication Period, the Borrower shall be deemed to have repaid all outstanding Eurodollar Rate Advances as of such date and reborrowed such amounts as Floating Rate Advances and the indemnification provisions under this SECTION 4.4 shall apply.

4.5 LENDER STATEMENTS; SURVIVAL OF INDEMNITY. If reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Rate Loans to reduce any liability of the Borrower to such Lender under SECTIONS 4.1 and 4.2 or to avoid the unavailability of a Type of Advance under SECTION 4.3, so long as such designation is not disadvantageous to such Lender.

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Each Lender requiring compensation pursuant to SECTION 2.14(E) or to this ARTICLE IV shall use its best efforts to notify the Borrower and the Administrative Agent in writing of any Change in Capital Adequacy, law, policy, rule, guideline or directive giving rise to such demand for compensation not later than ninety (90) days following the date upon which the responsible account officer of such Lender knows or should have known of such Change in Capital Adequacy, law, policy, rule, guideline or directive. Any demand for compensation pursuant to this ARTICLE IV shall be in writing and shall state the amount due, if any, under SECTION 4.1, 4.2 or 4.4 and shall set forth in reasonable detail the calculations upon which such Lender determined such amount. Such written demand shall be rebuttably presumed correct for all purposes. Determination of amounts payable under SECTION 4.4 in connection with a Eurodollar Rate Loan shall be calculated as though each Lender funded its Eurodollar Rate Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. The obligations of the Borrower under SECTIONS 4.1, 4.2 and 4.4 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE V: CONDITIONS PRECEDENT

5.1 INITIAL ADVANCES AND LETTERS OF CREDIT. The Lenders shall not be required to make the initial Loans or issue any Letters of Credit or purchase any participations therein, in each case, on the Closing Date, unless (i) such initial Loans are made not later than December 31, 1998; (ii) the Subordinated Notes and Senior Notes have been issued and the Borrower has received the net proceeds thereof; (iii) the Reynolds Acquisition has been consummated; and (iv) the Borrower has furnished to the Administrative Agent each of the following, with sufficient copies for the Lenders, all in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

(1) Copies of the Articles of Incorporation (or equivalent organizational document) of the Borrower, and each of the Guarantors, each of the Material Foreign Subsidiaries which is a party to any of the Loan Documents or the Capital Stock of which is subject to a Pledge Agreement, together with all amendments and a certificate of good standing (in the case of the Material Foreign Subsidiaries, to the extent applicable), both certified by the appropriate governmental officer in its respective jurisdiction of incorporation;

(2) Copies, certified by the Secretary or Assistant Secretary of each of the Borrower, each Guarantor, and each of the Material Foreign Subsidiaries which is a party to any of the Loan Documents or the Capital Stock of which is subject to a Pledge Agreement of its respective By-Laws (or equivalent organizational document) and, for each such Person which is a party to any of the Loan Documents, of its respective Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for any Lender) authorizing its execution of such Loan Documents;

(3) An incumbency certificate, executed by the Secretary or Assistant Secretary of each member of the Ball Corporate Group which is a party to any of the Loan Documents, which shall identify by name and title and bear the signature of the officers of such Person authorized to sign the Loan Documents to which it is a party and, in the case of the Borrower,

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to make borrowings hereunder, upon which certificate the Lenders shall be entitled to rely until informed of any change in writing by the Borrower;

(4) A certificate, in form and substance reasonably satisfactory to the Administrative Agent, signed by the chief financial officer or treasurer of the Borrower, stating that on the Closing Date all the representations in this Agreement are true and correct and no Default or Unmatured Default has occurred and is continuing;

(5) A written opinion of the Borrower's domestic and foreign counsel, addressed to the Agents, the Arrangers and the Lenders, substantially in the form of EXHIBIT E hereto;

(6) Evidence reasonably satisfactory to the Administrative Agent that (i) all conditions precedent to the consummation of the Reynolds Acquisition (other than the failure to obtain the consents of Paco, Inc. and Independent Beverage Corporation to the consummation of the Reynolds Acquisition) have been satisfied or waived with the approval of the Agents (such approval not to be unreasonably withheld), (ii) the Reynolds Acquisition shall have been consummated in accordance with the Asset

Purchase Agreement, as in effect on April 22, 1998, without giving effect to any amendment, modification or waiver thereto which (x) is deemed material by the Agents and (y) to which the Agents shall not have consented in writing, (iii) the Asset Purchase Agreement has been approved by all necessary corporate action of Reynold's and the Borrower's respective Board of Directors and/or shareholders, and (iv) there has not occurred any material breach or default under the Asset Purchase Agreement;

(7) Evidence reasonably satisfactory to the Administrative Agent that there exists no injunction or temporary restraining order which, in the reasonable judgment of the Administrative Agent, would prohibit the making of the Loans or the consummation of the Reynolds Acquisition and the other transactions contemplated by the Transaction Documents or any litigation seeking such an injunction or restraining order;

(8) Written money transfer instructions reasonably requested by the Administrative Agent, addressed to the Administrative Agent and signed by an Authorized Officer of the Borrower;

(9) (x) the audited financial statements of the Reynolds Group for the fiscal years ending December 31, 1996 and December 31, 1997 and (y) the PRO FORMA opening consolidated financial statements of the Borrower and its Subsidiaries, after giving effect to the Reynolds Acquisition, which financial statements shall demonstrate, in the reasonable judgement of the Agents and the Required Lenders, together with all other information then available to the Agents and the Required Lenders, the ability of the Borrower and its Subsidiaries to repay their debts and satisfy their respective other obligations as and when due, and to comply with the financial covenants set forth in SECTION 7.4 hereof, has not changed in any material respect from the PRO FORMA financial statements furnished to the Agents on March 5, 1998;

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(10) Evidence reasonably satisfactory to the Administrative Agent that (x) all required U.S. governmental approvals related to the Reynolds Acquisition have been obtained and all related filings made and any applicable waiting periods shall have expired or been terminated, including those prescribed by the Hart-Scott-Rodino Antitrust Improvements Act, as amended, and (y) prior to the consummation of that portion of the Reynolds Acquisition relating to the foreign assets of the Reynolds Group, all material consents (other than governmental approvals) shall have been obtained;

(11) Evidence satisfactory to the Administrative Agent of the payment of all principal, interest, fees and premiums, if any, on all loans outstanding under all outstanding funded debt and credit facilities of the Borrower and each of its Domestic Incorporated Subsidiaries (other than Permitted Existing Indebtedness) and the termination of the applicable agreements, including, without limitation, BMBCC's Long-Term Credit Agreement and Short-Term Credit Agreement, each dated as of February 5, 1996, and the Borrower's and its Subsidiaries' Indebtedness identified on SCHEDULE 5.1 attached hereto;

(12) Evidence reasonably satisfactory to the Agents that the Borrower and each of its Subsidiaries, and the Reynolds Group (a) has made a full and complete assessment of the Year 2000 Issues; (b) has a realistic and achievable program for remediating the Year 2000 Issues, including a timetable and budget of anticipated costs; and (c) has a source of funds as required in such budget;

(13) Such other documents as the Administrative Agent or any Lender or its counsel may have reasonably requested, including, without limitation, all of the documents reflected on the List of Closing Documents attached as EXHIBIT F to this Agreement; and

(14) Evidence satisfactory to the Administrative Agent that the Borrower has paid or caused to be paid (x) to the Agents and the Arrangers the fees agreed to and then due and payable in the fee letter dated April 22, 1998, among the Agents, the Arrangers and the Borrower and (y) to the Administrative Agent the fees agreed to and then due and payable in the letter agreement dated April 22, 1998 among the Administrative Agent and the Borrower.

5.2 EACH ADVANCE AND LETTER OF CREDIT. The Lenders shall not be required to make any Advance or issue any Letter of Credit, unless on the applicable Borrowing Date, or in the case of a Letter of Credit, the date on which the Letter of Credit is to be issued:

(i) There exists no Default or Unmatured Default; and

(ii) The representations and warranties contained in ARTICLE VI are

true and correct in all material respects as of such Borrowing Date except for changes in the Schedules to this Agreement reflecting events, conditions or transactions permitted by or not in violation of this Agreement and except to the extent any such representation or warranty speaks expressly only as of a different date.

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Each Borrowing/Conversion/Continuation Notice with respect to each such Advance and the letter of credit application with respect to each Letter of Credit shall constitute a representation and warranty by the Borrower that the conditions contained in SECTIONS 5.2(i) and (ii) have been satisfied. Any Lender may require a duly completed officer's certificate in substantially the form of EXHIBIT G hereto and/or a duly completed compliance certificate in substantially the form of EXHIBIT H hereto as a condition to making an Advance.

ARTICLE VI: REPRESENTATIONS AND WARRANTIES

In order to induce the Agents and the Lenders to enter into this Agreement and to make the Loans and the other financial accommodations to the Borrower and to issue the Letters of Credit described herein, the Borrower represents and warrants as follows to each Lender and Agent as of the Closing Date, giving effect to the Reynolds Acquisition and the consummation of the other transactions contemplated by the Transaction Documents on the Closing Date, and thereafter on each date as required by SECTION 5.2:

6.1 ORGANIZATION; CORPORATE POWERS. The Borrower and each of its Subsidiaries (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect, and (iii) has all requisite corporate power and authority to own, operate and (to the extent contemplated hereby) encumber its property and to conduct its business as presently conducted and as proposed to be conducted.

6.2 AUTHORITY.

(A) The Borrower and each of its Subsidiaries has the requisite corporate power and authority (i) to execute, deliver and perform each of the Transaction Documents which are to be executed by it in connection with the Reynolds Acquisition or which have been executed by it as required by this Agreement and the other Loan Documents on or prior to Closing Date and (ii) to file the Transaction Documents which must be filed by it in connection with the Reynolds Acquisition or which have been filed by it as required by this Agreement, the other Loan Documents or otherwise on or prior to the Closing Date with any Governmental Authority.

(B) The execution, delivery, performance and filing, as the case may be, of each of the Transaction Documents which must be executed or filed by the Borrower or any of its Subsidiaries in connection with the Reynolds Acquisition or which have been executed or filed as required by this Agreement, the other Loan Documents or otherwise on or prior to the Closing Date and to which the Borrower or any of its Subsidiaries is party, and the consummation of the transactions contemplated thereby, have been duly approved by the respective boards of directors and, if necessary, the shareholders of the Borrower and its Subsidiaries, and such approvals have not been rescinded. No other corporate action or proceedings on the part of the Borrower or its Subsidiaries are necessary to consummate such transactions.

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(C) Each of the Transaction Documents to which the Borrower or any of its Subsidiaries is a party has been duly executed, delivered or filed, as the case may be, by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally and general principles of equity, regardless of whether such enforcement is sought at equity or at law), is in full force and effect and no material term or condition thereof has been amended, modified or waived from the terms and conditions contained in the Transaction Documents delivered to the Administrative Agent pursuant to SECTION 5.1 without the prior written consent of the Required Lenders.

6.3 NO CONFLICT; GOVERNMENTAL CONSENTS. The execution, delivery and performance of each of the Loan Documents and other Transaction Documents to which the Borrower or any of its Subsidiaries is a party do not and will not (i) conflict with the certificate or articles of incorporation or by-laws of the Borrower or any such Subsidiary, (ii) conflict with, result in a breach

of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law (including, without limitation, any Environmental Property Transfer Act) or material Contractual Obligation of the Borrower or any such Subsidiary, or require termination of any material Contractual Obligation, (iii) with respect to the Loan Documents, conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law (including, without limitation, any Environmental Property Transfer Act) or material Contractual Obligation of the Borrower or any such Subsidiary, or require termination of any material Contractual Obligation, except such breach, default or termination which individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect, or (iv) result in or require the creation or imposition of any Lien whatsoever upon any of the property or assets of the Borrower or any such Subsidiary, other than Liens permitted by the Loan Documents. Except as set forth on SCHEDULE 6.3 to this Agreement, the execution, delivery and performance of each of the Transaction Documents to which the Borrower or any of its Subsidiaries is a party do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by any Governmental Authority, including under any Environmental Property Transfer Act, except (a) filings, consents or notices which have been made, obtained or given, or which, if not made, obtained or given, individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect, and (b) filings necessary to create or perfect security interests in the Collateral.

6.4 FINANCIAL STATEMENTS.

(A) The PRO FORMA financial statements of the Borrower and its Subsidiaries, copies of which are attached hereto as SCHEDULE 6.4 to this Agreement, present on a PRO FORMA basis the financial condition of the Borrower and such Subsidiaries as of such date, and reflect on a PRO FORMA basis those liabilities reflected in the notes thereto as of such date and resulting from consummation of the Reynolds Acquisition and the other transactions contemplated by this Agreement, and the payment or accrual of all Transaction Costs payable on the Closing Date with respect to any of the foregoing and demonstrate that, after giving effect to the Reynolds Acquisition, the ability of the Borrower and its Subsidiaries to repay their debts and satisfy their respective other obligations as and when due, and to comply with the requirements of this Agreement has not changed in any material respect from the PRO FORMA financial statements furnished to the Agents on March 5, 1998. The projections and

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assumptions expressed in the PRO FORMA financials referenced in this SECTION 6.4(A) were prepared in good faith and represent management's opinion based on the information available to the Borrower at the time so furnished.

(B) Complete and accurate copies of the following financial statements and the following related information have been delivered to the Administrative Agent: (1) the consolidated balance sheets of the Borrower and its Subsidiaries as at December 31, 1996 and December 31, 1997, and the related consolidated statements of income, changes in stockholders' equity and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, and the audit report related thereto, and the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 1998 and the related unaudited, consolidated statements of operations, changes in stockholder's equity and cash flows of the Borrower and its Subsidiaries for the three (3) months then ended; and (2) the consolidated balance sheet of the aluminum beverage-can manufacturing business of Reynolds purchased under the Asset Purchase Agreement (the "REYNOLDS GROUP") as at December 31, 1996 and December 31, 1997, and the related consolidated statements of operations, changes in stockholder's equity and cash flows of the Reynolds Group for the fiscal years then ended, and the audit report related thereto. Each of the financial statements delivered pursuant to this SECTION 6.4(B) present fairly the financial condition of the Borrower and its Subsidiaries and the Reynolds Group, as applicable.

6.5 NO MATERIAL ADVERSE CHANGE. (a) Since December 31, 1997 up to the Closing Date, there has been no material adverse change in the operations, business, properties, condition (financial or otherwise), results of operations, or prospects of the Borrower and its consolidated Subsidiaries taken as a whole, and since December 31, 1997 up to the Closing Date no condition, event, change or occurrence, or any series of the foregoing, exists or has occurred which, individually or in the aggregate, has had or is reasonably likely to have, a "Material Adverse Effect" as defined in the draft Asset Purchase Agreement delivered to the Agents on April 14, 1998 (identified as document 116230.14 Draft of April 6, 1998 - 10:52 AM) and which definition is as follows:

"MATERIAL ADVERSE EFFECT" means an individual or cumulative adverse change in, or effect on, the business, customers, operations, properties, condition (financial or otherwise), assets or liabilities of the Business taken as a whole that is reasonably expected to be materially adverse to the business, customers, operations, properties,

condition (financial or otherwise), assets or liabilities of the Business taken as a whole.

(b) Since the Closing Date, there has occurred no change in the operations, business, properties, condition (financial or otherwise), results of operations or prospects of the Borrower, or the Borrower and its Subsidiaries taken as a whole, which has had or would reasonably be expected to have a Material Adverse Effect (as defined in SECTION 1.1 hereof).

6.6 TAXES.

(A) TAX EXAMINATIONS. All deficiencies which have been asserted in writing against the Borrower or any of its Subsidiaries as a result of any federal, provincial, state, local or foreign tax examination for each taxable year in respect of which an examination has been conducted have been

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fully paid or finally settled or are being contested in good faith, and as of the Closing Date no issue has been raised in writing by any taxing authority in any such examination which, by application of similar principles, reasonably can be expected to result in assertion by such taxing authority of a material deficiency for any other year not so examined which has not been reserved for in the Borrower's consolidated financial statements to the extent, if any, required by Agreement Accounting Principles. Except as permitted pursuant to SECTION 7.2(D), neither the Borrower nor any of its Subsidiaries anticipates any material tax liability with respect to the years which have not been closed pursuant to applicable law.

(B) PAYMENT OF TAXES. All material tax returns and reports of the Borrower and its Subsidiaries required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges thereupon and upon their respective property, assets, income and franchises which are shown in such returns or reports to be due and payable have been paid except those items which are being contested in good faith and have been reserved for in accordance with Agreement Accounting Principles. The Borrower has no knowledge of any proposed tax assessment against the Borrower or any of its Subsidiaries that will have or could reasonably be expected to have a Material Adverse Effect.

6.7 LITIGATION; LOSS CONTINGENCIES AND VIOLATIONS. There is no action, suit, proceeding, arbitration or (to the Borrower's knowledge) investigation before or by any Governmental Authority or private arbitrator pending or, to the Borrower's knowledge, threatened against the Borrower or any of its Subsidiaries or any property of any of them (i) challenging the validity or the enforceability of any material provision of the Transaction Documents or (ii) which will have or would reasonably be expected to have a Material Adverse Effect. There is no material loss contingency within the meaning of Agreement Accounting Principles which has not been reflected in the consolidated financial statements of the Borrower prepared and delivered pursuant to SECTION 7.1(A) for the fiscal period during which such material loss contingency was incurred. Neither the Borrower nor any of its Subsidiaries is (A) in violation of any applicable Requirements of Law which violation will have or would reasonably be expected to have a Material Adverse Effect, or (B) subject to or in default with respect to any final judgment, writ, injunction, restraining order or order of any nature, decree, rule or regulation of any court or Governmental Authority which will have or would reasonably be expected to have a Material Adverse Effect.

6.8 SUBSIDIARIES. SCHEDULE 6.8 to this Agreement (i) contains a description of the corporate structure of the Borrower, its Subsidiaries (including for purposes of this clause (i) its Excluded Subsidiaries and the FTB Group) and any other Person in which the Borrower or any of its Subsidiaries holds an Equity Interest (both narratively and in chart form); (ii) accurately sets forth as of the Closing Date (A) the correct legal name, the jurisdiction of incorporation and the jurisdictions in which each of the Borrower and the direct and indirect Subsidiaries of the Borrower is qualified to transact business as a foreign corporation, (B) the authorized, issued and outstanding shares of each class of Capital Stock of the Borrower, each of its Subsidiaries and FTB and, for such Subsidiaries and FTB, the owners of such shares (both as of the Closing Date and on a fully-diluted basis), and (C) a summary of the direct and indirect partnership, joint venture, or other Equity Interests, if any, of the Borrower and each Subsidiary of the Borrower in any Person that is not a corporation; and (iii) accurately sets forth which of the Persons identified in clause (i) is (A) a member of the FTB Group or

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(B) an Excluded Subsidiary. Except as set forth on SCHEDULE 6.8, none of the issued and outstanding Capital Stock of the Borrower or any of its

Subsidiaries is subject to any vesting, mandatory redemption, or mandatory repurchase agreement. Except as set forth on SCHEDULE 6.8, as of the Closing Date, there are no warrants or options outstanding with respect to the Capital Stock of any of the Borrower's Material Subsidiaries. The outstanding Capital Stock of the Borrower, each of its Subsidiaries and, as of the Closing Date, FTB is duly authorized, validly issued, fully paid and nonassessable and is not Margin Stock. Except as set forth on SCHEDULE 6.8, as of the Closing Date, the Borrower has no Subsidiaries or Excluded Subsidiaries and there are no other members of the FTB Group.

6.9 ERISA. (a) Except as set forth on SCHEDULE 6.9, neither the Borrower nor any member of the Controlled Group maintains or contributes to any Benefit Plan or Multiemployer Plan. Except as set forth on SCHEDULE 6.9, no Benefit Plan has incurred any material accumulated funding deficiency (as defined in Sections 302(a)(2) of ERISA and 412(a) of the Code) whether or not waived. Neither the Borrower nor any member of the Controlled Group has incurred any material liability to the PBGC which remains outstanding. Schedule B to the most recent annual report filed with the IRS with respect to each Benefit Plan and furnished to the lenders is complete and accurate in all material respects. Since the date of each such Schedule B, there has been no material adverse change in the funding status or financial condition of the Benefit Plan relating to such Schedule B. Within the previous six years, neither the Borrower nor any member of the Controlled Group has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan for which the required withdrawal liability has not been satisfied. Within the previous six years, neither the Borrower nor any member of the Controlled Group has failed to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or other payment to any Benefit Plan. Neither the Borrower nor any member of the Controlled Group is required to provide security to a Benefit Plan under Section 401(a)(29) of the Code due to a Plan amendment that results in an increase in current liability for the plan year. Each Single Employer Plan which is intended to be qualified under Section 401(a) of the Code as currently in effect is so qualified, and each trust related to any such Plan is exempt from federal income tax under Section 501(a) of the Code as currently in effect. The Borrower and all Subsidiaries are in compliance in all material respects with the responsibilities, obligations and duties imposed on them by ERISA and the Code with respect to all Single Employer Plans. Neither the Borrower nor any of its Subsidiaries nor any fiduciary of any Plan has engaged in a material nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Code. Neither the Borrower nor any member of the Controlled Group has taken or failed to take any action which would constitute or result in a material Termination Event. Neither the Borrower nor any member of the Controlled Group is subject to any material liability under Sections 4063, 4064, 4069, 4204 or 4212(c) of ERISA. Neither the Borrower nor any of its Subsidiaries has, by reason of the transactions contemplated hereby, any obligation to make any material payment to any employee pursuant to any Plan or existing contract or arrangement.

(b) For purposes of this SECTION 6.9 and SECTION 6.23 only, "material" means any noncompliance or basis for liability which, together with all other noncompliance or grounds for liability under this SECTION 6.9, or SECTION 6.23, as applicable, would be reasonably likely to subject Ball or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000.

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6.10 ACCURACY OF INFORMATION. (a) The written information, exhibits and reports furnished by or on behalf of the Borrower and any of its Subsidiaries to the Agents or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents, the representations and warranties of the Borrower and its Subsidiaries contained in the Loan Documents, and all certificates and documents delivered to the Agents and the Lenders pursuant to the terms thereof, including, without limitation, the Confidential Information Memorandum, dated May 1998, taken as a whole, do not contain as of the date furnished any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

(b) The projections supplied in connection with the factual information referred to in CLAUSE (a) above were or are based on good faith estimates and assumptions believed to be fair and reasonable at the time made, given historical financial performance and current and reasonably foreseeable business conditions, and, to the Borrower's knowledge, there are no facts or circumstances presently existing which singly or in the aggregate would cause a material change in such projections, it being recognized and agreed by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and that the differences may be material.

6.11 SECURITIES ACTIVITIES. Neither the Borrower nor any of its

Subsidiaries is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

6.12 MATERIAL AGREEMENTS. Neither the Borrower nor any Subsidiary is a party to any Contractual Obligation which individually or in the aggregate will have or would reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries has received notice or has knowledge that (i) it is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Contractual Obligation applicable to it, or (ii) any condition exists which, with the giving of notice or the lapse of time or both, would constitute a default with respect to any such Contractual Obligation, in each case, except where such default or defaults, if any, individually or in the aggregate will not have or would not reasonably be expected to have a Material Adverse Effect.

6.13 COMPLIANCE WITH LAWS. The Borrower and its Subsidiaries are in compliance with all Requirements of Law applicable to them and their respective businesses, in each case where the failure to so comply individually or in the aggregate would reasonably be expected to have a Material Adverse Effect.

6.14 ASSETS AND PROPERTIES. The Borrower and each of its Subsidiaries has good and marketable title to all of its material assets and properties (tangible and intangible, real or personal) owned by it or a valid leasehold interest in all of its material leased assets (except insofar as marketability may be limited by any laws or regulations of any Governmental Authority affecting such assets), and all such assets and property are free and clear of all Liens, except Liens permitted under SECTION 7.3(C). Substantially all of the assets and properties used or useful to the business of the Borrower or any Subsidiary of the Borrower are in adequate operating condition and repair, ordinary wear and tear excepted.

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6.15 STATUTORY INDEBTEDNESS RESTRICTIONS. Neither the Borrower nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, or the Investment Company Act of 1940, or any other foreign, federal or state statute or regulation which limits its ability to incur indebtedness as contemplated hereby or its ability to consummate the transactions contemplated hereby or in connection with the Reynolds Acquisition.

6.16 INSURANCE. The Borrower will, and will cause each of its Subsidiaries to, maintain (either in the name of the Borrower or in such Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all of its respective properties in at least such amounts, against at least such risks and with such risk retention as are usually maintained, insured against or retained, as the case may be, in the same general area by companies of established repute engaged in the same or a similar business; PROVIDED, that the Borrower and its Subsidiaries may self-insure to the same extent as other companies of established repute engaged in the same or a similar business in the same general area in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice. The Borrower will furnish to the Lenders, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

6.17 LABOR MATTERS.

(A) Except as listed on SCHEDULE 6.17 to this Agreement, there are on the Closing Date: (1) no collective bargaining agreements to which the Borrower or any of its Subsidiaries is a party covering any of the employees of the Borrower or any of its Subsidiaries; (2) to the Borrower's knowledge no attempts to organize the employees of the Borrower or any of its Subsidiaries; and (3) no material labor disputes at any facility of the Borrower or any of its Subsidiaries, including without limitation any walkouts disrupting the operations of the Borrower or any of its Subsidiaries, any strikes or any lockouts, pending, or, to the Borrower's knowledge, threatened.

(B) Set forth in SCHEDULE 6.17 to this Agreement is a list, as of the Closing Date, of all material consulting agreements, employment contracts and service agreements with temporary employment agencies that individually are of value in excess of \$1,000,000 per year and are not otherwise disclosed pursuant to this Agreement.

(C) Set forth in SCHEDULE 6.17 to this Agreement is a list, as of the Closing Date, of all employment arbitration awards, judgments, consent decrees, findings, settlement agreements, or other final resolutions rendered against the Borrower or any of its Subsidiaries during the preceding five years that, individually or in the aggregate, exceed \$10,000,000 or which, regardless of when rendered, individually or in the aggregate impose continuing obligations on the Borrower or any of its Subsidiaries in excess of \$10,000,000.

6.18 REYNOLDS ACQUISITION. As of the Closing Date and immediately prior to (or contemporaneous with) the making of the initial Loans:

(i) the Reynolds Acquisition Documents are in full force and effect, no material breach, default or waiver of any term or provision thereof by the Borrower or any of its

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Subsidiaries or, to the best of the Borrower's knowledge, the other parties thereto, has occurred (except for such breaches, defaults and waivers, if any, consented to in writing by the Agents) and no action has been taken by any competent authority which restrains, prevents or imposes any material adverse condition upon, or seeks to restrain, prevent or impose any material adverse condition upon, the Reynolds Acquisition;

(ii) the representations and warranties of the Borrower contained in the Reynolds Acquisition Documents, if any, are true and correct in all material respects;

(iii) except as set forth in SCHEDULE 6.18 to this Agreement, all material conditions precedent to, and all material consents necessary to permit, the Reynolds Acquisition pursuant to the Reynolds Acquisition Documents have been satisfied or waived, the Reynolds Acquisition has been consummated in accordance with the Reynolds Acquisition Documents, and the Borrower has obtained good and marketable title to the "Business Assets" (as defined in the Asset Purchase Agreement) free and clear of any Liens other than Liens permitted under SECTION 7.3(C).

6.19 ENVIRONMENTAL MATTERS. (a) Except as disclosed on SCHEDULE 6.19 to this Agreement, or otherwise in the Environmental Audit (a copy of which was delivered by the Borrower to the Administrative Agent and made available by the Administrative Agent to each Lender prior to the Closing Date):

(i) the operations of the Borrower and its Subsidiaries comply in all material respects with Environmental, Health or Safety Requirements of Law;

(ii) the Borrower and its Subsidiaries have all material permits, licenses or other authorizations required under Environmental, Health or Safety Requirements of Law (or have filed timely applications for renewal of such permits, licenses or authorizations) and are in material compliance with such permits;

(iii) neither the Borrower, any of its Subsidiaries nor any of their respective present property or operations, or, to the best of, the Borrower's or any of its Subsidiaries' knowledge, any of their respective past property or operations, are subject to or the subject of, any investigation known to the Borrower or any of its Subsidiaries, any judicial or administrative proceeding, order, judgment, decree, settlement or other agreement respecting: (A) any material violation of Environmental, Health or Safety Requirements of Law; (B) any material Remedial Action; or (C) any material claims or liabilities arising from the Release or threatened Release of a Contaminant;

(iv) there is not now, nor to the best of the Borrower's or any of its Subsidiaries' knowledge has there ever been, on or in the property of the Borrower or any of its Subsidiaries any landfill, hazardous waste storage facility in which Contaminants are or were stored for more than ninety (90) days, waste pile, or surface impoundment that may reasonably be expected to result in a material claim, loss or Remedial Action obligation;

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(v) there is not now, nor to the best of the Borrower's or any of its Subsidiaries' knowledge has there ever been, on or in the property of the Borrower's or any of its Subsidiaries any underground storage tanks, above ground storage tanks, polychlorinated biphenyls (PCBs) used in hydraulic oils, electric transformers or other equipment, or any asbestos containing material that may reasonably be expected to result in a material claim, loss or Remedial Action obligation; and

(vi) neither the Borrower nor any of its Subsidiaries has any material contingent obligation or liability in connection with any Release or threatened Release of a Contaminant.

(b) For purposes of this SECTION 6.19 "material" means any noncompliance or basis for liability which could reasonably be likely to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000 (exclusive of costs, expenses, claims covered by insurance policies of the Borrower or any of its Subsidiaries unless the insurers of such costs, expenses or claims have disclaimed coverage or reserved the right to

disclaim coverage thereof and exclusive of costs, expenses or claims covered by the indemnity of a financially responsible indemnitor in favor of the Borrower or any of its Subsidiaries unless the indemnitor has disclaimed or reserved the right to disclaim coverage thereof).

6.20 OTHER INDEBTEDNESS.

(i) As of the Closing Date and immediately prior to the making of the initial Loans, the Borrower has issued the Subordinated Notes in an aggregate original principal amount of \$250,000,000 and received the net proceeds thereof, and the subordination provisions of the Subordinated Note Indenture are enforceable against the holders of the Subordinated Notes.

(ii) As of the Closing Date and immediately prior to the making of the initial Loans, the Borrower has issued the Senior Notes in an aggregate original principal amount of \$300,000,000 and received the net proceeds thereof.

6.21 SOLVENCY. After giving effect to (i) the Loans to be made on the Closing Date or such other date as Loans requested hereunder are made, (ii) the issuance of the Senior Notes and the Subordinated Notes, (iii) the consummation of the Reynolds Acquisition and the payment of the "Purchase Price" under and as defined in the Asset Purchase Agreement and (iv) the payment and accrual of all Transaction Costs, the Borrower and its Subsidiaries taken as a whole is Solvent.

6.22 YEAR 2000 ISSUES. Each of the Borrower and its Subsidiaries has made a full and complete assessment of the Year 2000 Issues and has a realistic and achievable program for remediating the Year 2000 Issues on a timely basis. Based on this assessment and program, the Borrower does not reasonably anticipate any Material Adverse Effect on its or its Subsidiaries' operations, business or financial condition as a result of Year 2000 Issues.

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6.23 FOREIGN EMPLOYEE BENEFIT MATTERS. (a) Each Foreign Employee Benefit Plan is in compliance in all material respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Plan; (b) the aggregate of the accumulated benefit obligations under all Foreign Pension Plans does not exceed to any material extent the current fair market value of the assets held in the trusts or similar funding vehicles for such Plans; (c) with respect to any Foreign Employee Benefit Plan maintained or contributed to by the Borrower or any Subsidiary or any member of its Controlled Group (other than a Foreign Pension Plan), reasonable reserves have been established in accordance with prudent business practice or where required by ordinary accounting practices in the jurisdiction in which such Plan is maintained; and (d) there are no material actions, suits or claims (other than routine claims for benefits) pending or, to the knowledge of the Borrower and its Subsidiaries, threatened against the Borrower or any Subsidiary or any member of its Controlled Group with respect to any Foreign Employee Benefit Plan. For purposes of this SECTION 6.23, "material" shall have the meaning set forth in SECTION 6.9(b).

ARTICLE VII : COVENANTS

The Borrower covenants and agrees that so long as any Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than contingent indemnity obligations), unless the Required Lenders shall otherwise give prior written consent:

7.1 REPORTING. The Borrower shall:

(A) FINANCIAL REPORTING. Furnish to the Administrative Agent (and the Administrative Agent shall promptly provide copies of the following to each of the other Agents and the Lenders):

(i) QUARTERLY REPORTS. As soon as practicable, and in any event within fifty (50) days after the end of the first three fiscal quarters in each fiscal year, (a) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidated statements of income, stockholder's equity and cash flows of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, together with schedules, in form and substance sufficient to calculate the financial covenants set forth in SECTIONS 2.5(B), 7.3(A) through (G), 7.3(L), 7.3(T) and 7.4; and (b) the consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related consolidating statements of income of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, in each case, prepared in a manner consistent with past practice and certified by the chief financial officer or treasurer of the Borrower on behalf of the Borrower as fairly presenting the consolidated (and, to the extent presented, the consolidating) financial position of the Borrower and its

Subsidiaries as at the dates indicated and the results of their operations for the periods indicated in accordance with Agreement Accounting Principles, subject to normal year end adjustments.

(ii) ANNUAL REPORTS. As soon as practicable, and in any event within ninety-five (95) days after the end of each fiscal year, (a) the consolidated and consolidating balance sheets

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of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income of the Borrower and its Subsidiaries for such fiscal year, consolidated stockholders' equity and cash flow of the Borrower and its Subsidiaries for such fiscal year, and in comparative form the corresponding figures for the previous fiscal year, with schedules in form and substance sufficient to calculate the financial covenants set forth in SECTIONS 2.5(B), 7.3(A) through (G), 7.3(L), 7.3(T) and 7.4; and (b) an audit report on the consolidated financial statements listed in CLAUSE (A) hereof of independent certified public accountants of recognized national standing, which audit report shall be unqualified and shall state that such financial statements fairly present the consolidated financial position of the Borrower and its Subsidiaries, as at the dates indicated and the results of their operations and cash flows for the periods indicated in conformity with Agreement Accounting Principles and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards. The deliveries made pursuant to this CLAUSE (ii) shall be accompanied by any management letter prepared by the above-referenced accountants (or, if such management letter is later prepared by such accountants it shall be delivered to the Agent promptly after receipt by the Borrower).

(iii) OFFICER'S CERTIFICATE. Together with each delivery of any financial statement pursuant to CLAUSES (i) and (ii) of this SECTION 7.1(A), (a) an Officer's Certificate of the Borrower, substantially in the form of EXHIBIT G attached hereto and made a part hereof, stating that as of the date of such Officer's Certificate no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof and (b) a compliance certificate, substantially in the form of EXHIBIT H attached hereto and made a part hereof, signed by the Borrower's chief financial officer or treasurer, setting forth calculations for the period then ended for SECTION 2.5(B), if applicable, which demonstrate compliance, when applicable, with the provisions of SECTION 7.4, and which calculate the Leverage Ratio for purposes of determining the then Applicable Floating Rate Margin, Applicable Eurodollar Margin and Applicable Commitment Fee Percentage.

(iv) BUDGETS; BUSINESS PLANS; FINANCIAL PROJECTIONS. As soon as practicable and in any event not later than forty-five (45) days after the beginning of each fiscal year, a copy of the plan and forecast (including a projected balance sheet, income statement and a statement of cash flow) of the Borrower and its Subsidiaries for the upcoming fiscal year, prepared on a quarterly basis for such fiscal year, and otherwise prepared in such detail as shall be reasonably satisfactory to the Administrative Agent.

(B) NOTICE OF DEFAULT. Promptly upon any of the chief executive officer, chief operating officer, chief financial officer, treasurer or controller of the Borrower obtaining knowledge (i) of any condition or event which constitutes a Default or Unmatured Default, or becoming aware that any Lender or Agent has given any written notice with respect to a claimed Default or Unmatured Default under this Agreement, or (ii) that any Person has given any written notice to the Borrower or any Subsidiary of the Borrower or taken any other action with respect to a claimed default or event or condition of the type referred to in SECTION 8.1(e), deliver to the Administrative Agent an Officer's Certificate (a copy of which the Administrative Agent shall promptly deliver to the other Agents and the Lenders) specifying (a) the nature and period of existence of any such claimed default, Default,

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Unmatured Default, condition or event, (b) the notice given or action taken by such Person in connection therewith, and (c) what action the Borrower and/or its Subsidiaries has taken, is taking and proposes to take with respect thereto.

(C) LAWSUITS. (i) Promptly upon the Borrower or any Subsidiary of the Borrower obtaining knowledge of the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower or any of its Subsidiaries or any property of the Borrower or any of its Subsidiaries not previously disclosed pursuant to SECTION 6.7, which action, suit, proceeding, governmental investigation or arbitration exposes, or in the case of multiple actions, suits, proceedings,

governmental investigations or arbitrations arising out of the same general allegations or circumstances which expose, in the Borrower's reasonable judgment, the Borrower or any of its Subsidiaries to liability in an amount aggregating \$20,000,000 or more (exclusive of claims covered by insurance policies of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage on such claims and exclusive of claims covered by the indemnity of a financially responsible indemnitor in favor of the Borrower or any of its Subsidiaries unless the indemnitor has disclaimed or reserved the right to disclaim coverage thereof), give written notice thereof to the Administrative Agent and provide such other information as may be reasonably available to enable each Lender and the Administrative Agent and its counsel to evaluate such matters; and (ii) in addition to the requirements set forth in CLAUSE (i) of this SECTION 7.1(C), upon request of the Administrative Agent or the Required Lenders, promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration covered by a report delivered pursuant to CLAUSE (i) above and provide such other information as may be reasonably available to it that would not violate any attorney-client privilege by disclosure to the Lenders to enable each Lender and the Administrative Agent and its counsel to evaluate such matters.

(D) INSURANCE. As soon as practicable and in any event within ninety (90) days of the end of each fiscal year commencing with the fiscal year ending December 31, 1998, deliver to the Administrative Agent a report in form and substance reasonably satisfactory to the Administrative Agent and the Lenders outlining all material insurance coverage maintained as of the date of such report by the Borrower and its Subsidiaries and the duration of such coverage.

(E) ERISA NOTICES. Deliver or cause to be delivered to the Administrative Agent, at the Borrower's expense, the following information and notices as soon as reasonably possible, and in any event:

(i) (a) within ten (10) Business Days after the Borrower or any member of the Controlled Group obtains knowledge that a Termination Event has occurred which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, a written statement of the appropriate financial officer or treasurer of the Borrower describing such Termination Event and the action, if any, which the Borrower or the applicable Subsidiary has taken, is taking or proposes to take with respect thereto, and if and when known, any action taken or threatened by the IRS, DOL or PBGC with respect thereto;

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(ii) within ten (10) Business Days after any officer of the Borrower or any of its Subsidiaries obtains knowledge that a prohibited transaction (defined in Sections 406 of ERISA and Section 4975 of the Code) has occurred which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, a statement of the chief financial officer or treasurer of the Borrower describing such transaction and the action which the Borrower or such Subsidiary has taken, is taking or proposes to take with respect thereto;

(iii) within ten (10) Business Days after any material increase in the benefits of any existing Benefit Plan or the establishment of any new Benefit Plan or the commencement of, or obligation to commence, contributions to any Benefit Plan or Multiemployer Plan to which the Borrower or any member of the Controlled Group was not previously contributing, where the aggregate annual contributions to such Plan(s) resulting therefrom are or could reasonably be expected to exceed \$10,000,000, notification of such increase, establishment, commencement or obligation to commence and the amount of such contributions;

(iv) within ten (10) Business Days after the Borrower or any of its Subsidiaries receives notice of any unfavorable determination letter from the IRS regarding the qualification of a Plan under Section 401(a) of the Code which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, copies of each such letter;

(v) within ten (10) Business Days after the establishment of any Foreign Employee Benefit Plan or the commencement of, or obligation to commence, contributions to any Foreign Employee Benefit Plan to which the Borrower or any Subsidiary was not previously contributing, where the aggregate annual contributions to such Plan(s) resulting therefrom are or would reasonably be expected to exceed \$10,000,000, notification of such establishment, commencement or obligation to commence and the amount of such contributions;

(vi) upon the request of the Administrative Agent or any Lender, copies of each annual report (form 5500 series), including Schedule B

thereto, filed with respect to each Benefit Plan;

(vii) upon the request of the Administrative Agent or any Lender, copies of each available actuarial report for any Benefit Plan or Multiemployer Plan and each available annual report for any Multiemployer Plan;

(viii) within ten (10) Business Days after the filing thereof with the IRS, a copy of each funding waiver request filed with respect to any Benefit Plan and all communications received by the Borrower or a member of the Controlled Group with respect to such request;

(ix) within ten (10) Business Days after receipt by the Borrower or any member of the Controlled Group of the PBGC's intention to terminate a Benefit Plan or to have a trustee appointed to administer a Benefit Plan, copies of each such notice;

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(x) within ten (10) Business Days after receipt by the Borrower or any member of the Controlled Group of a notice from a Multiemployer Plan regarding the imposition of withdrawal liability which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, copies of each such notice;

(xi) within ten (10) Business Days after the Borrower or any member of the Controlled Group fails to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment which would be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$10,000,000, a notification of such failure; and

(xii) within ten (10) Business Days after any officer of the Borrower or any member of the Controlled Group knows or has reason to know that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (c) the PBGC has instituted proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

For purposes of this SECTION 7.1(E), the Borrower, any of its Subsidiaries and any member of the Controlled Group shall be deemed to know all facts known by the Plan Administrator (as defined in Section 3(16)(A) of ERISA) of any Plan of which the Borrower or any member of the Controlled Group or such Subsidiary is the plan sponsor.

(F) LABOR MATTERS. Notify the Administrative Agent within a reasonable period of time following the Borrower's knowledge thereof of (i) any material labor dispute at any facility of the Borrower or any of its Subsidiaries, including without limitation, any authorized or unauthorized strike or any lockout, and (ii) any attempt to organize the employees of the Borrower or any of its Subsidiaries.

(G) OTHER INDEBTEDNESS. Deliver to the Administrative Agent (i) a copy of each regular report, notice or other written communication regarding potential or actual defaults (including any accompanying officer's certificate) delivered by or on behalf of the Borrower and/or any of its Subsidiaries to the holders of funded Indebtedness pursuant to the terms of the agreements governing such Indebtedness, such delivery to be made at the same time and by the same means as such notice or other communication is delivered to such holders, and (ii) a copy of each notice or other written communication received by the Borrower and/or any of its Subsidiaries from the holders of funded Indebtedness pursuant to the terms of such Indebtedness, such delivery to be made promptly after such notice or other communication is received by the Borrower and/or such Subsidiary.

(H) OTHER REPORTS. Deliver or cause to be delivered to the Administrative Agent copies of all financial statements, reports and notices, if any, sent or made available generally by the Borrower to its securities holders or filed with the SEC by the Borrower, all press releases made available generally by the Borrower or any of the Borrower's Subsidiaries to the public concerning material developments in the business of the Borrower or any such Subsidiary and all notifications received from the SEC by the

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Borrower or its Subsidiaries pursuant to the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

(I) ENVIRONMENTAL NOTICES. As soon as possible and in any event within ten (10) days after receipt by the Borrower or any of its Subsidiaries, a copy of (i) any notice or claim to the effect that the Borrower or any of its

Subsidiaries is or may be liable to any Person as a result of the Release by the Borrower, any of its Subsidiaries, or any other Person of any Contaminant, and (ii) any notice alleging any violation of any Environmental, Health or Safety Requirements of Law by the Borrower or any of its Subsidiaries if, in either case, such notice or claim relates to an event which could reasonably be expected to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$10,000,000.

(J) OTHER INFORMATION. Promptly upon receiving a request therefor from the Administrative Agent, prepare and deliver to the Administrative Agent and the Lenders such other information with respect to the Borrower, any of its Subsidiaries, or the Collateral, including, without limitation, schedules identifying any Asset Sale or Financing (and the use of the Net Cash Proceeds thereof), as from time to time may be reasonably requested by the Administrative Agent.

7.2 AFFIRMATIVE COVENANTS.

(A) CORPORATE EXISTENCE, ETC. Except in connection with a transaction otherwise permitted under the terms of this Agreement, the Borrower shall, and shall cause each of its Subsidiaries to, at all times maintain its corporate existence and preserve and keep, or cause to be preserved and kept, in full force and effect its rights and franchises material to its businesses.

(B) CORPORATE POWERS; CONDUCT OF BUSINESS. Except in connection with a transaction otherwise permitted under the terms of this Agreement, the Borrower shall, and shall cause each of its Subsidiaries to, qualify and remain qualified to do business in each jurisdiction in which the nature of its business requires it to be so qualified and where the failure to be so qualified will have or would reasonably be expected to have a Material Adverse Effect. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted.

(C) COMPLIANCE WITH LAWS, ETC. The Borrower shall, and shall cause its Subsidiaries to, (i) comply in all material respects with all Requirements of Law and all restrictive covenants affecting such Person or the business, properties, assets or operations of such Person, and (ii) obtain as needed all material permits necessary for its operations and maintain such permits in good standing unless, in either such case under clause (i) or (ii), failure to comply or obtain would not reasonably be expected to have a Material Adverse Effect.

(D) PAYMENT OF TAXES AND CLAIMS; TAX CONSOLIDATION. The Borrower shall pay, and cause each of its Subsidiaries to pay, (i) all material taxes, assessments and other governmental charges imposed upon it or on any of its properties or assets or in respect of any of its franchises, business, income or property before any penalty or interest accrues thereon, and (ii) all claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and

payable and which by law have or may become a material Lien (other than a Lien permitted by SECTION 7.3(C)) upon any of the Borrower's or such Subsidiary's property or assets, prior to the time when any material penalty or fine shall be incurred with respect thereto; PROVIDED, HOWEVER, that no such taxes, assessments and governmental charges referred to in CLAUSE (i) above or claims referred to in CLAUSE (ii) above (and interest, penalties or fines relating thereto) need be paid if being contested in good faith by appropriate proceedings diligently instituted and conducted and if such reserve or other appropriate provision, if any, as shall be required in conformity with Agreement Accounting Principles shall have been made therefor.

(E) INSURANCE. The Borrower shall maintain for itself and its Subsidiaries, or shall cause each of its Subsidiaries to maintain in full force and effect, insurance policies and programs as reflect coverage that is reasonably consistent with prudent industry practice for similarly situated companies.

(F) INSPECTION OF PROPERTY; BOOKS AND RECORDS; DISCUSSIONS. The Borrower shall permit and cause each of the Borrower's Subsidiaries, the FTB Group and the Excluded Subsidiaries to permit, any authorized representative(s) designated by either the Administrative Agent or any Lender to visit and inspect any of the properties of the Borrower or any of such Subsidiaries, members of the FTB Group or Excluded Subsidiaries, to examine, audit, check and make copies of their respective financial and accounting records, books, journals, orders, receipts and any correspondence and other data relating to their respective businesses or the transactions contemplated hereby or by the Reynolds Acquisition (including, without limitation, in connection with environmental compliance, hazard or liability), and to discuss their affairs, finances and accounts with their officers and

independent certified public accountants (and such accountants are hereby authorized to disclose to the Administrative Agent any and all financial statements and other supporting financial documents with respect to the business, financial condition and other affairs of the Borrower and its Subsidiaries, the FTB Group and the Excluded Subsidiaries), all upon reasonable notice and at such reasonable times during normal business hours, as often as may be reasonably requested; PROVIDED, HOWEVER, that the Borrower's obligation to reimburse the Administrative Agent and the Lenders for reasonable costs and expenses incurred in connection with such inspections shall be limited to no more than one (1) inspection during any calendar year if such inspections are conducted at a time when no Default or Unmatured Default shall have occurred and is continuing. The Borrower shall keep and maintain, and cause each of its Subsidiaries, FTB and the Excluded Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities. If a Default has occurred and is continuing, the Borrower, upon the Administrative Agent's request, shall turn over or make available copies of any such records to the Administrative Agent or its representatives; PROVIDED, that if no Default shall have occurred and is continuing, the Administrative Agent or its representatives, as applicable, shall return such records to the Borrower.

(G) ERISA COMPLIANCE. The Borrower shall, and shall cause each other member of the Ball Corporate Group to, establish, maintain and operate all Plans to comply in all respects with the provisions, if applicable, of ERISA, the Code, all other applicable laws, and the regulations and interpretations thereunder and the respective requirements of the governing documents for such Plans, except where such noncompliance would not reasonably be expected to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000.

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(H) MAINTENANCE OF PROPERTY. The Borrower shall cause all material property used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order (normal wear and tear excepted) and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; PROVIDED, HOWEVER, that nothing in this SECTION 7.2(H) shall prevent the Borrower from discontinuing the operation or maintenance of any of such property if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Administrative Agent or the Lenders.

(I) ENVIRONMENTAL COMPLIANCE. The Borrower and its Subsidiaries shall comply with all Environmental, Health or Safety Requirements of Law, except where noncompliance will not have or is not reasonably likely to subject the Borrower or any Subsidiary to liability individually or in the aggregate in excess of \$25,000,000.

(J) USE OF PROCEEDS. The Borrower shall use the proceeds of the Term Loans to (i) facilitate the Reynolds Acquisition and (ii) repay existing Indebtedness. The Borrower shall use the proceeds of the Revolving Loans to (i) facilitate the Reynolds Acquisition, (ii) repay existing Indebtedness, (iii) pay the Transaction Costs, and (iv) provide funds for the additional working capital needs and other general corporate purposes of the Borrower and its Subsidiaries. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Loans to purchase or carry any Margin Stock or to make any Acquisition, other than the Reynolds Acquisition and any other Permitted Acquisition pursuant to SECTION 7.3(G).

(K) ADDITIONAL GUARANTORS/PLEDGE OF CAPITAL STOCK. (i) The Borrower will (a) deliver and cause each of its Domestic Incorporated Subsidiaries to deliver an agreement evidencing the pledge, to the Administrative Agent, for the benefit of the Holders of Secured Obligations, of all of the Capital Stock of each Domestic Incorporated Subsidiary, within thirty (30) days after such Subsidiary has become a Subsidiary of the Borrower and (b) cause each Domestic Incorporated Subsidiary, within twenty (20) days after becoming a Subsidiary of the Borrower, to execute and deliver to the Administrative Agent an assumption agreement pursuant to which it agrees to be bound by the terms and provisions of the Subsidiary Guaranty (whereupon such Subsidiary shall become a "Guarantor" under this Agreement), and (c) deliver and cause such Subsidiaries to deliver corporate resolutions, opinions of counsel, stock certificates, stock powers, UCC financing statements with respect to the Capital Stock Collateral and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent.

(ii) The Borrower shall deliver an agreement evidencing the pledge, to the Administrative Agent, for the benefit of the Holders of Secured Obligations, of (A) all of the Capital Stock of Latasa owned by any member of the Ball Corporate Group (but not in excess of 65% of all of the outstanding Capital Stock thereof) on the date of the consummation of the Latasa Acquisition; and (B) 65% of the Capital Stock of each other Material Foreign Subsidiary, within sixty (60) days after such Subsidiary has become a Material Foreign Subsidiary, together, in each such case, with corporate resolutions, opinions of counsel, stock certificates, stock powers and such other corporate documentation as the

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Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent; provided, however, in the event that any such Material Foreign Subsidiary is wholly-owned by a Domestic Incorporated Subsidiary, in connection with which all of the requirements of CLAUSE (i) above have been satisfied and the activities of which are limited to owning the Capital Stock of its Subsidiaries, then, the Administrative Agent, at its option, may waive the requirement for the pledge of such Material Foreign Subsidiary's Capital Stock under this CLAUSE (ii); and PROVIDED FURTHER, HOWEVER, in the event that more than one Subsidiary within a commonly controlled group of Subsidiaries constitutes a Material Foreign Subsidiary, then only the Capital Stock of the "parent" or "controlling" Subsidiary shall be required to be pledged.

(iii) If at any time any Material Foreign Subsidiary shall issue or cause to be issued Capital Stock, or warrants or options with respect to its Capital Stock, such that the aggregate amount of the Capital Stock of such Material Foreign Subsidiary pledged to the Administrative Agent for the benefit of the Holders of Secured Obligations is less than 65% of all of the outstanding Capital Stock thereof, the Borrower shall (A) promptly notify the Administrative Agent of such deficiency and (B) deliver or cause to be delivered any agreements, instruments, certificates and other documents as the Administrative Agent may reasonably request all in a form and substance reasonably satisfactory to the Administrative Agent in order to cause all of the Capital Stock of such Material Foreign Subsidiary owned by any member of the Ball Corporate Group (but not in excess of 65% of all of the outstanding Capital Stock thereof) to be pledged to the Agent for the benefit of the Holders of Secured Obligations; PROVIDED, that any Material Subsidiary may issue or cause to be issued any Capital Stock or warrants or options in respect of such Capital Stock only so long as no Change of Control shall result therefrom.

(iv) In the event that the Borrower or any Guarantor causes or permits any Foreign Incorporated Subsidiary that is not a Guarantor to, directly or indirectly, guarantee the payment of any Indebtedness of the Borrower or any Guarantor then the Borrower will (a) simultaneously deliver, or cause to be delivered, an agreement evidencing the pledge, to the Administrative Agent, for the benefit of the Holders of Secured Obligations, of all of the Capital Stock of such Foreign Incorporated Subsidiary, (b) simultaneously cause such Foreign Incorporated Subsidiary to execute and deliver to the Administrative Agent an assumption agreement pursuant to which it agrees to be bound by the terms and provisions of the Subsidiary Guaranty (whereupon such Subsidiary shall become a "Guarantor" under this Agreement), and (c) deliver and cause such Subsidiaries to deliver corporate resolutions, opinions of counsel, stock certificates, stock powers, UCC financing statements with respect to the Capital Stock Collateral and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance reasonably satisfactory to the Administrative Agent.

(L) YEAR 2000 ISSUES. The Borrower shall, and shall cause each of its Subsidiaries to, take all actions reasonably necessary to assure that the Year 2000 Issues will not have a Material Adverse Effect. The Borrower shall provide the Administrative Agent and each of the Lenders a copy of the Borrower's program to address Year 2000 Issues, including updates and progress reports upon request. The Borrower shall advise the Administrative Agent if any Year 2000 Issues will have or would reasonably be expected to have a Material Adverse Effect.

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(M) FOREIGN EMPLOYEE BENEFIT COMPLIANCE. The Borrower shall, and shall cause each of its Subsidiaries and each member of the Controlled Group to, establish, maintain and operate all Foreign Employee Benefit Plans to comply in all material respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Plans, except for failures to comply which, in the aggregate, would not be reasonably likely to subject the Borrower or any of its Subsidiaries to liability, individually or in the aggregate in excess of \$25,000,000.

(N) FOREIGN GOVERNMENTAL CONSENTS AND APPROVALS. Within fifteen (15) days after the date upon which the Latasa Acquisition is consummated, the Borrower shall, or shall cause its Subsidiaries to, make all required filings or registrations with, give appropriate notice to, and otherwise seek any required authorization, consent and approval of the Administrative Council for Economic Defense in Brazil in respect of the Reynolds Acquisition.

7.3 NEGATIVE COVENANTS.

(A) INDEBTEDNESS. Neither the Borrower nor any other member of the Ball Corporate Group shall directly or indirectly create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(i) the Obligations;

(ii) Indebtedness incurred in connection with the Short-Term Credit Agreement in a principal amount not to exceed \$150,000,000 at any time;

(iii) Indebtedness incurred in connection with the Receivables Purchase Documents;

(iv) Permitted Existing Indebtedness and Permitted Refinancing Indebtedness;

(v) Indebtedness evidenced by the Canadian Credit Facility and Permitted Refinancing Indebtedness in respect thereof, in each case, in a principal amount not to exceed \$50,000,000;

(vi) Indebtedness evidenced by the Senior Notes and the Subordinated Notes;

(vii) subordinated indebtedness the terms (including, without limitation, those with respect to amount, maturity, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies) of which are acceptable to the Required Lenders when issued, but in each case not any increase in the principal amount thereof and not any refinancing, modification, refunding or extension of maturity thereof, in whole or in part, unless such refinancing, modification, refunding or extension is not materially less favorable to the Borrower or any of its Subsidiaries, including, without limitation, with respect to amount, maturity, amortization, interest rate, premiums, fees, covenants, subordination, events of

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default and remedies (such Indebtedness being referred to herein as "PERMITTED ADDITIONAL SUBORDINATED INDEBTEDNESS");

(viii) Indebtedness in respect of obligations secured by Customary Permitted Liens;

(ix) Indebtedness constituting Guaranteed Obligations permitted by SECTION 7.3(E);

(x) Indebtedness arising from intercompany loans from the Borrower to any Controlled Subsidiary, or from any Subsidiary to the Borrower or any Controlled Subsidiary, PROVIDED that if the Borrower or any Guarantor is the obligor on such Indebtedness, such Indebtedness shall be expressly subordinate to the payment in full of the Secured Obligations; PROVIDED, FURTHER, that the aggregate of all Foreign Subsidiary Investments does not exceed the Permitted Foreign Subsidiary Investment Amount at any time;

(xi) guaranties by the Borrower of Indebtedness permitted to be incurred by any Subsidiary or Indebtedness of any Person in which the Borrower makes an Investment pursuant to SECTION 7.3(D)(ix) (provided the amount of Indebtedness so guaranteed shall be included for purposes of calculating the Investment in such Person as provided under SECTION 7.3(D)(ix));

(xii) secured or unsecured purchase money Indebtedness (including Capitalized Leases) incurred by the Borrower or any of its Subsidiaries after the Closing Date to finance the acquisition of assets used in the business, if (1) at the time of such incurrence, no Default or Unmatured Default has occurred and is continuing or would result from such incurrence, (2) such Indebtedness has a scheduled maturity and is not due on demand, (3) such Indebtedness does not exceed the lower of the fair market value or the cost of the applicable fixed assets on the date acquired, (4) such Indebtedness does not exceed \$50,000,000 in aggregate principal amount outstanding at any time, and (5) any Lien securing such Indebtedness is permitted under SECTION 7.3(C) (such Indebtedness being referred to herein as "PERMITTED PURCHASE MONEY INDEBTEDNESS");

(xiii) Indebtedness with respect to surety, appeal and performance bonds obtained by the Borrower or any of its Subsidiaries in the ordinary course of business;

(xiv) Indebtedness incurred by the Borrower or any of its Subsidiaries (whether assumed by the Borrower or such Subsidiary or issued to the seller) in any Permitted Acquisition as part of the consideration therefor, PROVIDED that such Indebtedness is unsecured and is subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent (including, without limitation, those with respect to amount, maturity, amortization, interest rate, premiums, fees, covenants, subordination, events of default and remedies);

(xv) Indebtedness in respect of the Synthetic Leases;

(xvi) all Indebtedness of the FTB Group only to the extent that neither the Borrower nor any Guarantor shall incur or suffer to exist any Guaranteed Obligations in respect thereof

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(unless and to the extent such Guaranteed Obligation would otherwise be permitted under SECTION 7.3(T)) and;

(xvii) Indebtedness incurred by the Borrower or any Guarantor in addition to that referred to elsewhere in this SECTION 7.3(A) in a principal amount not to exceed in the aggregate (a) \$25,000,000 if the Leverage Ratio (calculated as of the last day of the immediately preceding fiscal quarter) shall be greater than 3.0 to 1.0 as of the date of incurrence thereof, and (b) \$75,000,000 if the Leverage Ratio (calculated as of the last day of the immediately preceding fiscal quarter) shall be less than or equal to 3.0 to 1.0 as of the date of incurrence thereof.

(B) SALES OF ASSETS. Neither the Borrower nor any of its Subsidiaries shall sell, assign, transfer, lease, convey or otherwise dispose of any property, whether now owned or hereafter acquired, or any income or profits therefrom, or enter into any agreement to do so, except:

(i) sales of Inventory in the ordinary course of business;

(ii) Permitted Receivables Transfers;

(iii) the disposition in the ordinary course of business of Equipment that is obsolete, excess or no longer useful in the Borrower's and its Subsidiaries' business;

(iv) transfers of assets between the Borrower and any Controlled Subsidiary or between Controlled Subsidiaries of the Borrower not otherwise prohibited by this Agreement; PROVIDED, that the aggregate of all Foreign Subsidiary Investments does not exceed the Permitted Foreign Subsidiary Investment Amount at any time;

(v) transfers of assets pursuant to Investments permitted by SECTION 7.3(D) and Restricted Payments permitted by SECTION 7.3(F);

(vi) the sale of the PET business unit of the Borrower and its Subsidiaries; PROVIDED, that such transaction (a) is for consideration consisting at least seventy-five percent (75%) of cash, (b) is for not less than fair market value (as determined by the board of directors of the Borrower in good faith, whose determination shall be conclusive evidence thereof and shall be evidenced by a resolution of such board of directors set forth in an Authorized Officer of the Borrower's certificate delivered to the Administrative Agent), (c) the Net Cash Proceeds of which shall be paid in accordance with SECTION 2.5(B)(i)(a) and (d) is consummated when no Default has occurred and is continuing or would result therefrom;

(vii) the sale of all or part of the assets or business constituting the Aerospace business unit of the Borrower and its Subsidiaries in one or more transactions; PROVIDED, that (a) each such transaction (x) is for consideration consisting at least seventy-five percent (75%) of cash, (y) is for not less than fair market value (as determined by the board of directors of the Borrower in good faith, whose determination shall be conclusive evidence thereof and shall be evidenced by a resolution of such board of directors set forth in an Authorized Officer of the

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Borrower's certificate delivered to the Administrative Agent), and (z) is consummated when no Default has occurred and is continuing or

would result therefrom, (b) the PRO FORMA opening consolidated financial statements of the Borrower and its Subsidiaries shall demonstrate that the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter (assuming the effectiveness of such sale on such last day of the Borrower's most recently completed fiscal quarter) shall be less than or equal to the greater of (A) 3.0 to 1.0 and (B) the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter as set forth on the compliance certificate delivered together with the financial statements for such fiscal quarter pursuant to SECTION 7.1(A)(iii), and (c) the Net Cash Proceeds of which shall be paid in accordance with SECTION 2.5(B)(i)(a);

(viii) leases that are operating leases under which the Borrower or any of its Subsidiaries is the lessor in the ordinary course of its business that are not substantially equivalent to sales; and

(ix) sales, assignments, transfers, leases, conveyances or other dispositions of other assets, PROVIDED that any such transaction (a) is for consideration consisting at least seventy-five percent (75%) of cash, (b) is for not less than fair market value (as determined by the board of directors of the Borrower in good faith, whose determination shall be conclusive evidence thereof and shall be evidenced by a resolution of such board of directors set forth in an Authorized Officer of the Borrower's certificate delivered to the Administrative Agent), (c) when combined with all such other transactions pursuant to this CLAUSE (ix) (each such transaction being valued at book value) (i) during the immediately preceding twelve-month period, represents the disposition of not greater than \$100,000,000, and (ii) during the period from the Closing Date to the date of such proposed transaction, represents the disposition of not greater than \$300,000,000 and (d) the Net Cash Proceeds of which shall be paid in accordance with SECTION 2.5(B)(i)(a).

Not less than five (5) Business Days prior to the consummation of any transaction permitted by CLAUSE (vi), (vii), or (ix) above, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying compliance with the requirements of CLAUSE (vi), (vii) or (ix), as applicable, and showing in reasonable detail the calculations on which such certification is based.

(C) LIENS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any of their respective property or assets except:

(i) Liens created by the Loan Documents or otherwise securing the Secured Obligations;

(ii) Liens arising under the Receivables Purchase Documents;

(iii) Permitted Existing Liens;

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(iv) Customary Permitted Liens;

(v) purchase money Liens (including the interest of a lessor under a Capitalized Lease and Liens to which any property is subject at the time of the Borrower's acquisition thereof) securing Permitted Purchase Money Indebtedness; PROVIDED that such Liens shall not apply to any property of the Borrower or its Subsidiaries other than that purchased or subject to such Capitalized Lease;

(vi) Liens with respect to property acquired by the Borrower or any Subsidiary after the Closing Date (and not created in contemplation of such acquisition) to the extent any such acquisitions are permitted pursuant to the terms hereof;

(vii) Liens incurred in connection with sale-leaseback transactions permitted under SECTION 7.3(J);

(viii) Liens on any of the Collateral which are incurred in connection with the Guaranty Agreement to the extent (a) such Collateral secures the Secured Obligations at such time and (b) the beneficiaries of the Guaranty Agreement have entered into an intercreditor agreement with the Administrative Agent in form and substance reasonably acceptable to the Agents; and

(ix) Liens securing other obligations not exceeding \$25,000,000 in the aggregate at any time outstanding.

In addition, neither the Borrower nor any of its Subsidiaries shall become a party to any agreement, note, indenture or other instrument, or take any other action, which would prohibit the creation of a Lien on any of its

properties or other assets in favor of the Administrative Agent for the benefit of itself and the Holders of Secured Obligations, as additional collateral for the Obligations; PROVIDED that any agreement, note, indenture or other instrument in connection with Permitted Purchase Money Indebtedness (including Capitalized Leases) may prohibit the creation of a Lien in favor of the Administrative Agent for the benefit of itself and the Holders of the Secured Obligations on the items of property obtained with the proceeds of such Permitted Purchase Money Indebtedness.

(D) INVESTMENTS. Other than Investments permitted pursuant to PARAGRAPH (G) below, neither the Borrower nor any of its Subsidiaries shall directly or indirectly make or own any Investment except:

(i) Investments in cash and Cash Equivalents;

(ii) Permitted Existing Investments in an amount not greater than the amount thereof on the Closing Date;

(iii) Investments in Ball Capital Corp. required in connection with the Receivables Purchase Documents;

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(iv) Investments, if any, resulting from transactions under the Manufacturing Supply Agreement;

(v) Investments in trade receivables or received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement (including settlements of litigation) of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(vi) Investments consisting of deposit accounts maintained by the Borrower and its Subsidiaries in the ordinary course of business in connection with its cash management system;

(vii) Investments consisting of non-cash consideration from a sale, assignment, transfer, lease, conveyance or other disposition of property permitted by SECTION 7.3(B);

(viii) Investments consisting of intercompany loans from the Borrower or any Subsidiary to the Borrower or any other Subsidiary permitted by SECTION 7.3(A)(x); PROVIDED, that the aggregate of all Foreign Subsidiary Investments made pursuant to this SECTION 7.3(D)(viii) shall not exceed \$25,000,000 at any time;

(ix) Investments which do not constitute Acquisitions, made in cash and in any Person having similar lines of business to those of the Borrower, PROVIDED that the total amount of all such Investments made after the Closing Date (including the amount of all cash invested, the fair market value of assets or property contributed and the principal amount of any Indebtedness guaranteed in connection therewith, but excluding, to the extent that any such Investment permitted hereunder shall be sold for cash, the lesser of (x) the cash return of capital with respect to such Investment (net of the cost of disposition) and (y) the initial amount of such Investment) shall not exceed \$25,000,000 during the term of this Agreement; and

(x) Investments in any Subsidiary that is a Controlled Subsidiary of the Borrower;

(xi) Investments constituting Permitted Acquisitions;

(xii) Restricted Investments permitted by SECTION 7.3(F)(viii);

(xiii) Investments, in addition to the Permitted Existing Investment, in any member of the FTB Group; PROVIDED, HOWEVER, such additional Investments which when aggregated with the amount of Indebtedness which is credit enhanced pursuant to the provisions of SECTION 7.3(T) shall not exceed, in the aggregate an amount equal to Two Hundred Seven Million Dollars (\$207,000,000);

(xiv) Investments constituting Indebtedness permitted by SECTION 7.3(A) or Guaranteed Obligations permitted by SECTION 7.3(E); and

(xv) Investments in addition to those permitted elsewhere in this SECTION 7.3(D), in an amount not to exceed \$40,000,000 in the aggregate at any time outstanding;

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PROVIDED, HOWEVER, that the investments described in CLAUSES (ix), (xi), (xii) AND (xiii) above shall not be permitted if either a default or an unmatured default shall have occurred and be continuing on the date thereof or would result therefrom.

(E) GUARANTIED OBLIGATIONS. neither the borrower nor any of its subsidiaries shall directly or indirectly create or become or be liable with respect to any Guaranteed Obligation, except: (i) recourse obligations resulting from endorsement of negotiable instruments for collection in the ordinary course of business; (ii) Permitted Existing Guaranteed Obligations; (iii) obligations, warranties, and indemnities, not relating to indebtedness of any Person, which have been or are undertaken or made in the ordinary course of business and not for the benefit of or in favor of an Affiliate of the Borrower or such Subsidiary which is not a Guarantor; (iv) Guaranteed Obligations arising under the Transaction Documents; (v) guaranties of Indebtedness permitted by SECTION 7.3(A), PROVIDED, that to the extent such indebtedness shall be subordinated to the Obligations, each such guarantee shall be subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent; (vi) obligations under the Guaranty Agreement; (vii) Guaranteed Obligations with respect to surety, appeal and performance bonds obtained by the Borrower or any Subsidiary in the ordinary course of business; and (viii) additional Guaranteed Obligations which do not exceed \$10,000,000 in the aggregate at any time.

(F) RESTRICTED PAYMENTS. Neither the borrower nor any of its subsidiaries shall declare or make any Restricted Payment, except:

(i) the defeasance, redemption or repurchase of any Indebtedness with the Net Cash Proceeds of Permitted Refinancing Indebtedness;

(ii) mandatory payments of interest, principal or premium, if any, due on the indebtedness in accordance with mandatory redemption or repayment provisions in effect with respect to such indebtedness as of the Closing Date, unless in each case such payments are prohibited by the terms of such Indebtedness or the subordination provisions applicable thereto;

(iii) dividends or other distributions (including, without limitation liquidating distributions) payable or made by (a) any Wholly-Owned Subsidiary of the Borrower in compliance with applicable corporation law; and (b) any other subsidiary of the borrower in compliance with applicable corporation law; PROVIDED, that the amount of such dividends or distributions under this CLAUSE (b) which are paid or made to any Person not a member of the Ball Corporate Group (the "THIRD-PARTY PAYMENTS") shall be included for purposes of calculating compliance with CLAUSE (viii) below and shall be permitted only to the extent they are permitted under CLAUSE (viii) below;

(iv) dividends or other payments from any Subsidiary of the Borrower to the Borrower pursuant to the Tax Allocation Agreement;

(v) any public offering or other offering qualified under Rule 144A under the Securities Act of 1933, as amended, of all or part of the Equity Interests of a Person constituting the Aerospace business unit of the Borrower and/or any dividend or other distribution by the Borrower, direct or indirect, of any Equity Interests of a Person constituting

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the Aerospace business unit of the Borrower; PROVIDED that (x) the PRO FORMA opening consolidated financial statements of the Borrower and its Subsidiaries shall demonstrate that the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter (assuming the effectiveness of such Restricted Payment on such last day of the Borrower's most recently completed fiscal quarter) shall be less than or equal to the greater of (A) 3.0 to 1.0 and (B) the Leverage Ratio of the Borrower and its Subsidiaries as of the last day of the Borrower's most recently completed fiscal quarter as set forth on the compliance certificate delivered together with the financial statements for such fiscal quarter pursuant to SECTION 7.1(A)(iii), (y) the Borrower would not otherwise be in Default after giving effect thereto and (z) the Net Cash Proceeds of which shall be paid in compliance with SECTION 2.5(B)(I)(a) and (b);

(vi) in connection with the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower owned by any member of the Borrower's or any of its Subsidiaries' management, pursuant to a management equity subscription agreement or stock option agreement in effect on the Closing Date or entered into after the Closing Date with members of the management of any Person acquired after the Closing Date, PROVIDED, that the aggregate purchase price of all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed \$15,000,000 in the aggregate since the Closing Date;

(vii) in connection with the repurchase of Equity Interests of the Borrower or any Subsidiary of the Borrower held by employees, former employees, directors or former directors pursuant to the terms of agreements (including employment agreements) approved by the Borrower's board of directors, PROVIDED, that the aggregate purchase price of all such repurchased Equity Interests net of Equity Interests sold to employees or directors shall not exceed \$5,000,000 during any twelve-month period; and

(viii) Third-Party Payments under CLAUSE (iii) above and additional Restricted Payments (including Restricted Investments but excluding any Restricted Payment made in compliance with CLAUSE (v) above) which do not in the aggregate exceed, for the period commencing with the Borrower's fiscal quarter ending December 31, 1998, and ending on the last day of the last quarter ending prior to such Third-Party Payment or Restricted Payment, the greater of (A) the sum of \$60,000,000 MINUS the amount of all Third-Party Payments and Restricted Payments made under this CLAUSE (a), and (B) the sum of (a) fifty percent (50%) of Consolidated Net Income for such period (or, if Consolidated Net Income for such period is a deficit, less 100% of such deficit), PLUS (b) the aggregate Net Cash Proceeds from the sale or issuance of Equity Interests (other than Disqualified Stock) of the Borrower for such period, PLUS (c) to the extent that any Restricted Investment permitted hereunder and made after the Closing Date shall be sold for cash during such period, the lesser of (x) the cash return of capital with respect to such Restricted Investment (net of the cost of disposition) and (y) the initial amount of such Restricted Investment;

PROVIDED, HOWEVER, that the Restricted Payments described in CLAUSES (iv), (v), (vi), (vii) and (viii) above shall not be permitted if either a Default or an Unmatured Default shall have

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occurred and be continuing at the date of declaration or payment thereof or would result therefrom.

(G) CONDUCT OF BUSINESS; RESTRICTIONS ON EXCLUDED SUBSIDIARIES; SUBSIDIARIES; ACQUISITIONS. (i) Neither the Borrower nor any of its Subsidiaries or Excluded Subsidiaries shall engage in any business other than the businesses engaged in by the Borrower and such Subsidiaries and Excluded Subsidiaries on the date hereof, the businesses engaged in by the Reynolds Group which is being acquired pursuant to the Reynolds Acquisition and any business or activities which are substantially similar, related or incidental thereto. Without first entering into documentation reasonably acceptable to the Administrative Agent and consistent with the requirements set forth in SECTION 7.2(K), pursuant to which the Capital Stock of such entity is pledged pursuant to a Pledge Agreement and pursuant to which such entity becomes a Guarantor (at which time such entity shall be a "Subsidiary" hereunder and shall no longer constitute an "Excluded Subsidiary"), no Excluded Subsidiary shall engage in any business enterprise other than being a "name-holding" entity and shall have no assets (other than the statutorily required minimum capitalization) or liabilities.

(ii) The Borrower may create, acquire and/or capitalize any Subsidiary (a "NEW SUBSIDIARY") after the date hereof pursuant to any transaction that is permitted by or not otherwise prohibited by this Agreement, PROVIDED that (1) each New Subsidiary that is a Domestic Incorporated Subsidiary shall execute a guaranty of the Obligations and (2) (x) all of the Equity Interests in each New Subsidiary that is a Domestic Incorporated Subsidiary and (y) 65% of the Equity Interests in each New Subsidiary that is a Material Foreign Subsidiary, in each case, owned by the Borrower or any other Subsidiary shall be pledged to the Administrative Agent, for the benefit of Holders of Secured Obligations, pursuant to documentation in form and substance satisfactory to the Administrative Agent.

(iii) Neither the Borrower nor any of its Subsidiaries shall make any Acquisitions, other than (x) the Reynolds Acquisition, (y) the Latasa Acquisition, provided the aggregate purchase price (including assumed liabilities) in respect thereof shall not exceed \$74,000,000, and (z) other Acquisitions meeting the following requirements or otherwise approved by the Required Lenders (each of the Acquisitions permitted by CLAUSES (x), (y) and (z) constituting a "PERMITTED ACQUISITION"):

(1) no Default or Unmatured Default shall have occurred and be continuing or would result from such Acquisition or the incurrence of any Indebtedness in connection therewith;

(2) after giving effect to such transaction, the aggregate of all Foreign Subsidiary Investments would not exceed the Permitted Foreign Subsidiary Investment Amount;

(3) the Acquisition shall be consummated pursuant to a negotiated acquisition agreement on a non-hostile basis and the businesses being acquired shall be substantially similar, related or incidental to the

businesses or activities engaged in by the Borrower and its Subsidiaries on the Closing Date;

(4) if the Leverage Ratio (calculated on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment, as if the Acquisition and such incurrence of

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Indebtedness had occurred on the first day of the twelve-month period ending on the last day of the Borrower's most recently completed fiscal quarter) is greater than 3.0 to 1.0, the aggregate purchase price (including assumed liabilities) of all Acquisitions otherwise permitted under this SECTION 7.3(G)(iii)(z) shall not exceed (a) for any single transaction or series of related transactions, \$50,000,000; and (b) for all transactions from and after the Closing Date, \$100,000,000; and

(5) prior to each such Acquisition, the Borrower shall deliver to the Administrative Agent a certificate from one of the Authorized Officers of the Borrower, demonstrating to the reasonable satisfaction of the Administrative Agent and the Required Lenders that after giving effect to such Acquisition and the incurrence of any Indebtedness permitted by SECTION 7.3(A) in connection therewith, on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment, as if the Acquisition and such incurrence of Indebtedness had occurred on the first day of the twelve-month period ending on the last day of the Borrower's most recently completed fiscal quarter, the Borrower would have been in compliance with the financial covenants in SECTION 7.4 and not otherwise in Default.

(H) TRANSACTIONS WITH SHAREHOLDERS AND AFFILIATES. Neither the Borrower nor any of its Subsidiaries shall (i) directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder or holders of any of the Equity Interests of the Borrower, or with any Affiliate of the Borrower which is not its Subsidiary, on terms that are less favorable to the Borrower or any of its Subsidiaries, as applicable, than those that might be obtained in an arm's length transaction at the time from Persons who are not such a holder or Affiliate, except for (a) Permitted Receivables Transfers, (b) transactions pursuant to the Tax Allocation Agreement, (c) transactions pursuant to the Manufacturing Supply Agreement, and (d) Restricted Payments permitted by SECTION 7.3(F) or (ii) enter or permit to exist any such non-arm's length transaction between either the Borrower or any Domestic Incorporated Subsidiary, on the one hand, and any Foreign Incorporated Subsidiary, on the other hand, if as a result thereof the aggregate of all Foreign Subsidiary Investments would at any time exceed the Permitted Foreign Subsidiary Investment Amount.

(I) RESTRICTION ON FUNDAMENTAL CHANGES. Neither the Borrower nor any of its Subsidiaries shall enter into any merger or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, lease, sell, transfer or otherwise dispose of, in one transaction or series of transactions, all or substantially all of the Borrower's or any such Subsidiary's business or property, whether now or hereafter acquired, except (a) transactions permitted under SECTIONS 7.3(B), 7.3(F) or 7.3(G) and (b) the merger of any Subsidiary into the Borrower or a Controlled Subsidiary. No member of the FTB Group shall enter into any merger or consolidation, except the merger or consolidation of any member of the FTB Group into any other member of the FTB Group; PROVIDED, that FTB shall be the survivor of any merger or consolidation to which it is a party and no Change of Control shall result therefrom.

(J) SALES AND LEASEBACKS. Neither the Borrower nor any of its Subsidiaries shall become liable, directly, by assumption or by Guaranteed Obligation, with respect to any lease, whether an

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operating lease or a Capitalized Lease, of any property (whether real or personal or mixed (other than the aircraft owned by the Borrower and its Subsidiaries as of the Closing Date)) (i) which it or one of its Subsidiaries sold or transferred or is to sell or transfer to any other Person, or (ii) which it or one of its Subsidiaries intends to use for substantially the same purposes as any other property which has been or is to be sold or transferred by it or one of its Subsidiaries to any other Person in connection with such lease, unless in either case the sale involved is not prohibited under SECTION 7.3(B) and the lease involved is not prohibited under SECTION 7.3(A).

(K) MARGIN REGULATIONS. Neither the Borrower nor any of its Subsidiaries, shall use all or any portion of the proceeds of any credit

extended under this Agreement to purchase or carry Margin Stock.

(L) ERISA. To the extent that any of the following actions or omissions, individually or in the aggregate, would reasonably be expected to subject the Borrower or any member of the Controlled Group to liability in excess of \$25,000,000, the Borrower shall not:

(i) engage, or permit any of its Subsidiaries to engage, in any prohibited transaction described in Sections 406 of ERISA or 4975 of the Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the DOL;

(ii) fail, or permit any Controlled Group member to fail, to pay timely required contributions or annual installments required under Section 412 of the Code or due with respect to any waived funding deficiency with respect to any Benefit Plan;

(iii) terminate, or permit any Controlled Group member to terminate, any Benefit Plan which would result in any liability of the Borrower or any Controlled Group member under Title IV of ERISA;

(iv) fail to make any contribution or payment to any Multiemployer Plan which the Borrower or any Controlled Group member may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto;

(v) amend, or permit any Controlled Group member to amend, a Benefit Plan resulting in an increase in current liability for the plan year such that the Borrower or any Controlled Group member is required to provide security to such Plan under Section 401(a)(29) of the Code other than an amendment required by applicable law, a collective bargaining agreement or related obligation or a purchase or sale agreement;

(vi) permit any unfunded liabilities with respect to any Foreign Pension Plan except to the extent that any such unfunded liabilities are being funded by annual contributions made by the Borrower or any member of its Controlled Group and such annual contributions are not less than the minimum amounts required under applicable local law; or

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(vii) fail, or permit any of its Subsidiaries or Controlled Group members to fail, to pay any required contributions or payments to a Foreign Pension Plan on or before the due date for such required installment or payment.

(M) ISSUANCE OF DISQUALIFIED STOCK. Neither the Borrower nor any of its Subsidiaries shall issue any Disqualified Stock other than (i) the issuance of Disqualified Stock having a liquidation preference in an aggregate amount not in excess of the principal amount of Indebtedness that the Borrower and its Subsidiaries could incur on the date of such issuance pursuant to SECTION 7.3(A)(vi) or (vii) or (ii) pursuant to an exchange or conversion of then outstanding Indebtedness of the Borrower or any of its Subsidiaries for or into Disqualified Stock, PROVIDED that, to the extent that the aggregate amount of the liquidation preference of such Disqualified Stock exceeds the principal amount of the Indebtedness so exchanged or converted, such Disqualified Stock could be issued pursuant to CLAUSE (i) above. All such issued and outstanding Disqualified Stock shall be treated as Indebtedness for all purposes of this Agreement (and as funded Indebtedness for purposes of SECTION 7.1(G)), and the amount of such deemed Indebtedness shall be the aggregate amount of the liquidation preference of such Disqualified Stock. The Borrower shall not permit any Subsidiary to issue any shares of preferred stock.

(N) CORPORATE DOCUMENTS. Neither the Borrower nor any of its Subsidiaries shall amend, modify or otherwise change any of the terms or provisions in any of their respective constituent documents or the Tax Allocation Agreement as in effect on the date hereof in any manner adverse in any material respect to the interests of the Lenders, without the prior written consent of the Required Lenders.

(O) FISCAL YEAR. Neither the Borrower nor any of its consolidated Subsidiaries shall change its fiscal year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

(P) SUBSIDIARY COVENANTS. Except as required in connection with the Receivables Purchase Documents, the Borrower will not, and will not permit any Subsidiary to, create or otherwise cause to become effective or suffer to exist any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to effect any of the following: (i) pay dividends or make any other distribution on its stock, (ii) make any other Restricted Payment, (iii) pay any Indebtedness or other Obligation owed to the Borrower or any other Subsidiary, (iv) make loans or advances or other Investments in the Borrower or any other Subsidiary, or (v) sell, transfer or otherwise convey any of its property to the

Borrower or any other Subsidiary (except property subject to a Lien permitted hereunder).

(Q) HEDGING OBLIGATIONS. The Borrower shall not and shall not permit any of its Subsidiaries to enter into any interest rate, commodity or foreign currency exchange, swap, collar, cap or similar agreements evidencing Hedging Obligations, other than interest rate, foreign currency or commodity exchange, swap, collar, cap or similar agreements entered into by the Borrower pursuant to which the Borrower has hedged its actual interest rate, foreign currency or commodity exposure. Such permitted hedging agreements entered into by the Borrower and any other Person are sometimes referred to herein as "HEDGING AGREEMENTS."

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(R) OTHER INDEBTEDNESS. The Borrower shall not amend, modify or supplement, or permit any Subsidiary to amend, modify or supplement (or consent to any amendment, modification or supplement of), any document, agreement or instrument evidencing the Senior Notes or any Subordinated Indebtedness (or any replacements, substitutions or renewals thereof) or pursuant to which the Senior Notes or any Subordinated Indebtedness is issued where such amendment, modification or supplement provides for the following or which has any of the following effects:

- (i) increases the overall principal amount of any such Indebtedness or increases the amount of any single scheduled installment of principal or interest;
- (ii) shortens or accelerates the date upon which any installment of principal or interest becomes due or adds any additional mandatory redemption provisions;
- (iii) shortens the final maturity date of such Indebtedness or otherwise accelerates the amortization schedule with respect to such Indebtedness;
- (iv) increases the rate of interest accruing on such Indebtedness;
- (v) provides for the payment of additional fees or increases existing fees;
- (vi) amends or modifies any financial or negative covenant (or covenant which prohibits or restricts the Borrower or a Subsidiary of the Borrower from taking certain actions) in a manner which is more onerous or more restrictive in any material respect to the Borrower (or any Subsidiary of the Borrower) or which is otherwise materially adverse to the Borrower and/or the Lenders or, in the case of adding covenants, which places material additional restrictions on the Borrower (or a Subsidiary of the Borrower) or which requires the Borrower or any such Subsidiary to comply with more restrictive financial ratios or which requires the Borrower to better its financial performance from that set forth in the existing financial covenants;
- (vii) amends, modifies or adds any affirmative covenant in a manner which, when taken as a whole, is materially adverse to the Borrower and/or the Lenders; or
- (viii) in the case of any Subordinated Indebtedness, amends, modifies or supplements the subordination provisions thereof.

(S) AMENDMENT OF RECEIVABLES PURCHASE DOCUMENTS. The Borrower shall not, and shall not permit any of its Subsidiaries to, agree to or enter into any amendment, restatement or other modification of the Receivables Purchase Documents, or substitute or replace the Receivables Purchase Documents with another receivables securitization facility, that would (i) increase the maximum amount of Indebtedness to be incurred thereunder to an amount in excess of \$125,000,000, provided that in any event the Borrower shall concurrently reduce the Aggregate Revolving Loan Commitment pursuant to SECTION 2.6 by an amount equal to or greater than the amount of any increase of such Indebtedness; (ii) accelerate any scheduled amortization date; (iii) increase the recourse obligations of the Borrower or any of its Subsidiaries (other than Ball Capital Corp.) in any material

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respect; (iv) provide for an "Event of Default," "Termination Event," "Early Amortization Event," "Servicer Default" or other similar event upon the occurrence of a Default or Unmatured Default hereunder; (v) impose net worth covenants for Ball Capital Corp. that are materially more stringent than those in existence on the Closing Date; (vi) materially decrease the cash consideration to be paid to Ball Capital Corp. or Ball Metal Food Container Corp., a Delaware corporation, Ball Plastic Container Corp., a Colorado corporation, and BMBCC on account of any Permitted Receivables Transfers; or

(vii) materially increase the amount of discount, yield or interest payable thereunder.

(T) RESTRICTIONS ON CREDIT SUPPORT TO THE FTB GROUP. Other than Permitted Existing Investments with respect to the FTB Group, neither the Borrower nor any of its Subsidiaries shall provide any type of credit support or credit enhancement to any member of the FTB Group, whether directly through loans to or Investments in, letters of credit issued for the benefit of any creditor of any member of the FTB Group or guarantees or any other Contractual Obligation, contingent or otherwise, of the Borrower or any of such Subsidiaries with respect to any Indebtedness or other obligation or liability of any member of the FTB Group, including, without limitation, any such Indebtedness, obligation or liability directly or indirectly guaranteed, supported by letter of credit, endorsed (other than for collection or deposit in the ordinary course of business), co-made or discounted or sold with recourse, or in respect of which the Borrower or any of its Subsidiaries is otherwise directly or indirectly liable, including contractual obligations (contingent or otherwise) arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition, or to make payment other than for value received; PROVIDED such credit support or other credit enhancement shall be permitted if and only to the extent that it is treated as an Investment covered by the provisions of SECTION 7.3(D) and to the extent that such credit support or credit enhancement when added to the other Investments in the FTB Group would be permitted pursuant to SECTION 7.3(D).

(U) AMENDMENTS TO AGREEMENTS. The Borrower shall not enter into, and shall not permit any Subsidiary to enter into, or otherwise consent to, any amendment or other modification to the Asset Purchase Agreement in any way that would be materially adverse to the Borrower or any of its Subsidiaries or to any of the Lenders.

7.4 FINANCIAL COVENANTS. The Borrower shall comply with the following:

(A) DEFINED TERMS FOR FINANCIAL COVENANTS. The following terms used in this Agreement shall have the following meanings (such meanings to be applicable, except to the extent otherwise indicated in a definition of a particular term, both to the singular and the plural forms of the terms defined):

"CAPITAL EXPENDITURES" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including Capitalized Leases and Permitted Purchase Money Indebtedness, but excluding (without duplication) any capitalized interest with respect thereto) by the Borrower and its Subsidiaries during that period that, in conformity with Agreement Accounting Principles, are required to be included in or reflected by the property, plant, equipment or similar fixed asset accounts reflected in the consolidated balance sheet of the Borrower and its Subsidiaries.

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"CAPITALIZED LEASE" of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CAPITALIZED LEASE OBLIGATIONS" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CONSOLIDATED NET INCOME" shall mean the net income and net losses of the Borrower and its Subsidiaries on a consolidated basis as defined according to Agreement Accounting Principles after excluding, without duplication, the sum of (i) any net losses or net income from the operations of any member of the FTB Group (other than net income which has been paid by cash dividend or otherwise distributed in cash to the Borrower or one of the Guarantors) and (ii) the cumulative effect of a change in accounting principles, in each case, calculated for the applicable period and determined in accordance with Agreement Accounting Principles; PROVIDED, that when calculating Consolidated Net Income, there shall be excluded from such calculation, the earnings of a Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to the Borrower with respect to such earnings is not, at the date of determination, permitted without the prior approval of a Governmental Authority (and such approval has not been obtained), or is prohibited, 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 Subsidiary or the holders of its Capital Stock. For purposes of the calculation of Consolidated Net Income, the provisions of CLAUSE (i) shall be applicable to the FTB Group whether or not they constitute a Minority Interest.

"CONSOLIDATED NET WORTH" shall mean the sum of shareholders' equity of the Borrower and its Subsidiaries, including preferred stock of the Borrower and its Subsidiaries; PROVIDED, that there shall be excluded therefrom all amounts related to the FTB Group.

"EBITDA" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries, the sum of the amounts for such period, without duplication, of:

- (i) Consolidated Net Income,
- PLUS (ii) Interest Expense, to the extent deducted in computing Consolidated Net Income,
- PLUS (iii) charges against income for foreign, federal, state and local taxes, to the extent deducted in computing Consolidated Net Income,
- PLUS (iv) depreciation expense, to the extent deducted in computing Consolidated Net Income,
- PLUS (v) amortization expense, including, without limitation, amortization of goodwill and other intangible assets, Transaction Costs, and other fees, costs and

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- expenses in connection with Permitted Acquisitions, in each case, to the extent deducted in computing Consolidated Net Income,
- PLUS (vi) the lease expense component of the Synthetic Leases, to the extent deducted in computing Consolidated Net Income,
- MINUS (vii) the gain (or PLUS the loss) (net of any tax effect) resulting from the sale of any capital assets other than in the ordinary course of business,
- MINUS (viii) extraordinary or nonrecurring after-tax gains (or PLUS extraordinary or nonrecurring after-tax losses),
- MINUS (ix) any gain resulting from any write-up of assets (other than with respect to any Company Owned Life Insurance Program),
- PLUS (x) any loss resulting from any write-down of assets; and
- PLUS (xi) any non-cash restructuring charge.

in each case calculated for the applicable period in conformity with Agreement Accounting Principles.

"INTEREST EXPENSE" means, for any period, the total interest expense of the Borrower and its consolidated Subsidiaries (other than the FTB Group), whether paid or accrued (including the interest component of Capitalized Leases, the interest component of the Synthetic Leases, net payments (if any) pursuant to Hedging Obligations relating to interest rate protection, commitment and letter of credit fees, and discount and other fees and charges incurred under the Receivables Purchase Documents), but excluding interest expense not payable in cash (including amortization of discount), as determined in conformity with Agreement Accounting Principles.

"TOTAL DEBT" means, for any period, on a consolidated basis for the Borrower and its consolidated Subsidiaries (other than the FTB Group), Indebtedness of the Borrower and its Subsidiaries, other than (i) Hedging Obligations and (ii) the sum (without duplication) of the amounts then available for drawing under commercial or trade letters of credit and (iii) Support Obligations.

(B) MINIMUM CONSOLIDATED NET WORTH. The Borrower shall not permit its Consolidated Net Worth at any time to be less than the sum of (a) \$500,000,000, PLUS (b) fifty percent (50%) of Consolidated Net Income (if positive) calculated separately for each fiscal quarter commencing with the fiscal quarter ending December 31, 1998, PLUS (c) one hundred percent (100%) of the Net Cash Proceeds resulting from the issuance by the Borrower of any Capital Stock.

(C) TOTAL DEBT TO EBITDA RATIO. The Borrower shall not permit the ratio (the "LEVERAGE RATIO") of Total Debt to EBITDA to be greater than the ratio set forth below under the column entitled "Leverage Ratio" at any time during the fiscal quarter ending on the corresponding date set forth below:

<TABLE>
<CAPTION>

QUARTER ENDING -----	LEVERAGE RATIO -----
<S>	<C>
December 31, 1998	4.75 to 1.00
March 31, 1999	4.75 to 1.00
June 30, 1999	4.75 to 1.00
September 30, 1999	4.50 to 1.00
December 31, 1999	4.50 to 1.00
March 31, 2000	4.25 to 1.00
June 30, 2000	4.25 to 1.00
September 30, 2000	4.00 to 1.00
December 31, 2000	4.00 to 1.00
March 31, 2001	4.00 to 1.00
June 30, 2001	
and each quarter	
thereafter	3.50 to 1.00

</TABLE>

The Leverage Ratio shall be calculated, in each case, determined as of the last day of each fiscal quarter based upon (a) for Total Debt, Total Debt as of the last day of each such fiscal quarter; and (b) for EBITDA, the actual amount for the four-quarter period ending on such day, calculated, with respect to Permitted Acquisitions, on a PRO FORMA basis using historical audited and reviewed unaudited financial statements obtained from the seller, broken down by fiscal quarter in the Borrower's reasonable judgment; PROVIDED, that there shall be excluded from the calculation of the Leverage Ratio all amounts related to the FTB Group.

(D) FIXED CHARGE COVERAGE RATIO. The Borrower shall maintain a ratio ("FIXED CHARGE COVERAGE RATIO") of (i) the sum (without duplication) of the amounts of (a) EBITDA MINUS (b) Capital Expenditures to (ii) the sum of the amounts of (a) scheduled amortization of the principal portion of the Term Loans and scheduled amortization of the principal portion of all other Indebtedness of the Borrower and its Subsidiaries (PROVIDED, that solely for purposes of calculating the Fixed Charge Coverage Ratio as of the fiscal quarter ending on December 31, 2001, such calculation shall be made exclusive of payments made at the final maturity of the Synthetic Leases during such fiscal quarter), PLUS (b) Interest Expense, PLUS (c) cash taxes paid, PLUS (d) dividends paid by the Borrower or other cash distributions made on the equity of the Borrower (PROVIDED, that for purposes of this SECTION 7.4(D), calculation of the Fixed Charge Coverage Ratio shall be exclusive of the effect of Restricted Payments made in compliance with SECTION 7.3(F)(v)) during such period of at least:

(i) 1.05 to 1.00 for each fiscal quarter for the period commencing with the fiscal quarter ending December 31, 1998 through the fiscal quarter ending June 30, 1999;

(ii) 1.10 to 1.00 for each fiscal quarter for the period commencing with the fiscal quarter ending September 30, 1999 through the fiscal quarter ending June 30, 2000;

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(iii) 1.15 to 1.00 for each fiscal quarter for the period commencing with the fiscal quarter ending on September 30, 2000 through the fiscal quarter ending on June 30, 2001; and

(iv) 1.20 to 1.00 for each fiscal quarter thereafter until the Termination Date.

In each case the Fixed Charge Coverage Ratio shall be determined as of the last day of each fiscal quarter for the four-quarter period ending on such day PROVIDED, that there shall be excluded from the calculation of the Fixed Charge Coverage Ratio all amounts relating to the FTB Group.

ARTICLE VIII: DEFAULTS

8.1 DEFAULTS. Each of the following occurrences shall constitute a Default under this Agreement:

(a) FAILURE TO MAKE PAYMENTS WHEN DUE. The Borrower shall (i) fail to pay when due any of the Obligations consisting of principal with respect to the Loans or (ii) shall fail to pay within five (5) Business Days of the date when due any of the other Obligations under this Agreement or the other Loan Documents.

(b) BREACH OF CERTAIN COVENANTS. The Borrower shall fail duly and punctually to perform or observe any agreement, covenant or obligation binding on the Borrower under:

(i) SECTION 7.1(C) through and including (J) and SECTION 7.2 and such failure shall continue unremedied for fifteen (15) Business Days;

(ii) SECTION 7.1(A), 7.1(B), or 7.3 or 7.4.

(c) BREACH OF REPRESENTATION OR WARRANTY. Any representation or warranty made or deemed made by the Borrower to the Administrative Agent or any Lender herein or by the Borrower or any of its Subsidiaries in any of the other Loan Documents or in any statement or certificate at any time given by any such Person pursuant to any of the Loan Documents shall be untrue in any material respect on the date as of which made (or deemed made).

(d) OTHER DEFAULTS. The Borrower shall default in the performance of or compliance with any term contained in this Agreement (other than as covered by PARAGRAPHS (a), (b) or (c) of this SECTION 8.1), or the Borrower or any of its Subsidiaries shall default in the performance of or compliance with any term contained in any of the other Loan Documents, and such default shall continue for fifteen (15) Business Days after the earlier of (i) notice from the Administrative Agent or (ii) the date on which any member of the Borrower's or such Subsidiary's management, as applicable, shall first have actual knowledge thereof.

(e) DEFAULT AS TO OTHER INDEBTEDNESS. (x) Any "Default" shall occur under and as defined in the Short-Term Credit Agreement; or (y) the Borrower or any of its Subsidiaries shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or

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otherwise) with respect to any Indebtedness (including, without limitation, Indebtedness with respect to any Hedging Agreement, but other than (i) the Obligations and the Indebtedness under the Receivables Purchase Documents and (ii) the Obligations and Indebtedness of the FTB Group (which Obligations and Indebtedness are non-recourse to the Borrower and its Subsidiaries)) the aggregate outstanding principal amount of which Indebtedness is in excess of \$10,000,000; or any breach, default or event of default shall occur, or any other condition shall exist under any instrument, agreement or indenture pertaining to any such Indebtedness, if the effect thereof is to cause an acceleration, mandatory redemption, a requirement that the Borrower or any of its Subsidiaries offer to purchase such Indebtedness or other required repurchase of such Indebtedness, or permit the holder(s) of such Indebtedness to accelerate the maturity of any such Indebtedness or require a redemption or other repurchase of such Indebtedness; or any such Indebtedness shall be otherwise declared to be due and payable (by acceleration or otherwise) or the holder of such Indebtedness requires such Indebtedness to be prepaid, redeemed or otherwise repurchased by the Borrower or any of its Subsidiaries (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof.

(f) INVOLUNTARY BANKRUPTCY; APPOINTMENT OF RECEIVER, ETC.

(i) An involuntary case under applicable bankruptcy, insolvency or other similar law shall be commenced against the Borrower or any Material Subsidiary and the petition shall not be dismissed, stayed, bonded or discharged within sixty (60) days after commencement of the case; or a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Borrower or any Material Subsidiary in an involuntary case, under any applicable bankruptcy, insolvency or other similar law now or hereinafter in effect; or any other similar relief shall be granted under any applicable federal, state, local or foreign law.

(ii) A decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Borrower or any Material Subsidiary or over all or a substantial part of the property of the Borrower or any Material Subsidiary shall be entered; or an interim receiver, trustee or other custodian of the Borrower or any Material Subsidiary or of all or a substantial part of the property of the Borrower or any Material Subsidiary shall be appointed or a warrant of attachment, execution or similar process against any substantial part of the property of the Borrower or any Material Subsidiary shall be issued and any such event shall not be stayed, dismissed, bonded or discharged within sixty (60) days after entry, appointment or issuance.

(g) VOLUNTARY BANKRUPTCY; APPOINTMENT OF RECEIVER, ETC. The Borrower or any Material Subsidiary shall (i) commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, (iii) consent to the appointment of or taking possession by a receiver, trustee or

other custodian for all or a substantial part of its property, (iv) make any assignment for the benefit of creditors or (v) take any corporate action to authorize any of the foregoing.

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(h) JUDGMENTS AND ATTACHMENTS. Any money judgment(s) (other than a money judgment covered by insurance as to which the insurance company has not disclaimed or reserved the right to disclaim coverage), writ or warrant of attachment, or similar process against the Borrower or any Material Subsidiary or any of their respective assets involving in any single case or in the aggregate an amount in excess of \$10,000,000 is or are entered and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days or in any event later than fifteen (15) days prior to the date of any judicially sanctioned sale thereunder.

(i) DISSOLUTION. Any order, judgment or decree shall be entered against the Borrower or any Material Subsidiary decreeing its involuntary dissolution or split up and such order shall remain undischarged and unstayed for a period in excess of sixty (60) days; or the Borrower or any Material Subsidiary shall otherwise dissolve or cease to exist except as specifically permitted by this Agreement.

(j) LOAN DOCUMENTS; FAILURE OF SECURITY. At any time, for any reason, (i) any Loan Document as a whole that materially affects the ability of the Administrative Agent, or any of the Lenders to enforce the Obligations or enforce their rights against the Collateral ceases to be in full force and effect or the Borrower or any of the Borrower's Subsidiaries party thereto seeks to repudiate its obligations thereunder and the Liens intended to be created thereby are, or the Borrower or any such Subsidiary seeks to render such Liens, invalid or unperfected, or (ii) any material Lien on Collateral in favor of the Administrative Agent contemplated by the Loan Documents shall, at any time, for any reason (except as permitted by the terms of any such Loan Document), be invalidated or otherwise cease to be in full force and effect, or such Lien shall not have the priority contemplated by this Agreement or the Loan Documents.

(k) TERMINATION EVENT. Any Termination Event occurs which individually or in the aggregate would reasonably be expected to subject the Borrower or any Controlled Group member to liability in excess of \$25,000,000.

(l) WAIVER OF MINIMUM FUNDING STANDARD. The plan administrator of any Plan applies under Section 412(d) of the Code for a waiver of the minimum funding standards of Section 412(a) of the Code and the substantial business hardship upon which the application for the waiver is based could reasonably be expected to subject either the Borrower or any Controlled Group member to liability in excess of \$10,000,000.

(m) CHANGE OF CONTROL. A Change of Control shall occur.

(n) ENVIRONMENTAL MATTERS. The Borrower or any of its Subsidiaries shall be the subject of any proceeding or investigation pertaining to (i) the Release by the Borrower or any of its Subsidiaries of any Contaminant, (ii) the liability of the Borrower or any of its Subsidiaries arising from the Release by any other Person of any Contaminant, or (iii) any violation of any Environmental, Health or Safety Requirements of Law by the Borrower or any of its Subsidiaries, which, in any case, has subjected or is reasonably likely to subject the Borrower or any of its Subsidiaries to liability individually or in the aggregate in excess of \$25,000,000 (exclusive of costs, expenses, claims covered by insurance policies of the Borrower or any of its Subsidiaries unless the insurers of such costs, expenses or claims have

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disclaimed coverage or reserved the right to disclaim coverage thereof and exclusive of costs, expenses or claims covered by the indemnity of a financially responsible indemnitor in favor of the Borrower or any of its Subsidiaries unless the indemnitor has disclaimed or reserved the right to disclaim coverage thereof).

(o) GUARANTOR DEFAULT OR REVOCATION. The Borrower or any Guarantor shall terminate or revoke any of their respective obligations under any of the Collateral Documents, or any other guarantor of the Obligations shall terminate or revoke any of its obligations under the applicable guarantee agreement or breach any of the terms of such guarantee agreement.

(p) FAILURE OF SUBORDINATION. The subordination provisions of the documents and instruments evidencing any Subordinated Indebtedness shall, at any time, be invalidated or otherwise cease to be in full force and effect.

A Default shall be deemed "continuing" until cured or until waived in writing in accordance with SECTION 9.3.

9.1 TERMINATION OF COMMITMENTS; ACCELERATION. If any Default described in SECTION 8.1(f) or 8.1(g) or 8.1(i) occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder and the obligation of each Issuing Bank to issue Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent or any Lender. If any other Default occurs, the Required Lenders may terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation of the Issuing Banks to issue Letters of Credit hereunder, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower expressly waives.

9.2 DEFAULTING LENDER. In the event that any Lender fails to fund its Applicable Pro Rata Share of any Advance requested or deemed requested by the Borrower, which such Lender is obligated to fund under the terms of this Agreement (the funded portion of such Advance being hereinafter referred to as a "NON PRO RATA LOAN"), until the earlier of such Lender's cure of such failure and the termination of the Revolving Loan Commitments, the proceeds of all amounts thereafter repaid to the Administrative Agent by the Borrower and otherwise required to be applied to such Lender's share of all other Obligations pursuant to the terms of this Agreement shall be advanced to the Borrower by the Administrative Agent on behalf of such Lender to cure, in full or in part, such failure by such Lender, but shall nevertheless be deemed to have been paid to such Lender in satisfaction of such other Obligations. Notwithstanding anything in this Agreement to the contrary:

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(i) the foregoing provisions of this SECTION 9.2 shall apply only with respect to the proceeds of payments of Obligations and shall not affect the conversion or continuation of Loans pursuant to SECTION 2.10;

(ii) any such Lender shall be deemed to have cured its failure to fund its Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of any Advance at such time as an amount equal to such Lender's original Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of the requested principal portion of such Advance is fully funded to the Borrower, whether made by such Lender itself or by operation of the terms of this SECTION 9.2, and whether or not the Non Pro Rata Loan with respect thereto has been repaid, converted or continued;

(iii) amounts advanced to the Borrower to cure, in full or in part, any such Lender's failure to fund its Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of any Advance ("CURE LOANS") shall bear interest at the rate applicable to Floating Rate Loans in effect from time to time, and for all other purposes of this Agreement shall be treated as if they were Floating Rate Loans;

(iv) regardless of whether or not a Default has occurred or is continuing, and notwithstanding the instructions of the Borrower as to its desired application, all repayments of principal which, in accordance with the other terms of this Agreement, would be applied to the outstanding Floating Rate Loans shall be applied FIRST, ratably to all Floating Rate Loans constituting Non Pro Rata Loans, SECOND, ratably to Floating Rate Loans other than those constituting Non Pro Rata Loans or Cure Loans and, THIRD, ratably to Floating Rate Loans constituting Cure Loans;

(v) for so long as and until the earlier of any such Lender's cure of the failure to fund its Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of any Advance and the termination of the Revolving Loan Commitments, the term "Required Lenders" for purposes of this Agreement shall mean Lenders (excluding all Lenders whose failure to fund their respective Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of such Advance have not been so cured) whose Pro Rata Shares represent at least fifty percent (50%) of the aggregate Pro Rata Shares of such Lenders; and

(vi) for so long as and until any such Lender's failure to fund its Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of any Advance is cured in accordance with SECTION 9.2(ii), (A) such Lender shall not be entitled to any commitment fees with respect to its Revolving Loan Commitment and (B) such Lender shall not be entitled to any letter of credit fees, which commitment fees and letter of credit fees shall accrue in favor of the Lenders which have funded their respective Revolving Loan Pro Rata Share, Tranche A Pro Rata Share or Tranche B Pro Rata Share, as applicable, of such requested Advance,

shall be allocated among such performing Lenders ratably based upon their relative Revolving Loan Commitments, and shall be calculated based upon the average amount by which the aggregate Revolving Loan Commitments of such performing Lenders exceeds the sum of (I) the outstanding principal amount of the Loans owing to such performing Lenders, PLUS (II) the outstanding Reimbursement Obligations owing to such performing Lenders, PLUS (III) the aggregate participation interests of such performing Lenders arising pursuant to SECTION 3.6 with respect to undrawn and outstanding Letters of Credit.

9.3 AMENDMENTS. Subject to the provisions of this ARTICLE IX, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; PROVIDED, HOWEVER, that no such supplemental agreement shall, without the consent of each Lender affected thereby:

(i) Postpone or extend the Revolving Loan Termination Date, the Tranche A Term Loan Termination Date or the Tranche B Term Loan Termination Date or any other date fixed for any payment of principal of, or interest on, the Loans, the Reimbursement Obligations or any fees or other amounts payable to such Lender (except with respect to (a) any modifications of the provisions relating to prepayments of Loans and other Obligations (provided that any modifications of the provisions relating to the prepayments of the Tranche A Term Loans and/or the Tranche B Term Loans shall also require the approval of Lenders with Tranche A Pro Rata Shares and Tranche B Pro Rata Shares, as applicable and in each case, greater than fifty percent (50%)) or (b) a waiver of the application of the default rate of interest pursuant to SECTION 2.11 hereof).

(ii) Reduce the principal amount of any Loans or L/C Obligations, or reduce the rate or extend the time of payment of interest or fees thereon.

(iii) Reduce the percentage specified in the definition of Required Lenders or any other percentage of Lenders specified to be the applicable percentage in this Agreement to act on specified matters, or amend the definitions of "Required Lenders", "Revolving Loan Pro Rata Share", "Tranche A Pro Rata Share", "Tranche B Pro Rata Share", or "Pro Rata Share".

(iv) Increase the amount of the Revolving Loan Commitment, Tranche A Term Loan Commitment or Tranche B Term Loan Commitment of any Lender hereunder, or increase any Lender's Revolving Loan Pro Rata Share, Tranche A Pro Rata Share, Tranche B Pro Rata Share or Pro Rata Share.

(v) Permit the Borrower to assign its rights under this Agreement.

(vi) Amend this SECTION 9.3.

(vii) Release all or substantially all of the Collateral.

(viii) Except in connection with a transaction otherwise permitted pursuant to the terms of any Loan Document, release any Domestic Incorporated Subsidiary from its obligations under the Subsidiary Guaranty.

Any supplemental agreement entered into in accordance with the terms of this SECTION 9.3 shall apply to each of the Lenders equally. No amendment of any provision of this Agreement relating to (a) the Administrative Agent shall be effective without the written consent of the Administrative Agent, (b) Swing Line Loans shall be effective without the written consent of the Swing Line Bank and (c) any Issuing Lender without the written consent of such Issuing Lender. The Administrative Agent may waive payment of the fee required under SECTION 13.3(B) without obtaining the consent of any of the Lenders.

9.4 PRESERVATION OF RIGHTS. No delay or omission of the Lenders or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan or the issuance of a Letter of Credit notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan or issuance of such Letter of Credit shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to SECTION 9.3, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative

and all shall be available to the Administrative Agent and the Lenders until the Obligations have been paid in full.

ARTICLE X: GENERAL PROVISIONS

10.1 SURVIVAL OF REPRESENTATIONS. All representations and warranties of the Borrower contained in this Agreement shall survive delivery of this Agreement and the making of the Loans herein contemplated.

10.2 GOVERNMENTAL REGULATION. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

10.3 PERFORMANCE OF OBLIGATIONS. The Borrower agrees that the Administrative Agent may, but shall have no obligation, to (i) at any time, pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against any Collateral and (ii) after the occurrence and during the continuance of a Default, make any other payment or perform any act required of the Borrower under any Loan Document or take any other action which the Administrative Agent in its discretion deems necessary or desirable to protect or preserve the Collateral, including, without limitation, any action to (y) effect any repairs or obtain any insurance called for by the terms of any of the Loan Documents and to pay all or any part of the premiums therefor and the costs thereof and (z) pay any rents payable by the Borrower which are more than 30 days past due, or as to which the

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landlord has given notice of termination, under any lease. The Administrative Agent shall use its best efforts to give the Borrower notice of any action taken under this SECTION 10.3 prior to the taking of such action or promptly thereafter provided the failure to give such notice shall not affect the Borrower's obligations in respect thereof. The Borrower agrees to pay the Administrative Agent, upon demand, the principal amount of all funds advanced by the Administrative Agent under this SECTION 10.3, together with interest thereon at the rate from time to time applicable to Floating Rate Loans from the date of such advance until the outstanding principal balance thereof is paid in full. If the Borrower fails to make payment in respect of any such advance under this SECTION 10.3 within one (1) Business Day after the date the Borrower receives written demand therefor from the Administrative Agent, the Administrative Agent shall promptly notify each Lender and each Lender agrees that it shall thereupon make available to the Administrative Agent, in Dollars in immediately available funds, the amount equal to such Lender's Pro Rata Share of such advance. If such funds are not made available to the Administrative Agent by any such Lender within one (1) Business Day after the Administrative Agent's demand therefor, the Administrative Agent will be entitled to recover any such amount from such Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of such demand and ending on the date such amount is received. The failure of any Lender to make available to the Administrative Agent its Pro Rata Share of any such unreimbursed advance under this SECTION 10.3 shall neither relieve any other Lender of its obligation hereunder to make available to the Administrative Agent such other Lender's Pro Rata Share of such advance on the date such payment is to be made nor increase the obligation of any other Lender to make such payment to the Administrative Agent. All outstanding principal of, and interest on, advances made under this SECTION 10.3 shall constitute Obligations secured by the Collateral until paid in full by the Borrower.

10.4 HEADINGS. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

10.5 ENTIRE AGREEMENT. The Loan Documents embody the entire agreement and understanding among the Borrower, the Agents and the Lenders and supersede all prior agreements and understandings among the Borrower, the Agents and the Lenders relating to the subject matter thereof.

10.6 SEVERAL OBLIGATIONS; BENEFITS OF THIS AGREEMENT. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other Lender (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns.

10.7 EXPENSES; INDEMNIFICATION.

(A) EXPENSES. The Borrower shall reimburse the Agents and the Arrangers for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys and paralegals for the Agents, which attorneys and paralegals may be

employees of the Agents) paid or incurred by any Agent or any Arranger in connection with the preparation, negotiation, execution, delivery, syndication, review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Agents and the Arrangers and the Lenders for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys and paralegals for the Agents and the Arrangers and the Lenders, which attorneys and paralegals may be employees of the Agents or the Arrangers or the Lenders) paid or incurred by any Agent or any Arranger or any Lender in connection with the restructure, workout or collection of the Obligations and enforcement (whether by legal proceedings, negotiation or otherwise) of the Loan Documents. In addition to expenses set forth above, the Borrower agrees to reimburse the Administrative Agent, promptly after the Administrative Agent's request therefor, for each audit, or other business analysis expressly permitted or contemplated hereby and performed by or for the benefit of the Lenders in connection with this Agreement or the other Loan Documents in an amount equal to the Administrative Agent's then customary charges for each person employed to perform such audit or analysis, plus all reasonable costs and expenses (including without limitation, travel expenses) incurred by the Administrative Agent in the performance of such audit or analysis; PROVIDED, that the Borrower shall only be responsible for expenses in connection with one (1) such audit or business analysis in any calendar year at a time when no Default had occurred or was continuing.

(B) INDEMNITY. The Borrower further agrees to defend, protect, indemnify, and hold harmless each and all of the Agents, the Arrangers and the Lenders and each of their respective Affiliates, and each of such Agent's, Arranger's, Lender's, or Affiliate's respective officers, directors, trustees, investment advisors, employees, attorneys and agents (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in ARTICLE V) (collectively, the "INDEMNITEES") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Agreement, the other Loan Documents or any of the Transaction Documents, or any act, event or transaction related or attendant thereto or to the Reynolds Acquisition, the making of the Loans, and the issuance of and participation in Letters of Credit hereunder, the management of such Loans or Letters of Credit, the use or intended use of the proceeds of the Loans or Letters of Credit hereunder, or any of the other transactions contemplated by the Transaction Documents; or

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of any Environmental, Health or Safety

Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective property of the Borrower or its Subsidiaries, the presence of asbestos-containing materials at any respective property of the Borrower or its Subsidiaries or the Release or threatened Release of any Contaminant arising out of or relating to, in any way, the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest (collectively, the "INDEMNIFIED MATTERS");

PROVIDED, HOWEVER, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters to the extent caused by or resulting from the willful misconduct or Gross Negligence of such Indemnitee with respect to the Loan Documents or the Indemnified Matters, in each case, as determined by the final non-appealed judgment of a court of competent jurisdiction. If the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(C) WAIVER OF CERTAIN CLAIMS; SETTLEMENT OF CLAIMS. The Borrower further agrees to assert no claim against any of the Indemnitees on any theory of liability for consequential, special, indirect, exemplary or punitive damages. No settlement shall be entered into by the Borrower or any of its Subsidiaries with respect to any claim, litigation, arbitration or other proceeding with respect to which any Agent or any Lender or any Indemnatee is a party (or in connection with which liability has been asserted against any Agent or any Lender or any Indemnatee) and relating to or arising out of the transactions evidenced by this Agreement, the other Loan Documents or the Reynolds Acquisition Documents unless such settlement releases all Indemnitees from any and all liability with respect thereto.

(D) SURVIVAL OF AGREEMENTS. The obligations and agreements of the Borrower under this SECTION 10.7 shall survive the termination of this Agreement.

10.8 NUMBERS OF DOCUMENTS. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Lenders.

10.9 ACCOUNTING. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles.

10.10 SEVERABILITY OF PROVISIONS. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

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10.11 NONLIABILITY OF LENDERS. The relationship between the Borrower and the Lenders and the Administrative Agent shall be solely that of borrower and lender. Neither any Agent nor any Lender shall have any fiduciary responsibilities to the Borrower. Neither any Agent nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

10.12 GOVERNING LAW. THE ADMINISTRATIVE AGENT ACCEPTS THIS AGREEMENT, ON BEHALF OF ITSELF AND THE LENDERS, AT CHICAGO, ILLINOIS BY ACKNOWLEDGING AND AGREEING TO IT THERE. ANY DISPUTE BETWEEN THE BORROWER AND THE ADMINISTRATIVE AGENT, ANY LENDER, OR ANY OTHER HOLDER OF SECURED OBLIGATIONS ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING 735 ILCS 105/5-1 ET SEQ. BUT OTHERWISE WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.

10.13 CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL.

(A) EXCLUSIVE JURISDICTION. EXCEPT AS PROVIDED IN SUBSECTION (B), EACH OF THE PARTIES HERETO AGREES THAT ALL DISPUTES AMONG THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED EXCLUSIVELY BY STATE OR FEDERAL COURTS LOCATED IN CHICAGO, ILLINOIS, BUT THE PARTIES HERETO ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS. EACH OF THE PARTIES HERETO WAIVES IN ALL DISPUTES BROUGHT PURSUANT TO THIS SUBSECTION (A) ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(B) OTHER JURISDICTIONS. THE BORROWER AGREES THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY HOLDER OF SECURED OBLIGATIONS SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO (1) OBTAIN PERSONAL JURISDICTION OVER THE BORROWER OR (2) REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS OR (3) TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PERSON. WITHOUT IMPAIRING THE BORROWER'S ABILITY TO BRING ANY COUNTERCLAIM IN ANY PROCEEDING COMMENCED PURSUANT TO SUBSECTION (A) ABOVE, THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT BY SUCH PERSON UNDER THIS SUBSECTION (B) TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS OR TO ENFORCE A

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JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SUCH PERSON. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH SUCH PERSON HAS COMMENCED A PROCEEDING DESCRIBED IN THIS SUBSECTION (B).

(C) SERVICE OF PROCESS; VENUE. THE BORROWER WAIVES PERSONAL SERVICE OF ANY PROCESS UPON IT AND IRREVOCABLY APPOINTS CT CORPORATION, WHOSE ADDRESS IS 208 SOUTH LASALLE STREET, CHICAGO, ILLINOIS 60603 AS THE BORROWER'S AGENT FOR THE PURPOSE OF ACCEPTING SERVICE OF PROCESS ISSUED BY ANY COURT. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith IN ANY JURISDICTION SET FORTH ABOVE.

(D) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(E) ADVICE OF COUNSEL. EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF THIS SECTION 10.13, WITH ITS COUNSEL.

10.14 SUBORDINATION OF INTERCOMPANY INDEBTEDNESS. The Borrower agrees that any and all claims of the Borrower against any of its Subsidiaries that is a Guarantor or the capital stock of which is pledged pursuant to a Pledge Agreement (each a "RESTRICTED SUBSIDIARY") with respect to any "Intercompany Indebtedness" (as hereinafter defined), any endorser, obligor or any other guarantor of all or any part of the Secured Obligations, or against any of its properties shall be subordinate and subject in right of payment to the prior payment, in full and in cash, of all Secured Obligations; PROVIDED that, and not in contravention of the foregoing, so long as no Default has occurred and is continuing the Borrower may make loans to and receive payments in the ordinary course with respect to such Intercompany Indebtedness from each such Restricted Subsidiary to the extent permitted by the terms of this Agreement and the other Loan Documents. Notwithstanding any right of the Borrower to

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ask, demand, sue for, take or receive any payment from any Restricted Subsidiary, all rights, liens and security interests of the Borrower, whether now or hereafter arising and howsoever existing, in any assets of any other Restricted Subsidiary (whether constituting part of Collateral given to any Holder of Secured Obligations or the Administrative Agent to secure payment of all or any part of the Secured Obligations or otherwise) shall be and are subordinated to the rights of the Holders of Secured Obligations and the Administrative Agent in those assets. The Borrower shall have no right to possession of any such asset or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Secured Obligations (other than contingent indemnity obligations) shall have been fully paid and satisfied (in cash) and all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Secured Obligations have been terminated. If all or any part of the assets of any Restricted Subsidiary, or the proceeds thereof, are subject to any distribution, division or application to the creditors of such Restricted Subsidiary, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of any such Restricted Subsidiary is dissolved or if substantially all of the assets of any such Restricted Subsidiary are sold, then, and in any such event (such events being herein referred to as an "INSOLVENCY EVENT"), any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any indebtedness of any Restricted Subsidiary to the Borrower ("INTERCOMPANY INDEBTEDNESS") shall be paid or delivered directly to the Administrative Agent for application on any of the Secured Obligations, due or to become due, until such Secured Obligations (other than contingent indemnity obligations) shall have first been fully paid and satisfied (in cash). Should any payment, distribution, security or instrument or proceeds thereof be received by the Borrower upon or with respect to the Intercompany Indebtedness after an Insolvency Event prior to the satisfaction of all of the Secured Obligations (other than contingent indemnity obligations) and the termination of all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Secured Obligations, the Borrower shall receive and hold the same in trust, as trustee, for the benefit of the Holders of Secured Obligations and shall forthwith deliver the same to the Administrative Agent, for the benefit of the Holders of Secured Obligations, in precisely the form received (except for the endorsement or assignment of the Borrower where necessary), for application to any of the Secured Obligations, due or not due, and, until so delivered, the same shall be held in trust by the Borrower as the property of the Holders of Secured Obligations. If the Borrower fails to make any such endorsement or

assignment to the Administrative Agent, the Administrative Agent or any of its officers or employees are irrevocably authorized to make the same. The Borrower agrees that until the Secured Obligations (other than the contingent indemnity obligations) have been paid in full (in cash) and satisfied and all financing arrangements pursuant to any Loan Document among the Borrower and the Holders of Secured Obligations have been terminated, the Borrower will not assign or transfer to any Person (other than the Administrative Agent) any claim the Borrower has or may have against any Restricted Subsidiary.

10.15 OTHER TRANSACTIONS. Each of the Agents, the Arrangers, the Lenders, the Swing Line Bank, the Issuing Banks and the Borrower acknowledges that the Lenders (or Affiliates of the Lenders) may, from time to time, effect transactions for their own accounts or the accounts of customers, and hold positions in loans or options on loans of the Borrower, the Borrower's Subsidiaries and other companies that may be the subject of this credit arrangement and nothing in this Agreement shall impair the right of any such Person to enter into any such transaction (to the extent it is not expressly

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prohibited by the terms of this Agreement) or give any other Person any claim or right of action hereunder as a result of the existence of the credit arrangements hereunder, all of which are hereby waived. In addition, certain Affiliates of one or more of the Lenders are or may be securities firms and as such may effect, from time to time, transactions for their own accounts or for the accounts of customers and hold positions in securities or options on securities of the Borrower, the Borrower's Subsidiaries and other companies that may be the subject of this credit arrangement and nothing in this Agreement shall impair the right of any such Person to enter into any such transaction (to the extent it is not expressly prohibited by the terms of this Agreement) or give any other Person any claim or right of action hereunder as a result of the existence of the credit arrangements hereunder, all of which are hereby waived. Other business units affiliated with each of the Agents are providing other financial services and products to the Borrower in connection with the Reynolds Acquisition and the other transactions contemplated by this Agreement. Each of the Agents, the Arrangers, the Lenders, the Swing Line Bank, the Issuing Banks and the Borrower acknowledges and consents to these multiple roles, and further acknowledges that the fact that any such unit or Affiliate is providing another service or product or proposal therefor to the Borrower does not mean that such service, product, or proposal is or will be acceptable to any of the Agents, the Arrangers, the Lenders, the Swing Line Bank, or the Issuing Banks.

ARTICLE XI: THE ADMINISTRATIVE AGENT

11.1 APPOINTMENT; NATURE OF RELATIONSHIP. The First National Bank of Chicago is appointed by the Lenders as the Administrative Agent hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this ARTICLE XI. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Holder of Secured Obligations by reason of this Agreement and that the Administrative Agent is merely acting as the representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Administrative Agent (i) does not assume any fiduciary duties to any of the Holders of Secured Obligations, (ii) is a "representative" of the Holders of Secured Obligations within the meaning of Section 9-105 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders, for itself and on behalf of its affiliates as Holders of Secured Obligations, agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Holder of Secured Obligations waives.

11.2 POWERS. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties or fiduciary duties to the Lenders, or any obligation to the Lenders to take any action

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hereunder or under any of the other Loan Documents except any action specifically provided by the Loan Documents required to be taken by the Administrative Agent.

11.3 GENERAL IMMUNITY. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them

hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction results from (i) the Gross Negligence or willful misconduct of such Person or (ii) breach of contract by such Person with respect to the Loan Documents.

11.4 NO RESPONSIBILITY FOR LOANS, CREDITWORTHINESS, COLLATERAL, RECITALS, ETC. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document; (iii) the satisfaction of any condition specified in ARTICLE V, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or (v) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not be responsible to any Lender for any recitals, statements, representations or warranties herein or in any of the other Loan Documents, for the perfection or priority of any of the Liens on any of the Collateral, or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectibility, or sufficiency of this Agreement or any of the other Loan Documents or the transactions contemplated thereby, or for the financial condition of any guarantor of any or all of the Obligations, the Borrower or any of its Subsidiaries.

11.5 ACTION ON INSTRUCTIONS OF LENDERS. The Administrative Agent in all cases, as between the Administrative Agent and the Holders of Secured Obligations, shall be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all Holders of Secured Obligations. As between the Administrative Agent and the Holders of Secured Obligations, the Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

11.6 EMPLOYMENT OF AGENTS AND COUNSEL. The Administrative Agent may execute any of its duties as the Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorney-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

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11.7 RELIANCE ON DOCUMENTS; COUNSEL. As between the Administrative Agent and the Holders of Secured Obligations, the Administrative Agent shall be entitled to rely upon any notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent.

11.8 THE ADMINISTRATIVE AGENT'S REIMBURSEMENT AND INDEMNIFICATION. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Pro Rata Share (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents (other than amounts not reimbursed by the Borrower pursuant to the terms of the letter agreements identified in SECTIONS 2.14(C)(ii) and (iii)), (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the Gross Negligence or willful misconduct of the Administrative Agent.

11.9 RIGHTS AS A LENDER. With respect to its Revolving Loan Commitment, its Term Loan Commitment, Loans made by it and the Letters of Credit issued by it as an Issuing Bank, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document as any Lender and may

exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which such Person is not prohibited hereby from engaging with any other Person.

11.10 LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon any Agent, any Arranger or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon any Agent, any Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

11.11 SUCCESSOR AGENT. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, and the Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required

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Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Notwithstanding anything herein to the contrary, so long as no Default has occurred and is continuing, each such successor Administrative Agent shall be subject to approval by the Borrower, which approval shall not be unreasonably withheld. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$500,000,000. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this ARTICLE XI shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. Notwithstanding anything herein to the contrary, the Administrative Agent may at any time and without the consent of any of the parties hereto designate one or more of its Affiliates as successor Administrative Agent.

11.12 COLLATERAL DOCUMENTS. (a) Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Holder of Secured Obligations (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Holders of Secured Obligations upon the terms of the Collateral Documents.

(b) In the event that any Collateral is hereafter pledged by any Person as collateral security for the Obligations, the Administrative Agent is hereby authorized to execute and deliver on behalf of the Holders of Secured Obligations any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Holders of Secured Obligations.

(c) The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) upon termination of the Commitments and payment and satisfaction of all of the Obligations at any time arising under or in respect of this Agreement or the Loan Documents or the transactions contemplated hereby or thereby; (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this SECTION 11.12(c).

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(d) Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, or consummation of any transaction involving the sale of all or substantially all of the assets of a Guarantor and upon at least five Business Days' prior written request by the Borrower, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Holders of Secured Obligations herein or pursuant hereto upon the Collateral that was sold or transferred or evidence the release of the applicable Guarantor from its obligations under the Subsidiary Guaranty; PROVIDED, HOWEVER, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations, any other Guarantor's obligations under the Subsidiary Guaranty or any Liens upon (or obligations of the Borrower or any Subsidiary in respect of) all interests retained by the Borrower or any Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral. Notwithstanding the foregoing, each of the Agents, the Arrangers and the Lenders hereby acknowledges and agrees that upon the consummation of any transaction involving the sale of the PET business unit of the Borrower and the disposition of the Aerospace business unit of the Borrower, which sale or disposition is permitted pursuant to the terms of SECTION 7.3(B)(vi) or (vii) or 7.3(F)(v), the Administrative Agent, for itself and on behalf of the Lenders and the Issuing Banks, shall release and terminate the Subsidiary Guaranty with respect to any Subsidiary of the Borrower which is the subject of such transaction or, as applicable, release the stock of such Subsidiary from the pledge to the Administrative Agent.

11.13. NO DUTIES IMPOSED UPON SYNDICATION AGENT, DOCUMENTATION AGENT OR ARRANGERS. None of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent" or "Documentation Agent" or "Arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, if such Person is a Lender, those applicable to all Lenders as such. Without limiting the foregoing, none of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreements as a "Syndication Agent" or "Documentation Agent" or "Arranger" shall have or be deemed to have any fiduciary duty to or fiduciary relationship with any Lender. In addition to the agreements set forth in SECTION 11.10, each of the Lenders acknowledges that it has not relied, and will not rely, on any of the Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

ARTICLE XII: SETOFF; RATABLE PAYMENTS

12.1 SETOFF. In addition to, and without limitation of, any rights of the Lenders under applicable law, if any Default occurs and is continuing, any indebtedness from any Lender to the Borrower (including all account balances, whether provisional or final and whether or not collected or available) may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

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12.2 RATABLE PAYMENTS. If any Lender, whether by setoff or otherwise, has payment made to it upon its Loans (other than payments received pursuant to SECTIONS 4.1, 4.2 or 4.4) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Loans held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligation or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to the obligations owing to them. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

12.3 APPLICATION OF PAYMENTS. Subject to the provisions of SECTION 9.2, the Administrative Agent shall, unless otherwise specified at the direction of the Required Lenders which direction shall be consistent with the last sentence of this SECTION 12.3 (it being agreed and understood that so long as no Default shall have occurred and is continuing any modification of the application of payments shall be made only with the consent of the Borrower), apply all payments and prepayments in respect of any Obligations and all proceeds of the Collateral in the following order:

(A) first, to pay interest on and then principal of any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by

such Lender or the Borrower;

(B) second, to pay interest on and then principal of any advance made under SECTION 10.3 for which the Administrative Agent has not then been paid by the Borrower or reimbursed by the Lenders;

(C) third, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Administrative Agent;

(D) fourth, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Lenders and the issuer(s) of Letters of Credit;

(E) fifth, to pay interest due in respect of Swing Line Loans;

(F) sixth, to pay interest due in respect of Loans (other than Swing Line Loans) and L/C Obligations;

(G) seventh, to the ratable payment or prepayment of principal outstanding on Swing Line Loans;

(H) eighth, to the ratable payment or prepayment of principal outstanding on Loans (other than Swing Line Loans) and Reimbursement Obligations;

(I) ninth, to provide required cash collateral, if required pursuant to SECTION 3.11;

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(J) tenth, to the ratable payment of all other Obligations; and

(K) eleventh, to the Hedging Obligations under Hedging Agreements.

Unless otherwise designated (which designation shall only be applicable prior to the occurrence of a Default) by the Borrower, all principal payments in respect of Loans (other than Swing Line Loans) shall be applied FIRST, to the outstanding Revolving Loans, and SECOND, to the outstanding Term Loans, in each case, FIRST, to repay outstanding Floating Rate Loans, and THEN to repay outstanding Eurodollar Rate Loans with those Eurodollar Rate Loans which have earlier expiring Interest Periods being repaid prior to those which have later expiring Interest Periods. The order of priority set forth in this SECTION 12.3 and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent, the Lenders, the Swing Line Bank and the issuer(s) of Letters of Credit and other Holders of Secured Obligations as among themselves. The order of priority set forth in CLAUSES (D) through (K) of this SECTION 12.3 may at any time and from time to time be changed by the Lenders without necessity of notice to or consent of or approval by the Borrower, or any other Person; PROVIDED, that the order of priority of payments in respect of Swing Line Loans may be changed only with the prior written consent of the Swing Line Bank. The order of priority set forth in CLAUSES (A) through (C) of this SECTION 12.3 may be changed only with the prior written consent of the Administrative Agent.

12.4 RELATIONS AMONG LENDERS. Except with respect to the exercise of set-off rights of any Lender in accordance with SECTION 12.1, the proceeds of which are applied in accordance with this Agreement, and except as set forth in the last sentence of this SECTION 12.4, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against the Borrower or any other obligor hereunder or with respect to any Collateral or Loan Document, without the prior written consent of the Required Lenders or, as may be provided in this Agreement or the other Loan Documents, at the direction of the Administrative Agent. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. Notwithstanding the foregoing, and subject to SECTION 12.2, any Lender shall have the right to enforce on an unsecured basis the payment of the principal of and interest on any Loan made by it after the date such principal or interest has become due and payable pursuant to the terms of this Agreement. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, the Administrative Agent shall commence enforcement of any remedy (including, without limitation, the exercise of any voting rights under any Pledge Agreement) under this Agreement or any other Loan Document only with the consent, or at the direction, of the Required Lenders.

ARTICLE XIII: BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

13.1 SUCCESSORS AND ASSIGNS. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the consent of all of the Lenders, and any such

assignment in violation of this SECTION 13.1(i) shall be null and void, and
(ii) any assignment by any Lender must be made in

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compliance with SECTION 13.3 hereof. Notwithstanding CLAUSE (ii) of this SECTION 13.1 or SECTION 13.3, (i) any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement to a Federal Reserve Bank and (ii) any Lender which is a fund or commingled investment vehicle that invests in commercial loans in the ordinary course of its business may at any time, without the consent of the Borrower or the Administrative Agent, pledge or assign all or any part of its rights under this Agreement to a trustee or other representative of holders of obligations owed or securities issued by such Lender as collateral to secure such obligations or securities; PROVIDED, HOWEVER, that no such assignment or pledge shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat each Lender as the owner thereof for all purposes hereof unless and until such Lender complies with SECTION 13.3 hereof in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of a Loan, Commitment, L/C Interest or any other interest of a Lender under the Loan Documents agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of any Loan, shall be conclusive and binding on any subsequent holder, transferee or assignee of such Loan.

13.2 PARTICIPATIONS.

(A) PERMITTED PARTICIPANTS; EFFECT. Subject to the terms set forth in this SECTION 13.2, any Lender may, in the ordinary course of its 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 Revolving Loan Commitment of such Lender, any L/C Interest of such Lender or any other interest of such Lender under the Loan Documents on a pro rata or non-pro rata basis. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of all Loans made by it for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents except that, for purposes of ARTICLE IV hereof, the Participants shall be entitled to the same rights as if they were Lenders.

(B) VOTING RIGHTS. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan or Revolving Loan Commitment in which such Participant has an interest which forgives principal, interest or fees or reduces the interest rate or fees payable pursuant to the terms of this Agreement with respect to any such Loan or Revolving Loan Commitment, postpones any date fixed for any regularly-scheduled payment (but not any prepayment) of principal of, or interest or fees on, any such Loan or Revolving Loan Commitment, or releases all or substantially all of the Collateral, if any, securing any such Loan.

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(C) BENEFIT OF SETOFF. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in SECTION 12.1 hereof in respect to its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, PROVIDED that each Lender shall retain the right of setoff provided in SECTION 12.1 hereof with respect to the amount of participating interests sold to each Participant except to the extent such Participant exercises its right of setoff. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in SECTION 12.1 hereof, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with SECTION 12.2 as if each Participant were a Lender.

13.3 ASSIGNMENTS.

(A) PERMITTED ASSIGNMENTS. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one

or more banks or other entities ("PURCHASERS") all or a portion of its rights and obligations under this Agreement (including, without limitation, its Revolving Loan Commitment, all Loans owing to it, all of its participation interests in existing Letters of Credit, and its obligation to participate in additional Letters of Credit hereunder) in accordance with the provisions of this SECTION 13.3. Each assignment may be of a non-ratable percentage of the assigning Lender's rights and obligations under this Agreement. Such assignment shall be substantially in the form of EXHIBIT D hereto and shall not be permitted hereunder unless such assignment is either for all of such Lender's rights and obligations under the Loan Documents or, without the prior written consent of the Administrative Agent, involves loans and commitments in an aggregate amount of at least \$5,000,000 (which minimum amount (i) shall not apply to any assignment between Lenders, or to an Affiliate or Approved Fund of any Lender, and (ii) in any event may be waived by the Required Lenders after the occurrence of a Default or Unmatured Event of Default). The consent of the Administrative Agent and, prior to the occurrence of a Default, the Borrower (which consent of the Administrative Agent and of the Borrower, in each such case, shall not be unreasonably withheld), shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender or an Affiliate or Approved Fund of such Lender.

(B) EFFECT; EFFECTIVE DATE. Upon (i) delivery to the Administrative Agent of a notice of assignment, substantially in the form attached as APPENDIX I to EXHIBIT D hereto (a "NOTICE OF ASSIGNMENT"), together with any consent required by SECTION 13.3(A) hereof, and (ii) payment of a \$3,500 fee by the assignee or the assignor (as agreed) to the Administrative Agent (unless waived by the Administrative Agent) for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. The Notice of Assignment shall contain a representation by the Purchaser to the effect that either (y) none of the consideration used to make the purchase of the Revolving Loan Commitment, Loans and L/C Obligations under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA or (z) the purchase by the Purchaser of the assignment does not and the holding by the Purchaser of the rights and interests in and under the Loan Documents does not and will not constitute a "prohibited transaction" within the meaning of Sections 406 of ERISA and Section 4975 of the Code. On and after the effective date of such assignment, such Purchaser, if not already a Lender, shall for all purposes be a Lender party to

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this Agreement and any other Loan Documents executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Revolving Loan Commitment, Loans and Letter of Credit participations assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this SECTION 13.3(B), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that to the extent notes have been issued to evidence any of the transferred Loans, replacement notes are issued to such transferor Lender and new notes or, as appropriate, replacement notes, are issued to such Purchaser, in each case, in principal amounts reflecting their Revolving Loan Commitment and their Term Loans, as adjusted pursuant to such assignment.

(C) THE REGISTER. The Administrative Agent shall maintain at its address referred to in SECTION 14.1 a copy of each assignment delivered to and accepted by it pursuant to this SECTION 13.3 and a register (the "REGISTER") for the recordation of the names and addresses of the Lenders and the Revolving Loan Commitment of and principal amount of the Loans owing to, each Lender from time to time and whether such Lender is an original Lender or the assignee of another Lender pursuant to an assignment under this SECTION 13.3. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower and each of its Subsidiaries, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

13.4 CONFIDENTIALITY. Subject to SECTION 13.5, the Administrative Agent and the Lenders and their respective representatives, consultants and advisors shall hold all nonpublic information obtained pursuant to the requirements of this Agreement or in connection with the transactions contemplated by this Agreement and identified as such by the Borrower in accordance with such Person's customary procedures for handling confidential information of this nature and in accordance with safe and sound commercial lending or investment practices and in any event may make disclosure

reasonably required by a prospective Transferee in connection with the contemplated participation or assignment or as required or requested by any Governmental Authority or any securities exchange or similar self-regulatory organization or representative thereof or pursuant to a regulatory examination or legal process, or to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor, and shall require any such Transferee to agree (and require any of its Transferees to agree in writing) to comply with this SECTION 13.4. In no event shall the Administrative Agent or any Lender be obligated or required to return any materials furnished by the Borrower or any of its Subsidiaries; PROVIDED, HOWEVER, each prospective Transferee shall be required to agree that if it does not become a participant or assignee it shall return all materials furnished to it by or on behalf of the Borrower in connection with this Agreement.

13.5 DISSEMINATION OF INFORMATION. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "TRANSFEREE") and any prospective Transferee any and all information in such Lender's possession concerning the Borrower and its Subsidiaries and the Collateral; PROVIDED that prior to any

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such disclosure, such prospective Transferee shall agree in writing to preserve in accordance with SECTION 13.4 the confidentiality of any confidential information described therein.

ARTICLE XIV: NOTICES

14.1 GIVING NOTICE. Except as otherwise permitted by SECTION 2.13 with respect to borrowing notices, all notices and other communications provided to any party hereto under this Agreement or any other Loan Documents shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below its signature hereto or at such other address as may be designated by such party in a notice to the other parties; PROVIDED, HOWEVER, that Borrowing/Conversion/Continuation Notices shall be delivered to the Administrative Agent at One First National Plaza, Suite 0634, Chicago, Illinois 60670-0634, Attention: Karen Hannusch, Telephone No. 312-732-9868, Facsimile No. 312-732-2715. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes).

14.2 CHANGE OF ADDRESS. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XV: COUNTERPARTS

15.1 COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by telex or telephone, that it has taken such action.

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IN WITNESS WHEREOF, the Borrower, the Lenders and the Administrative Agent have executed this Agreement as of the date first above written.

BALL CORPORATION, as the Borrower

By: /s/ Douglas E. Poling

Name: Douglas E. Poling
Title: Treasurer

Address:
10 Longs Peak Drive
Broomfield, CO 80021

Attention: R. David Hoover
Telephone No.: (765) 747-6476
Facsimile No.: (765) 747-6826

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THE FIRST NATIONAL BANK OF
CHICAGO, as Administrative Agent and as a Lender

By: /s/ Scott C. Morrison

Name: Scott C. Morrison
Title: Vice President

Address:
One First National Plaza
15th Floor
Chicago, Illinois 60670
Attention: Timothy E. Greening
Telephone No.: (312) 732-1864
Facsimile No.: (312) 732-7655

with a copy to:
One Indiana Square Suite 312
Indianapolis, IN 46266
Attention: Scott C. Morrison, Vice President
Telephone No.: (317) 266-7351
Facsimile No.: (317) 266-6042

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BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION, as Syndication Agent and as a Lender

By: /s/ Mark E. Kelley

Name: Mark Kelley
Title: Managing Director

Address:
231 South LaSalle Street
9th Floor
Chicago, IL 60697
Attention: Paul B. Higdon
Telephone No.: (312) 828-7952
Facsimile No.: (312) 987-0303

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LEHMAN COMMERCIAL PAPER INC., as Documentation
Agent and as a Lender

By: /s/ William J. Gallagher

Name: William J. Gallagher
Title: Authorized Signatory

Address:
3 Ward Financial Center
200 Vesey Street
New York, New York 10285
Attention: Michelle Swanson
Telephone No.: (212) 526-0330
Facsimile No.: (212) 528-0819

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ABN AMRO BANK N.V., as a Lender

By: /s/ Denis J. Campbell IV

Name: Denis J. Campbell IV
Title: Vice President

By: /s/ Mary L. Honda

Name: MARY L. HONDA
Title: VICE PRESIDENT

Address:
135 South LaSalle Street
Suite 2805
Chicago, IL 60603
Attention: Credit Administration
Telephone No.: (312) 904-8835
Facsimile No.: (312) 904-8840

with a copy to:

ABN AMRO Bank N.V.
135 South LaSalle Street
Suite 625
Chicago, IL 60603
Attention: Mary Honda

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ARAB BANKING CORPORATION (B.S.C.), as a
Lender

By: /s/ Grant E. McDonald

Name: Grant E. McDonald
Title: Vice President

Address:
277 Park Avenue
32nd Floor
New York, NY 10172-3299
Attention: Grant McDonald, Vice President
Telephone No.: (212) 583-4759
Facsimile No.: (212) 583-0935

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BANKBOSTON, N.A., as a Lender

By: /s/ Janet Twomey

Name: Janet Twomey
Title: Vice President

Address:
100 Federal Street
Boston, MA 02110
Mail Stop: MA B05 01-10-01
Attention: Janet Twomey
Telephone No.: (617) 434-3069
Facsimile No.: (617) 434-0601

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BANK LEUMI USA, as a Lender

By: /s/ Del Lorimer

Name: Del Lorimer
Title: Vice President

Address:
8383 Wilshire Blvd.
Suite 400
Beverly Hills, CA 90211
Attention: Del Lorimer
Telephone No.: (323) 966-4721
Facsimile No.: (323) 655-5933

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BANK OF HAWAII, as a Lender

By: /s/ Brenda K. Testerman

Name: Brenda Testerman
Title: Vice President

Address:
130 Merchant Street
20th Floor
Honolulu, HI 96813
Attention: Donna Arakawa
Telephone No.: (808) 693-1698
Facsimile No.: (808) 693-1672

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THE BANK OF NEW YORK, as a Lender

By: /s/ Robert Louk

Name: Robert Louk
Title: Vice President

Address:
One Wall Street
New York, NY 10286
Attention: Robert J. Louk
Telephone No.: (310) 996-8663
Facsimile No.: (310) 996-8667

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THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ John Burckin

Name: John Burckin
Title: Relationship Manager

Address:
600 Peachtree Street N.E.

Suite 2700
Atlanta, GA 30308
Attention: Kathy Clark
Telephone No.: (404) 877-1542
Facsimile No.: (404) 888-8998

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THE BANK OF TOKYO -- MITSUBISHI, LTD., CHICAGO
BRANCH, as a Lender

By: /s/ Hajime Watanabe

Name: Hajime Watanabe
Title: Deputy General Manager

Address:
227 West Monroe Street
Suite 2300
Chicago, IL 60606
Attention: Christopher Jones
Telephone No.: (312) 696-4656
Facsimile No.: (312) 696-4535

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BANQUE NATIONALE DE PARIS, as a Lender

By: /s/ Clive Bettles

Name: Clive Bettles
Title: Senior Vice President & Manager

By: /s/ Mitchell M. Ozawa

Name: Mitchell M. Ozawa
Title: Vice President

Address:
725 South Figueroa Street
Suite 2090
Los Angeles, CA 90017
Attention: Mitchell Ozawa
Telephone No.: (213) 488-9120
Facsimile No.: (213) 488-9602

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PARIBAS, as a Lender

By: /s/ Nicholas C. Mast

Name: Nicholas C. Mast
Title: RGM

By: /s/ Ann B. McAloon

Name: ANN B. McALOON
Title: VICE PRESIDENT

Address:
227 West Monroe Street
Suite 3300
Chicago, IL 60606
Attention: Nicholas C. Mast
Telephone No.: (312) 853-6038
Facsimile No.: (312) 853-6020

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COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPEENNE, as a Lender

By: /s/ Sean Mounier

Name: Sean Mounier
Title: First Vice President

By: /s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

Address:
520 Madison Avenue
37th Floor
New York, NY 10022
Attention: Sean Mounier
Telephone No.: (212) 715-4413
Facsimile No.: (212) 715-4535

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CITY NATIONAL BANK, as a Lender

By: /s/ Scott J. Kelley

Name: Scott J. Kelley
Title: Vice President

Address:
400 North Roxbury Drive
Beverly Hills, CA 90210
Attention: Scott Kelley
Telephone No.: (310) 888-6536
Facsimile No.: (310) 888-6564

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COMMERZBANK, A.G. NEW YORK
BRANCH, as a Lender

By: /s/ Mary Harold

Name: Mary Harold
Title: Vice President

By: /s/ Andrew Campbell

Name: Andrew Campbell
Title: Assistant Vice President

Address:
2 World Financial Center
32nd Floor
New York, NY 10281-1050
Attention: Mary Harold
Telephone No.: (212) 266-7509
Facsimile No.: (212) 266-7374

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CREDIT LYONNAIS NEW YORK BRANCH,
as a Lender

By: /s/ Alain Papiasse

Name: Alain Papiasse
Title: Executive Vice President

Address:
2200 Ross Avenue
Suite 4400 West
Dallas, TX 75201
Attention: Brian Brown
Telephone No.: (214) 220-2308
Facsimile No.: (214) 220-2323

with a copy to:

1301 Avenue of the Americas
New York, NY 10019
Attention: Ron Finn

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DG BANK DEUTSCHE
GENOSSENSCHAFTSBANK, CAYMAN
ISLAND BRANCH, as a Lender

By: /s/ S. Wendt

Name: SABINE WENDT
Title: Asst. Vice President

By: /s/ Karen A. Brinkman

Name: KAREN A. BRINKMAN
Title: Vice President

Address:
609 Fifth Avenue
New York, NY 10017
Attention: Sabine Wendt
Telephone No.: (212) 745-1559
Facsimile No.: (212) 745-1556

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DRESDNER BANK AG NEW YORK AND
GRAND CAYMAN BRANCHES, as a Lender

By: /s/ John W. Sweeney

Name: JOHN W. SWEENEY
Title: ASSISTANT VICE PRESIDENT

By: /s/ Christopher E. Sarisky

Name: CHRISTOPHER E. SARISKY
Title: Assistant Vice President

Address:
190 South LaSalle Street
Suite 2700
Chicago, IL 60603
Attention: James Jerz
Telephone No.: (312) 444-1314
Facsimile No.:

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CREDIT AGREEMENT

ERSTE BANK DER
OESTERREICHISCHEN SPARKASSEN AG

By /s/ Rima Terradista

Name: RIMA TERRADISTA
Title: Vice President

By /s/ John S. Runnion

Name: JOHN S. RUNNION
Title: FIRST VICE PRESIDENT

Address for notices
280 Park Avenue, West Building
New York, N.Y. 10017
Attention: Rima Terradista
Telephone No.: (212) 984-5638
Facsimile No.: (212) 984-5627

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FIRST COMMERCIAL BANK, NEW YORK
AGENCY, as a Lender

By /s/ Jia-Shyang Ou

Name: Jia-Shyang Ou
Title: Assistant Vice President
& Deputy General Manager

Address:
Two World Trade Center
Suite 7868
New York, NY 10048
Attention: Jeffrey Wang
Telephone No.: (212) 432-6590
Facsimile No.: (212) 432-7250

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FIRST HAWAIIAN BANK, as a Lender

By /s/ Travis Ruetenik

Name: Travis Ruetenik
Title: Corporate Banking Officer

Address:
999 Bishop Street
11th Floor
Honolulu, HI 96813
Attention: Travis Reutenik
Telephone No.: (808) 525-7074
Facsimile No.: (808) 525-6372

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FIRST UNION NATIONAL BANK, as a
Lender

By /s/ Scott Santa Cruz

Name: Scott Santa Cruz
Title: VP

Address:
301 South College Street, DC-5
Charlotte, NC 28288-0737
Attention: Scott Santa Cruz
Telephone No.: (704) 383-1988
Facsimile No.: (704) 374-3300

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FLEET NATIONAL BANK, as a Lender

By /s/ Jeffrey C. Lynch

Name: Jeffrey C. Lynch
Title: V.P.

Address:
One Federal Street
Boston, MA 02110
Attention: Jeffrey Lynch
Telephone No.: (617) 346-5061
Facsimile No.: (617) 346-0145

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THE FUJI BANK, LIMITED, as a Lender

By /s/ Peter L. Chinnici

Name: Peter L. Chinnici
Title: Joint General Manager

Address:
225 West Wacker Drive
Suite 2000
Chicago, IL 60606
Attention: James R. Fayen
Telephone No.: (312) 621-0397
Facsimile No.: (312) 621-0530

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GENERAL ELECTRIC CAPITAL
CORPORATION, as a Lender

By /s/ J K. Williams

Name: Janet K. Williams
Title: Duly Authorized Signatory

Address:
201 High Ridge Road
Stamford, CT 06927-5100
Attention: David Rich
Telephone No.: (203) 961-2993
Facsimile No.: (203) 316-7978

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HIBERNIA NATIONAL BANK, as a Lender

By /s/ Angela Bentley

Name: Angela Bentley
Title: Banking Officer

Address:
313 Carondelet Street
12th Floor
New Orleans, LA 70130
Attention: Angela Bentley
Telephone No.: (504) 533-2319
Facsimile No.: (504) 533-5344

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IMPERIAL BANK, as a Lender

By /s/ Ray Vadalma

Name: RAY VADALMA
Title: SENIOR VICE PRESIDENT

Address:
9920 South La Cienega Boulevard, 14th Floor
Inglewood, CA 90301
Attention: Mark W. Campbell
Telephone No.: (310) 417-5886
Facsimile No.: (310) 417-5997

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THE INDUSTRIAL BANK OF JAPAN,
LIMITED, CHICAGO BRANCH, as a Lender

By /s/ Walter R. Wolff

Name: Walter R. Wolff
Title: Joint General Manager

Address:
227 West Monroe Street
Suite 2600
Chicago, IL 60606
Attention: Steve Ryan
Telephone No.: (312) 855-6251
Facsimile No.: (312) 855-8200

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KBC BANK N.V., as a Lender

By /s/ Robert Snauffer

Name: ROBERT SNAUFFER
Title: VICE PRESIDENT

By /s/ Marcel Claes

Name: MARCEL CLAES
Title: DEPUTY GENERAL MANAGER

Address:
125 West 55th Street
10th Floor
New York, NY 10019
Attention: Michael Curran
Telephone No.: (212) 541-0708
Facsimile No.: (212) 956-5580

with a copy to:

515 South Figueroa Street
Suite 1920
Los Angeles, CA 90071
Attention: Luc Cools
Telephone No.: (213) 624-0401
Facsimile No.: (213) 629-5801

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KEYBANK NATIONAL ASSOCIATION, as a
Lender

By /s/ Mary K. Young

Name: Mary K. Young
Title: Commercial Banking Officer

Address:
700 Fifth Avenue
46th Floor
Seattle, WA 98104
Attention: Mary K. Young
Telephone No.: (206) 684-6085
Facsimile No.: (206) 684-6035

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THE LONG-TERM CREDIT BANK OF JAPAN,
LTD., as a Lender

By /s/ Brady S. Sadak

Name: Brady S. Sadak
Title: Senior Vice President

Address:
165 Broadway
48th Floor
New York, NY 10006
Attention: Claire Kowalski
Telephone No.: (212) 335-4853
Facsimile No.: (212) 335-4441

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MARINE MIDLAND BANK, as a Lender

By /s/ Gina Sidorsky

Name: Gina Sidorsky
Title: Authorized Signatory

Address:

140 Broadway
5th Floor
New York, NY 10005
Attention: Gina Sidorsky
Telephone No.: (212) 658-2750
Facsimile No.: (212) 658-2586

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MITSUBISHI TRUST & BANKING CORP.,
CHICAGO BRANCH, as a Lender

By /s/ Nobuo Tominaga

Name: Nobuo Tominaga
Title: Chief Manager

Address:
311 South Wacker Drive
Suite 6300
Chicago, IL 60606
Attention: John Zimmerman
Telephone No.: (312) 408-6014
Facsimile No.: (312) 663-0863

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NATEXIS BANQUE, NEW YORK BRANCH,
as a Lender

By /s/ G. Kevin Dooley

Name: G. Kevin Dooley
Title: Vice President

By /s/ William C. Maier

Name: William C. Maier
Title: VP-Group Manager

Address:
645 Fifth Avenue
20th Floor
New York, NY 10022
Attention: Kevin Dooley
Telephone No.: (212) 872-5195
Facsimile No.: (212) 872-5045

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NATIONAL CITY BANK, as a Lender

By /s/ Barry C. Robinson

Name: Barry C. Robinson
Title: Vice President

Address:
1900 East Ninth Street
Loc 2077
Cleveland, OH 44114
Attention: Barry C. Robinson
Telephone No.: (216) 575-9322
Facsimile No.: (216) 222-0003

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NORWEST BANK COLORADO, NATIONAL
ASSOCIATION, as a Lender

By /s/ Randall Schmidt

Name: Randall Schmidt
Title: Vice President

Address:
1740 Broadway
MS 8673
Denver, CO 80274
Attention: Randall Schmidt
Telephone No.: (303) 863-6033
Facsimile No.: (303) 863-6670

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CREDIT AGREEMENT

PNC BANK, NATIONAL ASSOCIATION, as
a Lender

By /s/ David F. Knuth

Name: David F. Knuth
Title: Vice President

Address:
201 East Fifth Street
Cincinnati, OH 45202
Attention: David F. Knuth
Telephone No.: (513) 651-8675
Facsimile No.: (513) 651-8951

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COOPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK
NEDERLAND", NEW YORK BRANCH, as a
Lender

By /s/ Dana W. Hemenway

Name: Dana W. Hemenway
Title: Vice President

By /s/ W. Pieter C. Kodde

Name: W. Pieter C. Kodde
Title: Vice President

Address:
245 Park Avenue
New York, NY 10167
Attention: Corporate Services Dept.
Telephone No.: (212) 916-7800
Facsimile No.: (212) 818-0233

with a copy to:
Gordon Arnold
13355 Noel Road
Suite 1000
Dallas, TX 75240-6645
Telephone No.: (972) 419-5260
Facsimile No.: (972) 419-6315

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ROYAL BANK OF CANADA, as a Lender

By: /s/ Michael Korine

Name: Michael Korine
Title: Senior Manager

Address:
One Liberty Plaza
5th Floor
New York, NY 10006-1404
Attention: Michael Korine
Telephone No.: (212) 428-6258
Facsimile No.: (212) 428-2319

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CREDIT AGREEMENT

THE SANWA BANK, LTD., as a Lender

By: /s/ Richard H. Ault

Name: Richard H. Ault
Title: Vice President

Address:
10 S. Wacker Drive
31st Floor
Chicago, IL 60606
Attention: Richard Ault
Telephone No.: (312) 368-3011
Facsimile No.: (312) 346-6677

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CREDIT AGREEMENT

SOCIETE GENERALE, as a Lender

By: /s/ Michael O. Lincoln

Name: Michael Lincoln
Title: Director

Address:
181 West Madison Street
Suite 3400
Chicago, IL 60602
Attention: Michael Lincoln
Telephone No.: (312) 578-5056
Facsimile No.: (312) 578-5099

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CREDIT AGREEMENT

SOUTHERN PACIFIC BANK, as a Lender

By: /s/ Charles D. Martorano

Name: Charles D. Martorano
Title: Senior Vice President

Address:
150 S. Rodeo Drive
Beverly Hills, CA 90212
Attention: Cheryl Wasilewski/Chuck Martorano
Telephone No.: (310) 246-3739/3770

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CREDIT AGREEMENT

STAR BANK, N.A., as a Lender

By: /s/ Thomas D. Gibbons

Name: Thomas D. Gibbons
Title: VP

Address:
425 Walnut Street, ML8160
Cincinnati, OH 45201-1038
Attention: Thomas D. Gibbons
Telephone No.: (513) 287-8313
Facsimile No.: (513) 632-2068

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CREDIT AGREEMENT

THE SUMITOMO BANK, LIMITED,
CHICAGO BRANCH, as a Lender

By: /S/ JOHN H. KEMPER

Name: John H. Kemper
Title: Senior Vice President

Address:
233 South Wacker Drive
Suite 4800
Chicago, IL 60606-6448
Attention: James Beckett
Telephone No.: (312) 876-7794
Facsimile No.: (312) 876-6436

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CREDIT AGREEMENT
BALL CORPORATION
LONG-TERM CREDIT AGREEMENT DATED AS OF AUGUST 10, 1998

THE SUMITOMO TRUST & BANKING CO.,
LTD., NEW YORK BRANCH, as a Lender

By: /s/ SURAJ SHATIA

Name: Suraj Shatia
Title: Senior Vice President

Address:
527 Madison Avenue
New York, NY 10022
Attention: Tim Ng
Telephone No.: (212) 326-0751
Facsimile No.: (212) 418-4848

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CREDIT AGREEMENT

SUNTRUST BANK, CENTRAL FLORIDA, N.A.,
as a Lender

By: /s/ CHRIS BLACK

Name: CHRIS BLACK
Title: FIRST VICE PRESIDENT

Address:
200 South Orange Avenue
10th Floor
Orlando, FL 32801
Attention: Chris Black
Telephone No.: (407) 237-2467
Facsimile No.: (407) 237-6894

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CREDIT AGREEMENT

THE TOKAI BANK, LIMITED
NEW YORK BRANCH, as a Lender

By: /s/ SHINICHI KONDO

Name: Shinichi Kondo
Title: Deputy General Manager

Address:
55 East 52nd Street
12th Floor
New York, NY 10055
Attention: Haruyo Niki
Telephone No.: (212) 339-1123
Facsimile No.: (212) 832-1428

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CREDIT AGREEMENT

TORONTO DOMINION (TEXAS), INC., as a
Lender

By: /s/ DAVID G. PARKER

Name: DAVID G. PARKER
Title: VICE PRESIDENT

Address:
909 Fannin Street
17th Floor
Houston, TX 77010
Attention: Sonja R. Jordan
Telephone No.: (713) 653-8244
Facsimile No.: (713) 951-9921

with copy to:
Stephen Watts
Three First National Plaza
70 West Madison
Suite 5430
Chicago, IL 60602-4227
Telephone No.: (312) 977-2105
Facsimile No.: (312) 782-6337

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CREDIT AGREEMENT

TORONTO DOMINION (NEW YORK), INC., as
a Lender

By: /s/ DAVID G. PARKER

Name: DAVID G. PARKER
Title: SENIOR VICE PRESIDENT

Address:
909 Fannin Street
17th Floor
Houston, TX 77010
Attention: David G. Parker
Telephone No.: (713) 653-8248
Facsimile No.: (713) 951-9921

with copy to:
Hal Holappa
The Toronto Dominion Bank
31 West 52nd Street
New York, NY 10019
Telephone No.: (212) 827-7375
Facsimile No.: (212) 307-0750

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CREDIT AGREEMENT

WACHOVIA BANK, as a Lender

By: /s/ WILLIAM F. HAMLET

Name: WILLIAM F. HAMLET
Title: SENIOR VICE PRESIDENT

Address:
191 Peachtree Street N.E.
Atlanta, GA 30303
Attention: Michael S. Sims
Telephone No.: (404) 332-4403
Facsimile No.: (404) 332-6898

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CREDIT AGREEMENT

ALLSTATE INSURANCE COMPANY, as a
Lender

By: /s/ PATRICIA W. WILSON

Name: PATRICIA W. WILSON
Title: AUTHORIZED SIGNATORY

By: /s/ DANIEL C. LEIMBACH

Name: DANIEL C. LEIMBACH
Title: AUTHORIZED SIGNATORY

Address:
3075 Sanders Road, STE G3A
Northbrook, IL 60062-7127
Attention: Jerry Zinkula
Telephone No.: (847) 402-8383
Facsimile No.: (847) 402-3092

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CREDIT AGREEMENT

ALLSTATE LIFE INSURANCE COMPANY, as a
Lender

By: /s/ PATRICIA W. WILSON

Name: PATRICIA W. WILSON
Title: AUTHORIZED SIGNATORY

By: /s/ DANIEL C. LEIMBACH

Name: DANIEL C. LEIMBACH
Title: AUTHORIZED SIGNATORY

Address:
3075 Sanders Road, STE G3A
Northbrook, IL 60062-7127
Attention: Jerry Zinkula
Telephone No.: (847) 402-8383
Facsimile No.: (847) 402-3092

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CREDIT AGREEMENT

CANADIAN IMPERIAL BANK OF
COMMERCE, as a Lender

By: /s/ WILLIAM M. SWENSON

Name: WILLIAM M. SWENSON
Title: EXECUTIVE DIRECTOR

Address:
425 Lexington Avenue, 7th Floor
New York, NY 10017
Attention: William M. Swenson
Telephone No.: 212-856-3935
Facsimile No.: 212-856-3799

with a copy to:

First Dominion Capital
1330 Avenue of the Americas, 37th Floor
New York, NY 10019
Attention: Credit Analyst
Telephone No.: 212-603-8500
Facsimile No.: 212-603-8506

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CREDIT AGREEMENT

CREDIT LYONNAIS NEW YORK BRANCH, as
a Lender

By: /s/ Alain Papiasse

Name: ALAIN PAPIASSE
Title: EXECUTIVE VICE PRESIDENT

Address:
1301 Avenue of the Americas
17th Floor
New York, NY 10019
Attention: Mike Henderlong
Telephone No.: (212) 261-7073
Facsimile No.: (212) 261-3776

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CREDIT AGREEMENT

CRESCENT/MACH 1 PARTNERS, L.P., as
a Lender

By: TCW Asset Management Company, its
Investment Manager

By: /s/ Jonathan R. Insull

Name: Jonathan R. Insull
Title: Vice President

Address:
TCW Asset Management Company
200 Park Avenue, Suite 2200
New York, NY 10166-0228
Attention: Mark L. Gold
Telephone No.: (212) 297-4000
Facsimile No.: (212) 297-4159

with copy to:
Crescent/Mach 1 Partners, L.P.
c/o State Street Bank & Trust Co.
Two International Place
Boston, MA 02110
Attention: Howie Gorman

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CREDIT AGREEMENT

FLOATING RATE PORTFOLIO, as a Lender

By: INVESCO Senior Secured Management,
Inc., as attorney-in-fact

By: /s/ Anne M. McCarthy

Name: Anne M. McCarthy
Title: Authorized Signatory

Address:
INVESCO Senior Secured Management, Inc.
1166 Avenue of the Americas
New York, NY 10036-2789
Attention: Anne McCarthy
Telephone No.: (212) 278-9850
Facsimile No.: (212) 278-9619

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CREDIT AGREEMENT

JACKSON NATIONAL LIFE INSURANCE COMPANY,
as a Lender

By: PPM America, Inc.,
as attorney-in-fact

By: /s/ Michael Dills

Name: Michael Dills
Title: Managing Director

Address:
PPM America, Inc.
225 West Wacker Drive
Suite 1200
Chicago, IL 60606-1228
Attention: Michael DiRe
Telephone No.: (312) 634-2509
Facsimile No.: (312) 634-0054

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CREDIT AGREEMENT

KEYPORT LIFE INSURANCE COMPANY, as a
Lender

By: Stein Roe & Farnham Incorporated,
its Agent

By: /s/ Brian W. Good

Name: Brian W. Good
Title: Vice President & Portfolio
Manager

Address:
Stein Roe & Farnham
One South Wacker Drive
33rd Floor
Chicago, IL 60606
Attention: Brian W. Good
Telephone No.: (312) 368-7644
Facsimile No.: (312) 368-7857

with copy to:
State Street Bank and Trust Co.
Two International Place
5th Floor
Boston, MA 02110
Attention: Anthony McKendry

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CREDIT AGREEMENT

KZH-CNC CORPORATION, as a Lender

By: /s/ Virginia Conway

Name: Virginia Conway

Title: Authorized Agent

Address:
c/o The Chase Manhattan Bank
450 West 33rd Street - 15th Floor
New York, NY 10001
Attention: Virginia Conway
Telephone No.: (212) 946-7575
Facsimile No.: (212) 946-7776

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CREDIT AGREEMENT

KZH-ING-2 CORPORATION, as a Lender

By: /s/ V Conway

Name: Virginia Conway
Title: Authorized Agent

Address:
c/o The Chase Manhattan Bank
450 West 33rd Street - 15th Floor
New York, NY 10001
Attention: Virginia Conway
Telephone No.: (212) 946-7575
Facsimile No.: (212) 946-7776

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CREDIT AGREEMENT

KZH-ING-3 CORPORATION, as a Lender

By: /s/ V Conway

Name: Virginia Conway
Title : Authorized Agent

Address:
c/o The Chase Manhattan Bank
450 West 33rd Street - 15th Floor
New York, NY 10001
Attention: Virginia Conway
Telephone No.: (212) 946-7575
Facsimilie No.: (212) 946-7776

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KZH-SOLEIL CORPORATION, as a Lender

By: /s/ V Conway

Name: Virginia Conway
Title: Authorized Agent

Address:
c/o The Chase Manhattan Bank
450 West 33rd Street - 15th Floor
New York, NY 10001
Attention: Virginia Conway
Telephone No.: (212) 946-7575
Facsimilie No.: (212) 946-7776

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CREDIT AGREEMENT

MASSACHUSETTS MUTUAL LIFE
INSURANCE CO., as a Lender

By: /s/ Thomas Siki

Name: Thomas Siki
Title: Managing Director

Address:
1295 State Street
Springfield, MA 01111
Attention: John Wheeler
Telephone No.: (413) 744-6228
Facsimile No.: (413) 744-6127

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CREDIT AGREEMENT

MASSMUTUAL HIGH YIELD PARTNERS II,
LLC, as a Lender
By: HYP Management Inc., as Managing
Member

By: /s/ Thomas Siki

Name: Thomas Siki
Title: VICE PRESIDENT

Address:
1295 State Street
Springfield, MA 01111
Attention: John Wheeler
Telephone No.: (413) 744-6228
Facsimile No.: (413) 744-6127

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CREDIT AGREEMENT

MERRILL LYNCH SENIOR FLOATING RATE
FUND, INC., as a Lender

By: /s/ Joseph P. Matteo

Name: Joseph P. Matteo
Title: Authorized Signatory

Address:
c/o Merrill Lynch Asset Management
800 Scudders Mill Road - Area 1B
Plainsboro, NJ 08536
Attention: Janet S. Hansen
Telephone No.: (609) 282-3136
Facsimile No.: (609) 282-3542

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CREDIT AGREEMENT

NEW YORK LIFE INSURANCE COMPANY, as
a Lender

By: /s/ Lisa Scuderi

Name: Lisa Scuderi
Title: Director

Address:
51 Madison Avenue
New York, NY 10010
Attention: Lisa Scuderi
Telephone No.: (212) 576-7825
Facsimile No.: (212) 447-4122

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CREDIT AGREEMENT

OAK HILL SECURITIES FUND, L.P., as a
Lender

By: Oak Hill Securities GenPar, L.P.,
its General Partner
By: Oak Hill Securities MGP, Inc.,
its General Partner

By: /s/ Scott Krase

Name: Scott Krase
Title: Vice President

Address:
65 East 55th Street
32nd Floor
New York, NY 10022
Attention: Scott Krase
Telephone No.: (212) 326-1551
Facsimile No.: (212) 593-3596

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CREDIT AGREEMENT

OCTAGON LOAN TRUST

By: Octagon Credit Investors,
as Manager

By: /s/ Andrew D. Gordon

Name: Andrew D. Gordon
Title: Managing Director

Address:
380 Madison Avenue
9th Floor
New York, NY 10017
Attention: Andrew D. Gordon
Telephone No.: (212) 622-3104
Facsimile No.: (212) 622-3979

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CREDIT AGREEMENT

TRANSAMERICA LIFE INSURANCE AND
ANNUITY COMPANY, as a Lender

By: /s/ John M. Casparian

Name: John M. Casparian
Title: Investment Officer

Address:
1150 South Olive Street
Suite 2700
Los Angeles, CA 90015
Attention: John M. Casparian
Telephone No.: (213) 742-3554
Facsimile No.: (213) 741-7110

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THE TRAVELERS INSURANCE COMPANY, as
a Lender

By: /s/ Robert M. Mills

Name: Robert M. Mills
Title:

Address:
1 Tower Square
Securities Department, 10-PB
Hartford, CT 06183-2030
Attention: John J. Console
Telephone No.: (860) 277-0940
Facsimile No.: (860) 277-2299

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CREDIT AGREEMENT DATED AUGUST [10], 1998

VAN KAMPEN AMERICAN CAPITAL PRIME
RATE INCOME TRUST, as a Lender

By: /s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Senior Vice President &
Director

Address:
One Parkview Plaza
Oakbrook Terrace, IL 50131
Attention: Sean Kelley
Telephone No.: (630) 684-6262
Facsimile No.: (630) 684-5740

with copy to:
State Street Bank & Trust
Corporate Trust Department
P.O. Box 778
Boston, MA 02102
Attention: Sean Emerson

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CREDIT AGREEMENT

CONTINENTAL ASSURANCE COMPANY SEPARATE
ACCOUNT, as a Lender

By: TCW Asset Management Company, as
Attorney-in-Fact

By: /s/ Mark L. Gold

Name: Mark L. Gold
Title: Managing Director

By: /s/ Justin L. Driscoll

Name: Justin L. Driscoll
Title: Senior Vice President

Address:
TCW Asset Management Company
200 Park Avenue, Suite 2200
New York, NY 10166-0228
Attention: Mark L. Gold/Justin L. Driscoll
Telephone No.: (212) 297-4137
Facsimile No.: (212) 297-4159

Acknowledgment Letter Of Ernst & Young, LLP
Independent Accountants

August 25, 1998

Board of Directors
Reynolds Metals Company

We are aware of the incorporation by reference in each Prospectus constituting part of each Post-Effective Amendment No. 1 on Form S-3 to Form S-16 Registration Statement (Registration Nos. 2-62247 and 2-65638) and in each Prospectus constituting part of each Form S-3 Registration Statement or Post-Effective Amendment (Registration Nos. 33-3027, 33-16674, 33-19035, 33-40196 and 33-58741) and in each Form S-8 Registration Statement or Post-Effective Amendment (Registration Nos. 33-21506, 33-40199, 33-37548, 33-28064, 33-15639, 33-61986, 33-51121, 333-26361 and 333-32393) of Ball Corporation of our report dated May 28, 1998, relating to the March 31, 1998 unaudited combined interim financial statements of North American Can Operations (a component of Reynolds Metals Company) that are included in Ball Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 25, 1998.

/s/ Ernst & Young LLP

Richmond, Virginia

Consent of Ernst & Young, LLP
Independent Auditors

We consent to the incorporation by reference in each Prospectus constituting part of each Post-Effective Amendment No. 1 on Form S-3 to Form S-16 Registration Statement (Registration Nos. 2-62247 and 2-65638) and in each Prospectus constituting part of each Form S-3 Registration Statement or Post-Effective Amendment (Registration Nos. 33-3027, 33-16674, 33-19035, 33-40196 and 33-58741) and in each Form S-8 Registration Statement or Post-Effective Amendment (Registration Nos. 33-21506, 33-40199, 33-37548, 33-28064, 33-15639, 33-61986, 33-51121, 333-26361 and 333-32393) of Ball Corporation of our report dated April 28, 1998, with respect to the combined financial statements of North American Can Operations (a component of Reynolds Metals Company) that are included in Ball Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 25, 1998.

/s/ Ernst & Young, LLP

Richmond, Virginia
August 25, 1998

REPORT OF INDEPENDENT AUDITORS

Board of Directors

Reynolds Metals Company

We have audited the accompanying combined balance sheets of North American Can Operations (a component of Reynolds Metals Company) as defined in Note 1 (the "Operation") as of December 31, 1997 and 1996, and the related combined statements of income and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Operation's management. Our responsibility is to express an opinion on these combined 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Operation, as defined in Note 1, at December 31, 1997 and 1996, and the combined 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.

Ernst & Young LLP

Richmond, Virginia
April 28, 1998

NORTH AMERICAN CAN OPERATIONS (A COMPONENT OF REYNOLDS METALS COMPANY)

COMBINED BALANCE SHEET

(IN MILLIONS OF DOLLARS)

<TABLE>
<CAPTION>

	DECEMBER 31	
	1997	1996
<S>	<C>	<C>
ASSETS		
Current assets:		
Customer receivables, less allowances of \$0.2		
(1996-\$0.1).....	\$ 54.5	\$ 49.7
Receivables from Reynolds' Latin American		
affiliate.....	6.2	5.0
Inventories.....	115.8	95.5
Deferred taxes.....	4.6	7.7
Other.....	3.3	3.1
	-----	-----
Total current assets.....	184.4	161.0
Property, plant and equipment.....	741.1	730.3
Less allowances for depreciation and amortization....	404.5	355.3
	-----	-----
	336.6	375.0
Assets held for sale.....	6.2	8.0
Other assets.....	38.9	38.6
	-----	-----
Total assets.....	\$ 566.1	\$ 582.6
	-----	-----

LIABILITIES AND OWNER'S EQUITY

Current liabilities:		
Accounts payable.....	\$ 26.9	\$ 35.3
Accounts payable -- Reynolds plant		
locations (net).....	43.2	34.9
Accrued compensation and related amounts.....	10.4	12.2
Restructuring liabilities.....	4.6	10.1
Other liabilities.....	4.6	4.3

Total current liabilities.....	89.7	96.8
Long-term debt.....	54.4	54.6
Deferred taxes.....	38.5	31.7
Restructuring liabilities.....	--	8.8
Environmental liabilities.....	8.5	8.8
Owner's equity.....	375.0	381.9
Contingent liabilities.....		
Total liabilities and owner's equity.....	\$ 566.1	\$ 582.6

</TABLE>

See accompanying notes.

NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)

COMBINED STATEMENT OF INCOME

(IN MILLIONS OF DOLLARS)

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
REVENUES			
Net sales.....	\$ 1,182.8	\$ 1,146.4	\$ 1,211.5
Net sales to Reynolds' Latin American affiliate.....	9.9	10.2	33.9
	1,192.7	1,156.6	1,245.4
COSTS AND EXPENSES			
Cost of products sold.....	1,053.2	1,066.8	1,096.1
Selling, administrative and general.....	32.1	33.9	36.2
Depreciation and amortization.....	56.7	53.8	53.4
Interest.....	2.1	--	0.9
Operational restructuring costs.....	--	37.2	15.9
	1,144.1	1,191.7	1,202.5
EARNINGS			
Income (loss) before income taxes.....	48.6	(35.1)	42.9
Taxes on income (credit).....	19.9	(13.0)	17.6
NET INCOME (LOSS).....	\$ 28.7	\$ (22.1)	\$ 25.3

</TABLE>

See accompanying notes.

NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)

COMBINED STATEMENT OF CASH FLOWS

(IN MILLIONS OF DOLLARS)

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES:			
Net income (loss).....	\$ 28.7	\$ (22.1)	\$ 25.3
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization.....	56.7	53.8	53.4
Operational restructuring costs.....	--	37.2	15.9
Operational restructuring payments.....	(9.1)	(2.5)	(1.8)
Deferred taxes.....	9.9	(4.4)	(0.3)
Changes in operating assets and liabilities:			
Decrease (increase) in receivables.....	(6.0)	21.9	6.5
Decrease (increase) in inventories.....	(20.3)	35.4	(33.1)
Increase (decrease) in payables.....	(1.6)	(26.4)	12.7
Other.....	(1.9)	2.6	(3.6)
Net cash provided by operating activities.....	56.4	95.5	75.0

INVESTING ACTIVITIES:			
Expenditures for property, plant and equipment.....	(21.3)	(67.9)	(59.1)
Proceeds from sales of assets.....	0.7	6.7	--
	-----	-----	-----
Net cash used in investing activities.....	(20.6)	(61.2)	(59.1)
FINANCING ACTIVITIES:			
Cash changes in owner's equity.....	(35.6)	(34.1)	(15.6)
Debt payments.....	(0.2)	(0.2)	(0.3)
	-----	-----	-----
Net cash used in financing activities.....	(35.8)	(34.3)	(15.9)
	-----	-----	-----
CASH AT BEGINNING AND END OF PERIOD.....	\$ --	\$ --	\$ --
	-----	-----	-----

</TABLE>

See accompanying notes.

NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)

NOTES TO COMBINED FINANCIAL STATEMENTS

(IN THE TABLES, DOLLARS ARE MILLIONS)

1. BASIS OF PRESENTATION

North American Can Operations is a component of Reynolds Metals Company ("Reynolds") that primarily produces aluminum beverage cans and ends. The North American Can Operations (the "Operation") consist of 15 can and end plants in the U.S. and a can plant in Puerto Rico.

The accompanying special-purpose combined financial statements have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in a registration statement of Ball Corporation. They have been prepared on a historical cost basis from the books and records of the Operation and Reynolds on the basis of established accounting methods, practices, procedures and policies (see Note 2) and the accounting judgments and estimation methodologies used by the Operation and Reynolds.

The combined statement of income includes all items of revenue and income generated by the Operation, all items of expense directly incurred by it and expenses charged or allocated to it by Reynolds in the normal course of business. In addition, certain Reynolds corporate expenses were allocated by Reynolds to the Operation for the sole purpose of preparing these special-purpose combined financial statements. For additional information concerning expenses charged or allocated to the Operation by Reynolds, see Note 3.

The Operation's results have been included in Reynolds' combined U.S. federal and applicable state income tax returns. The amount of taxes payable or receivable due to/from Reynolds for 1997, 1996 and 1995 is included as a component of Owner's Equity and equals the current provision for taxes (see Note 7). The provision for income taxes, the related assets and liabilities and the disclosures in the footnotes are presented as if the Operation had filed separate tax returns and are in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

The debt of the Operation consists of obligations that are specifically identifiable with associated capital expenditures of the Operation. No other debt of Reynolds (or related interest expense) has been allocated to the Operation.

Because of the special purpose of the Operation's combined financial statements and the significant related party transactions (as described in Note 3), these special-purpose combined financial statements may not necessarily be indicative of the combined financial position, results of operations or cash flows that would have resulted if the Operation had been operated as a separate entity. Management believes that the accounting judgments, estimations and allocations made in preparing these special-purpose combined financial statements were reasonable.

2. ACCOUNTING POLICIES

PRINCIPLES OF COMBINATION

These special-purpose combined financial statements include the accounts of the Operation after eliminating profits and losses on transactions within the Operation.

REVENUE RECOGNITION

Revenues are recognized when products are shipped and ownership risk and title pass to the customer.

2. ACCOUNTING POLICIES (CONTINUED)

INVENTORIES

Inventories are stated at the lower of cost or market. Inventory costs were determined by the first-in, first-out method and principally consist of finished goods.

DEPRECIATION AND AMORTIZATION

The straight-line method is used to depreciate plant and equipment over their estimated useful lives (buildings -- 10 to 40 years, machinery and equipment -- 5 to 20 years).

ENVIRONMENTAL EXPENDITURES

Remediation costs are accrued when it is probable that such efforts will be required and the related costs can be reasonably estimated.

STATEMENT OF CASH FLOWS

Reynolds utilizes a centralized cash management system for all of its domestic operations, including the Operation. Cash receipts are transferred to Reynolds while the cash disbursements are made by Reynolds on behalf of the Operation, each on a current basis. The net cash generated by the Operation in the combined statement of cash flows is reflected as a change in the Owner's Equity account.

USE OF ESTIMATES

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenses. Actual results could differ from those estimates.

3. RELATED PARTY TRANSACTIONS

REYNOLDS' LATIN AMERICAN AFFILIATE

The Operation sells cans to a Reynolds' affiliate that produces and markets cans in Latin America. The Operation sells cans to the affiliate, as necessary, to cover production shortages.

NET INVENTORY PURCHASES FROM REYNOLDS

Reynolds has been a primary supplier of aluminum sheet to the Operation. The Operation also sells aluminum scrap to Reynolds (which is accounted for as a credit to aluminum sheet purchases). The following is a summary of these transactions (which were made at market prices) for each of the last three years.

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
Aluminum sheet purchases.....	\$ 539.5	\$ 517.7	\$ 468.6
Aluminum scrap sales.....	(31.3)	(30.8)	(38.5)
Total.....	\$ 508.2	\$ 486.9	\$ 430.1

</TABLE>

3. RELATED PARTY TRANSACTIONS (CONTINUED)

OPERATING EXPENSES

The expenses charged or allocated to the Operation by Reynolds in the normal course of business consist of the following:

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
Employee benefits:			
Pensions.....	\$ 7.8	\$ 6.6	\$ 6.4

Other postretirement benefits.....	4.0	5.1	5.8
Insurance -- principally medical for			
active personnel.....	17.0	17.8	16.0
Workers' compensation.....	4.0	3.9	3.3
Information system usage.....	2.1	2.4	2.1
Other.....	3.0	2.5	3.0
	-----	-----	-----
	\$ 37.9	\$ 38.3	\$ 36.6
	-----	-----	-----
	-----	-----	-----

</TABLE>

Reynolds maintains several noncontributory defined benefit pension plans (including the Operation, Reynolds and certain consolidated subsidiaries of Reynolds) that cover substantially all of the Operation's employees. Plans covering salaried employees provide pension benefits based on a formula. The formula considers length of service and earnings during years of service. Plans covering hourly employees generally provide a specific amount of benefits for each year of service.

Reynolds also maintains postretirement benefits plans (including the Operation, Reynolds and certain consolidated subsidiaries of Reynolds) that provide most of the Operation's retired employees with health care and life insurance benefits. Substantially all employees may become eligible for these benefits if they work for the Operation until retirement age.

The Operation recognizes employee benefit costs based on allocations from Reynolds. These allocations were determined in a fair and equitable manner and have been consistently applied to the Operation and to Reynolds' other operations. Information system usage is charged based on actual computer time used by the Operation.

ALLOCATION OF CORPORATE SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

In addition to the operating expenses discussed above, certain Reynolds corporate expenses were allocated to the Operation by Reynolds for the sole purpose of preparing these special-purpose combined financial statements. These expenses were allocated to the Operation based on the relationship of the aggregate of the Operation's net sales, fixed assets and equity investments compared to that of Reynolds. These expenses amounted to \$13.7 million in 1997 (\$12.1 million in 1996 and \$17.3 million in 1995).

ACCOUNTS PAYABLE

Accounts Payable -- Reynolds plant locations (net) reflects the net liability to Reynolds for purchases of aluminum sheet less the receivable from Reynolds for sales of scrap. The net liability assumes normal payment terms existed between Reynolds and the Operation. All other related party transactions are accounted for as changes to the Owner's Equity account.

4. OPERATIONAL RESTRUCTURING COSTS

The operational restructuring costs for 1996 and 1995 resulted from the closings and modernizations of certain domestic can plants of the Operation. Two plants were closed as their capacities were in excess of

4. OPERATIONAL RESTRUCTURING COSTS (CONTINUED)

the Operation's customer needs. Productivity gains from modernizations within the Operation's can-making system and slower overall growth in the domestic can market lead to this rationalization. The significant components of these costs were as follows:

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31	
	1996	1995
	-----	-----
<S>	<C>	<C>
Employee termination costs.....	\$ 30.3	\$ 2.4
Asset revaluations.....	5.2	10.2
Other.....	1.7	3.3
	-----	-----
	\$ 37.2	\$ 15.9
	-----	-----
	-----	-----

</TABLE>

The employee termination costs represent approximately 475 personnel (principally hourly employees). Included in the employee termination amount for 1996 is \$18.9 million related to pension and other post-retirement liabilities. As these liabilities will be funded over time by Reynolds, the amounts are included as a component of Owner's Equity in the combined balance

sheet. Most of the remaining cash requirements were paid as of the end of 1997, with the balance (\$4.6 million) to be paid in 1998.

The asset revaluations were for assets to be sold (property, plant and equipment) as a result of the restructuring of operations. These assets were revalued to their estimated recoverable value.

5. PROPERTY, PLANT AND EQUIPMENT (AT COST)

<TABLE>
<CAPTION>

	DECEMBER 31	
	1997	1996
<S>	<C>	<C>
Land and land improvements.....	\$ 19.2	\$ 19.2
Buildings.....	93.2	85.8
Machinery and equipment.....	621.5	588.0
Construction in progress.....	7.2	37.3
	741.1	730.3
Less allowances for depreciation and amortization....	404.5	355.3
Net property, plant and equipment.....	\$ 336.6	\$ 375.0

</TABLE>

6. FINANCING ARRANGEMENTS

The Operation's debt at December 31, 1997 consists of \$49.2 million of industrial and environmental control revenue bonds (including \$41.2 million at the Puerto Rico can plant) and a mortgage of \$5.4 million (which includes \$0.2 million in Other current liabilities in the Combined Balance Sheet).

The industrial and environmental control revenue bonds bear interest at a variable rate (averaging approximately 3.8% at December 31, 1997). These bonds require principal repayments in a lump sum in 2013 (\$41.2 million) and 2015 (\$8.0 million). Letters of credit issued to Reynolds by banks support these bonds. The mortgage bears interest at a fixed rate of 10%. The mortgage requires principal repayments through 2009 (approximately \$0.2 to \$0.3 million a year for the next five years).

Interest expense incurred was \$2.6 million in 1997 (\$2.8 million in 1996 and \$3.0 million in 1995). Interest capitalized amounted to \$0.5 million in 1997 (\$2.8 million in 1996 and \$2.1 million in 1995).

6. FINANCING ARRANGEMENTS (CONTINUED)

The financing arrangements contain compliance requirements, such as maintaining and operating the associated facilities in good repair during their useful lives. Upon the occurrence of certain events, including cessation of operation of the Puerto Rican plant, the maturities of the Operation's debt could be accelerated. These requirements do not inhibit operations or the use of fixed assets. At December 31, 1997, the Operation met all such compliance requirements.

The fair value of the Operation's debt was approximately equal to book value at the end of 1997 and 1996.

7. TAXES ON INCOME

The significant components of the provision for taxes on income (credit) were:

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
Current:			
Federal.....	\$ 9.1	\$ (8.0)	\$ 14.9
State.....	0.9	(0.6)	3.0
Total current.....	10.0	(8.6)	17.9
Deferred:			
Federal.....	7.4	(2.8)	(0.2)
State.....	2.5	(1.6)	(0.1)
Total deferred.....	9.9	(4.4)	(0.3)

Total.....	\$ 19.9	\$ (13.0)	\$ 17.6
------------	---------	-----------	---------

</TABLE>

The effective income tax rate varied from the statutory rate as follows:

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31		
	1997	1996	1995
<S>	<C>	<C>	<C>
Federal statutory rate.....	35%	(35)%	35%
State income taxes.....	4	(4)	4
Goodwill and other.....	2	2	2
Effective rate.....	41%	(37)%	41%

</TABLE>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. At December 31, 1997, the Operation had \$7.9 million (1996 -- \$14.9 million) of deferred tax

7. TAXES ON INCOME (CONTINUED)

assets and \$41.8 million (1996 -- \$38.9 million) of deferred tax liabilities. The significant components of deferred tax assets and liabilities reflected in the combined balance sheet are as follows:

<TABLE>
<CAPTION>

	DECEMBER 31			
	1997		1996	
	CURRENT ASSET	NONCURRENT LIABILITY	CURRENT ASSET	NONCURRENT LIABILITY
<S>	<C>	<C>	<C>	<C>
Tax over book depreciation.....	\$ --	\$ 41.8	\$ --	\$ 38.9
Environmental and restructuring costs.....	1.8	(3.3)	4.0	(7.2)
Other.....	2.8	--	3.7	--
Total.....	\$ 4.6	\$ 38.5	\$ 7.7	\$ 31.7

</TABLE>

Included in the Operation is a corporation (Latas de Aluminio Reynolds, Inc.) which for all years joined in the filing of a U.S. federal consolidated income tax return with Reynolds and its affiliated group members. Each entity included in a consolidated return is severally liable for any resultant tax reflected on such consolidated return.

8. CONTINGENT LIABILITIES

LEGAL

Various suits, claims and actions are pending against the Operation. In the opinion of management, after consultation with legal counsel, disposition of these suits, claims and actions, either individually or in the aggregate, will not have a material adverse effect on the Operation's competitive or financial position or its expected ongoing results of operations.

ENVIRONMENTAL

The Operation is involved in various environmental improvement activities resulting from past operations including where Reynolds has been designated as a potentially responsible party ("PRP"), with others, at various Environmental Protection Agency-designated Superfund sites.

Amounts have been recorded (on an undiscounted basis) which, in management's best estimate, will be sufficient to satisfy anticipated costs of known remediation requirements. At December 31, 1997, the accrual for environmental remediation costs was \$8.4 million. This amount is expected to be spent over the next 10 to 15 years with the majority to be spent by the

year 2002.

Estimated environmental remediation costs are developed after considering, among other things, the following:

- currently available technological solutions
- alternative cleanup methods
- risk-based assessments of the contamination
- estimated proportionate share of remediation costs (if applicable)

The Operation may also use external consultants, and consider, when available, estimates by other PRPs and governmental agencies and information regarding the financial viability of other PRPs. Based on information currently available, the Operation believes it is unlikely that it will incur substantial additional costs as a result of failure by other PRPs to satisfy their responsibilities for remediation costs.

8. CONTINGENT LIABILITIES (CONTINUED)

Estimated costs for future environmental compliance and remediation are necessarily imprecise because of factors such as:

- continuing evolution of environmental laws and regulatory requirements
- availability and application of technology
- identification of presently unknown remediation requirements
- cost allocations among PRPs

Further, it is not possible to predict the amount or timing of future costs of environmental remediation that may subsequently be determined. Based on information presently available, such future costs are not expected to have a material adverse effect on the Operation's competitive or financial position or its expected ongoing results of operations.

9. OTHER

MAJOR CUSTOMERS

The Operation has two major customers. Sales to Philip Morris Companies, Inc. ("PM") represented 45% of customer net sales in 1997 (47% in 1996 and 41% in 1995). The combined sales to Coca-Cola bottlers (as a group) represented 20% of customer net sales in 1997 (19% in 1996 and 20% in 1995). At December 31, 1997, receivables from PM and the Coca-Cola bottlers (as a group) were 21% and 10%, respectively, as a percentage of total customer receivables.

RESEARCH AND DEVELOPMENT

The Operation incurred \$6.1 million in research and development costs in 1997 (\$7.2 million in 1996 and \$6.6 million in 1995).

CONSIGNMENT INVENTORIES

The Operation holds certain materials (principally aluminum sheet inventory) at its facilities on consignment from Reynolds and certain outside vendors. At December 31, 1997, the total value of aluminum sheet inventory on consignment was \$23.9 million (\$14.4 million at December 31, 1996). Under these consignment agreements, the Operation takes title to the materials at the time they are placed into the production process. Additionally, any consignment inventory held in excess of certain periods of time (whether used or not) becomes the Operation's inventory. Aluminum sheet inventory on consignment from Reynolds at December 31, 1997 totaled \$18.1 million (\$10.9 million at December 31, 1996).

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Reynolds Metals Company

We have reviewed the accompanying combined balance sheet of North American Can Operations (a component of Reynolds Metals Company) as defined in Note 1 ("the Operation") as of March 31, 1998, and the related combined statements of income and cash flows for the three-month periods ended March 31, 1998 and 1997. These financial statements are the responsibility of the Operation's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying combined financial statements referred to above, for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the combined balance sheet of the Operation as of December 31, 1997, and the related combined statements of income and cash flows for the year then ended (not separately presented herein) and in our report dated April 28, 1998, we expressed an unqualified opinion on those combined financial statements. In our opinion, the information set forth in the accompanying combined balance sheet as of December 31, 1997, is fairly stated, in all material respects, in relation to the combined balance sheet from which it has been derived.

Ernst & Young LLP

Richmond, Virginia
May 28, 1998

<TABLE>
<CAPTION>

NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)
COMBINED BALANCE SHEET
(IN MILLIONS OF DOLLARS)

	MARCH 31, 1998	DECEMBER 31, 1997
	(UNAUDITED)	(NOTE)
	<C>	<C>
<S>		
ASSETS		
Current assets:		
Customer receivables, less allowances of \$0.2 (1997 - \$0.2).....	\$ 66.0	\$ 54.5
Receivables from Reynolds' Latin American affiliate.....	5.0	6.2
Inventories.....	138.5	115.8
Deferred taxes.....	3.9	4.6
Other.....	2.8	3.3
	-----	-----
Total current assets.....	216.2	184.4
Property, plant and equipment.....	744.6	741.1
Less allowances for depreciation and amortization.....	418.2	404.5
	-----	-----
	326.4	336.6
Assets held for sale.....	6.2	6.2
Other assets.....	38.4	38.9
	-----	-----
Total assets.....	\$ 587.2	\$ 566.1
	-----	-----
LIABILITIES AND OWNER'S EQUITY		
Current liabilities:		
Accounts payable.....	\$ 34.5	\$ 26.9
Accounts payable - Reynolds plant locations (net).....	45.0	43.2
Accrued compensation and related amounts.....	13.1	10.4
Restructuring liabilities.....	3.8	4.6
Other liabilities.....	3.7	4.6
	-----	-----
Total current liabilities.....	100.1	89.7

Long-term debt.....	54.3	54.4
Deferred taxes.....	38.7	38.5
Environmental liabilities.....	8.6	8.5
Owner's equity.....	385.5	375.0
Contingent liabilities.....		
Total liabilities and owner's equity.....	\$ 587.2	\$ 566.1

</TABLE>

Note: The combined balance sheet at December 31, 1997 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See accompanying notes.

<TABLE>
<CAPTION>

NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)
COMBINED STATEMENT OF INCOME
(IN MILLIONS OF DOLLARS)

	(UNAUDITED) QUARTERS ENDED MARCH 31	
	1998	1997
<S>	<C>	<C>
REVENUES		
Net sales.....	\$ 277.4	\$ 274.5
Net sales to Reynolds' Latin American affiliate.....	1.0	3.1
	278.4	277.6
COSTS AND EXPENSES		
Cost of products sold.....	245.9	250.5
Selling, administrative and general.....	7.1	6.9
Depreciation and amortization.....	14.5	13.7
Interest.....	0.6	0.3
	268.1	271.4
EARNINGS		
Income before income taxes.....	10.3	6.2
Taxes on income.....	4.2	2.6
NET INCOME.....	\$ 6.1	\$ 3.6

</TABLE>

See accompanying notes.

<TABLE>
<CAPTION>

NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)
COMBINED STATEMENT OF CASH FLOWS
(IN MILLIONS OF DOLLARS)

	(UNAUDITED) QUARTERS ENDED MARCH 31	
	1998	1997
<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net income.....	\$ 6.1	\$ 3.6
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization.....	14.5	13.7
Operational restructuring payments.....	(0.8)	(3.1)
Deferred taxes.....	0.9	2.6
Changes in operating assets and liabilities:		
Increase in receivables.....	(10.3)	(11.2)
Increase in inventories.....	(22.7)	(4.4)
Increase in payables.....	11.6	13.6
Other.....	(1.0)	(2.0)
Net cash provided by (used in) operating activities.....	(1.7)	12.8

INVESTING ACTIVITIES:		
Expenditures for property, plant and equipment.....	(4.0)	(6.8)
Proceeds from sales of assets.....	1.4	0.3
	-----	-----
Net cash used in investing activities.....	(2.6)	(6.5)
FINANCING ACTIVITIES:		
Cash changes in owner's equity.....	4.4	(6.2)
Debt payments.....	(0.1)	(0.1)
	-----	-----
Net cash provided by (used in) financing activities.....	4.3	(6.3)
	-----	-----
CASH AT BEGINNING AND END OF PERIOD.....	\$ --	\$ --
	-----	-----
	-----	-----

</TABLE>

See accompanying notes.
NORTH AMERICAN CAN OPERATIONS
(A COMPONENT OF REYNOLDS METALS COMPANY)
NOTES TO COMBINED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

North American Can Operations is a component of Reynolds Metals Company ("Reynolds") that primarily produces aluminum beverage cans and ends. The North American Can Operations (the "Operation") consist of 15 can and end plants in the U.S. and a can plant in Puerto Rico.

The accompanying unaudited special-purpose interim combined financial statements are presented in accordance with generally accepted accounting principles for interim financial statements and have been prepared on a basis consistent with the annual statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management of the Operation, the statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Operating results for the interim period of 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the special-purpose combined financial statements and footnotes thereto included in North American Can Operations' report for the year ended December 31, 1997.

2. CONTINGENT LIABILITIES

ENVIRONMENTAL

The Operation is involved in various environmental improvement activities resulting from past operations including where Reynolds has been designated as a potentially responsible party ("PRP"), with others, at various Environmental Protection Agency-designated Superfund sites.

Amounts have been recorded (on an undiscounted basis) which, in management's best estimate, will be sufficient to satisfy anticipated costs of known remediation requirements.

Estimated costs for future environmental compliance and remediation are necessarily imprecise because of factors such as:

- continuing evolution of environmental laws and regulatory requirements
- availability and application of technology
- identification of presently unknown remediation requirements
- cost allocations among PRPs

Further, it is not possible to predict the amount or timing of future costs of environmental remediation that may subsequently be determined. Based on information presently available, such future costs are not expected to have a material adverse effect on the Operation's competitive or financial position or its expected ongoing results of operations.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The Unaudited Pro Forma Condensed Combined Financial Data is based on the consolidated financial statements of Ball and the combined financial statements of Reynolds included elsewhere in this Offering Memorandum. The unaudited pro forma condensed combined balance sheet at March 29, 1998 is based on the consolidated financial statements of Ball, adjusted to give effect to the Transactions as if they had occurred on March 29, 1998. The unaudited pro forma condensed combined statements of income for the year ended December 31, 1997, the three-month period ended March 29, 1998 and the twelve-month period ended March 29, 1998 are based on the consolidated financial statements of Ball and adjusted to give effect to the Transactions as if they had occurred on January 1, 1997. During the periods presented, neither Ball's nor Reynolds' statements of income included any amounts related to discontinued operations. Adjustments for the Transactions are based upon historical financial information of Ball and Reynolds and certain assumptions that management of Ball believes are reasonable. The Acquisition will be accounted for under the purchase method of accounting. Under this method, the purchase price has been allocated to the assets and liabilities acquired based on preliminary estimates of fair value. The actual fair value will be determined upon the consummation of the Acquisition and may vary from the preliminary estimates. The pro forma financial data does not necessarily reflect the results of operations or the financial position of Ball that actually would have resulted had the Transactions occurred at the date indicated, or project the results of operations or financial position of the Company for any future date or period.

The unaudited pro forma condensed combined financial data should be read in conjunction with the consolidated financial statements of Ball and the combined financial statements of Reynolds, and the notes thereto, included elsewhere in this Offering Memorandum.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
YEAR ENDED DECEMBER 31, 1997
(IN MILLIONS, EXCEPT SHARE DATA)

<TABLE>

<CAPTION>

	BALL HISTORICAL	REYNOLDS HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
<S>	<C>	<C>	<C>	<C>
Net sales.....	\$ 2,388.5	\$ 1,192.7	\$ --	\$ 3,581.2
Costs and expenses				
Cost of sales.....	2,121.2	1,109.9	3.3 (1) (1.6) (2)	3,232.8
Selling, product development, general and administrative expense.....	136.9	32.1	10.9 (3) 1.6 (10)	181.5
Disposition, relocation and other income.....	(9.0)	--	--	(9.0)
Interest expense.....	53.5	2.1	105.8 (4) (31.6) (4) (2.1) (4) 3.8 (4) 1.5 (4)	133.0
	2,302.6	1,144.1	91.6	3,538.3
Earnings before taxes on income.....	85.9	48.6	(91.6)	42.9
Provision for income tax expense.....	(32.0)	(19.9)	36.1 (7)	(15.8)
Minority interests.....	5.1	--	--	5.1
Equity in losses of affiliates.....	(0.7)	--	--	(0.7)
Net income.....	58.3	28.7	(55.5)	31.5
Preferred dividends, net of tax benefit.....	(2.8)	--	--	(2.8)
Net earnings available to common shareholders.....	\$ 55.5	\$ 28.7	\$ (55.5)	\$ 28.7
Earnings per common share(8):				
Basic.....	\$ 1.84			\$ 0.95
Diluted.....	\$ 1.74			\$ 0.91
Weighted average common shares outstanding(8):				
Basic.....	30,234,000			30,234,000
Diluted.....	32,311,000			32,311,000

</TABLE>

THREE-MONTH PERIOD ENDED MARCH 29, 1998
(IN MILLIONS, EXCEPT SHARE DATA)

<TABLE>

<CAPTION>

	BALL HISTORICAL	REYNOLDS HISTORICAL (9)	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
<S>	<C>	<C>	<C>	<C>
Net sales.....	\$ 549.7	\$ 278.4	\$ --	\$ 828.1
Costs and expenses				
Cost of sales.....	491.2	260.4	0.8 (1) (0.4) (2)	752.0
Selling, product development, general and administrative expense.....	33.4	7.1	2.7 (3) 0.4 (10)	43.6
Disposition, relocation and other expense.....	6.3	--	--	6.3
Interest expense.....	12.7	0.6	26.3 (5) (7.4) (5) (0.6) (5) 0.9 (5) 0.4 (5)	32.9
	543.6	268.1	23.1	834.8
Earnings (loss) before taxes on income.....	6.1	10.3	(23.1)	(6.7)
Provision for income tax (expense) benefit.....	(3.1)	(4.2)	9.2 (7)	1.9
Minority interests.....	2.6	--	--	2.6
Equity in losses of affiliates.....	(0.3)	--	--	(0.3)
Net income (loss).....	5.3	6.1	(13.9)	(2.5)
Preferred dividends, net of tax benefit.....	(0.7)	--	--	(0.7)
Net earnings (loss) available to common shareholders.....	\$ 4.6	\$ 6.1	\$ (13.9)	\$ (3.2)
Earnings (loss) per common share (8):				
Basic.....	\$ 0.15			\$ (0.11)
Diluted.....	\$ 0.14			\$ (0.11)
Weighted average common shares outstanding (8):				
Basic.....	30,203,000			30,203,000
Diluted.....	32,266,000			30,203,000

</TABLE>

TWELVE-MONTH PERIOD ENDED MARCH 29, 1998
(IN MILLIONS, EXCEPT SHARE DATA)

<TABLE>

<CAPTION>

	BALL HISTORICAL	REYNOLDS HISTORICAL (11)	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
<S>	<C>	<C>	<C>	<C>
Net sales.....	\$ 2,458.4	\$ 1,193.5	\$ --	\$ 3,651.9
Costs and expenses				
Cost of sales.....	2,180.8	1,106.1	3.3 (1) (1.6) (2)	3,288.6
Selling, product development, general and administrative expense.....	139.9	32.3	10.9 (3) 1.6 (10)	184.7
Disposition, relocation and other income.....	(1.5)	--	--	(1.5)
Interest expense.....	56.3	2.4	106.1 (6) (32.4) (6) (2.4) (6) 3.8 (6) 1.5 (6)	135.3
	2,375.5	1,140.8	90.8	3,607.1
Earnings before taxes on income.....	82.9	52.7	(90.8)	44.8
Provision for income tax expense.....	(32.3)	(21.5)	35.8 (7)	(18.0)
Minority interests.....	6.1	--	--	6.1
Equity in losses of affiliates.....	(0.1)	--	--	(0.1)

Net income.....	56.6	31.2	(55.0)	32.8
Preferred dividends, net of tax benefit.....	(2.8)	--	--	(2.8)
Net earnings available to common shareholders.....	\$ 53.8	\$ 31.2	\$ (55.0)	\$ 30.0
Earnings per common share(8):				
Basic.....	\$ 1.78			\$ 0.99
Diluted.....	\$ 1.68			\$ 0.95
Weighted average common shares outstanding(8):				
Basic.....	30,175,000			30,175,000
Diluted.....	32,344,000			32,344,000

</TABLE>

BALL CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED
COMBINED STATEMENTS OF INCOME

(IN MILLIONS)

- (1) Represents the incremental depreciation expense on the \$47.0 million step-up of plant and equipment to their respective fair values, as required by Accounting Principles Board Opinion No. 16. Said step-up amount is being amortized over periods from ten to twenty years.
- (2) To eliminate the historical amortization of goodwill of Reynolds.
- (3) Represents: (i) the amortization of goodwill of \$375.3 million over a period of 40 years and (ii) the amortization of other identified intangible assets of \$15.0 million over a period of 10 years.
- (4) Interest expense was adjusted to reflect (i) \$105.8 million resulting from the following borrowings:

<TABLE>

<CAPTION>

DEBT INSTRUMENT	AVERAGE PRINCIPLE	INTEREST RATE	INTEREST EXPENSE
<S>	<C>	<C>	<C>
Senior Notes.....	\$ 300.0	7.75%	\$ 23.3
Senior Subordinated Notes.....	250.0	8.25%	20.6
Senior Credit Facility.....	766.8	7.60%	58.3
Canadian Revolving Credit Facility.....	49.2	7.27%	3.6
Total.....			\$ 105.8

</TABLE>

(ii) the elimination of \$31.6 million of interest on the existing Ball debt that will be repaid with proceeds of the Senior Credit Facility, Canadian Revolving Credit Facility and Notes; (iii) the elimination of \$2.1 million of interest related to the Reynolds debt that will not be assumed by Ball; (iv) \$1.5 million of commitment fees on the average unused portion of the Senior Credit Facility Revolving Loan; and (v) the amortization of financing costs of \$3.8 million over the life of the indebtedness. Borrowings under the Senior Credit Facility and the Canadian Revolving Credit Facility represent floating rate debt. A 1/8 of 1 percent change in the interest rate on that debt would result in a change in interest expense of approximately \$1.0 million.

- (5) Interest expense was adjusted to reflect (i) \$26.3 million resulting from the following borrowings:

<TABLE>

<CAPTION>

DEBT INSTRUMENT	AVERAGE PRINCIPAL	INTEREST RATE	INTEREST EXPENSE
<S>	<C>	<C>	<C>
Senior Notes.....	\$ 300.0	7.75%	\$ 5.8
Senior Subordinated Notes.....	250.0	8.25%	5.2
Senior Credit Facility.....	766.6	7.61%	14.5
Canadian Revolving Credit Facility.....	41.5	7.28%	0.8
Total.....			\$ 26.3

</TABLE>

(ii) the elimination of \$7.4 million of interest on the existing Ball debt that will be repaid with proceeds of the Senior Credit Facility, Canadian Revolving Credit Facility and Notes; (iii) the elimination of \$0.6 million of interest related to the Reynolds debt that will not be assumed by Ball; (iv) \$0.4 million of commitment fees on the average unused portion of the Senior Credit Facility Revolving Loan; and (v) the amortization of financing costs of \$0.9 million over the life of the indebtedness. Borrowings under the Senior Credit Facility and the Canadian Revolving Credit Facility represent floating rate debt. A 1/8 of 1 percent change in the interest rate on that debt would result in a change in interest expense of approximately \$0.25 million.

BALL CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED
COMBINED STATEMENTS OF INCOME (CONTINUED)

(IN MILLIONS)

(6) Interest expense was adjusted to reflect (i) \$106.1 million resulting from the following borrowings:

<TABLE>

<CAPTION>

DEBT INSTRUMENT	AVERAGE PRINCIPAL	INTEREST RATE	INTEREST EXPENSE
<S>	<C>	<C>	<C>
Senior Notes.....	\$ 300.0	7.75%	\$ 23.3
Senior Subordinated Notes.....	250.0	8.25%	20.6
Senior Credit Facility.....	771.8	7.63%	58.8
Canadian Revolving Credit Facility.....	47.1	7.32%	3.4
Total.....			\$ 106.1

</TABLE>

(ii) the elimination of \$32.4 million of interest on the existing Ball debt that will be repaid with proceeds of the Senior Credit Facility, Canadian Revolving Credit Facility and Notes; (iii) the elimination of \$2.4 million of interest related to the Reynolds debt that will not be assumed by Ball; (iv) \$1.5 million of commitment fees on the average unused portion of the Senior Credit Facility Revolving Loan; and (v) the amortization of financing costs of \$3.8 million over the life of the indebtedness. Borrowings under the Senior Credit Facility and the Canadian Revolving Credit Facility represent floating rate debt. A 1/8 of 1 percent change in the interest rate on that debt would result in a change in interest expense of approximately \$1.0 million.

(7) Income tax expense was adjusted to reflect an effective tax rate of 39.2%, which is the expected statutory effective tax rate of Ball.

(8) Basic earnings per common share was calculated by dividing Ball historical or pro forma net earnings available to common shareholders by the weighted average common shares outstanding. Diluted earnings per common share was calculated by dividing Ball historical or pro forma net income, as adjusted for the impact of an assumed conversion of the Ball ESOP (as defined) preferred shares into common shares, by the weighted average common shares outstanding, as adjusted for the assumed exercise of dilutive stock options and the conversion of the ESOP preferred shares into common shares. For the three months ended March 29, 1998, no adjustment was made for the assumed conversion of the ESOP shares in the pro forma earnings per share calculation, as the result would have been anti-dilutive. See Ball "Notes to Consolidated Financial Statements."

(9) Three-month period ended March 31, 1998.

(10) Represents incremental rent expense on certain of the Company's leases as a result of the Financings.

(11) Twelve-month period ended March 31, 1998.

BALL CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF MARCH 29, 1998
(IN MILLIONS)

<TABLE>

<CAPTION>

BALL HISTORICAL	REYNOLDS HISTORICAL (1)	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
-----	-----	-----	-----

-				
<S>	<C>	<C>	<C>	<C>
ASSETS				
Current assets				
Cash and temporary investments.....	\$ 41.3	\$ --	\$ --	\$ 41.3
Accounts receivable, net.....	315.7	71.0	--	386.7
Inventories, net				
Raw materials and supplies.....	140.4	2.8	--	143.2
Work in process and finished goods.....	274.3	135.7	1.3 (3)	411.3
Deferred income tax benefits and prepaid expenses.....	57.2	6.7	(3.9) (2)	60.0
	-----	-----	-----	-----
Total current assets.....	828.9	216.2	(2.6)	1,042.5
	-----	-----	-----	-----
Property, plant and equipment, at cost.....	1,543.7	750.8	(5.5) (2)	
			47.0 (3)	
Accumulated depreciation.....	(662.4)	(418.2)	(418.2) (3)	1,917.8
(662.4)			418.2 (3)	
	-----	-----	-----	-----
	881.3	332.6	41.5	1,255.4
	-----	-----	-----	-----
Investment in affiliates.....	78.5	--	--	78.5
Goodwill, net.....	212.1	13.0	(13.0) (4)	
			375.3 (4)	587.4
Other assets.....	106.2	25.4	28.0 (5)	
			15.0 (5)	174.6
	-----	-----	-----	-----
	\$ 2,107.0	\$ 587.2	\$ 444.2	\$ 3,138.4
	-----	-----	-----	-----
	-----	-----	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Short-term debt and current portion of long term debt.....	\$ 462.7	\$ 0.2	\$ (0.2) (2)	\$
			(312.7) (7)	150.0
Accounts payable.....	248.3	79.5	--	327.8
Salaries and wages.....	53.6	13.1	(0.4) (2)	66.3
Other current liabilities.....	97.0	3.5	(0.2) (2)	
			(6.3) 10)	94.0
Restructuring liability.....	--	3.8	(3.8) (2)	
			52.0 (6)	52.0
	-----	-----	-----	-----
Total current liabilities.....	861.6	100.1	(271.6)	690.1
	-----	-----	-----	-----
Noncurrent liabilities				
Long-term debt.....	359.5	54.3	(54.3) (2)	
			876.8 (7)	
Deferred income taxes.....	61.4	38.7	312.7 (7)	1,549.0
			(38.7) (2)	
Employee benefit obligations and other.....	144.3	8.6	(14.7) (8)	46.7
			(8.4) (2)	
			37.6 (8)	182.1
	-----	-----	-----	-----
Total non-current liabilities.....	565.2	101.6	1,111.0	1,777.8
	-----	-----	-----	-----
Contingencies.....	--	--	--	--
Minority interests.....	44.0	--	--	44.0
	-----	-----	-----	-----
Shareholders' equity				
Series B ESOP Convertible Preferred Stock.....	59.9	--	--	59.9
Unearned compensation--ESOP.....	(37.0)	--	--	
(37.0)				
	-----	-----	-----	-----
Preferred shareholders' equity.....	22.9	--	--	22.9
	-----	-----	-----	-----
Common stock.....	342.0	--	--	342.0
Retained earnings.....	402.4	385.5	(385.5) (9)	
			(9.7) 10)	392.7
Accumulated other comprehensive loss.....	(23.5)	--	--	
(23.5)				
Treasury stock, at cost.....	(107.6)	--	--	
(107.6)				

-	Common shareholders' equity.....	613.3	385.5	(395.2)	603.6
-	Total shareholders' equity.....	636.2	385.5	(395.2)	626.5
-		\$ 2,107.0	\$ 587.2	\$ 444.2	\$ 3,138.4
-					
-					

</TABLE>

BALL CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

MARCH 29, 1998

(1) As of March 31, 1998.

(2) These adjustments reflect the elimination from the Reynolds historical financial statement balances of the assets and liabilities that will not be purchased or assumed by Ball, as provided in the Purchase Agreement.

(3) The Reynolds acquisition will be accounted for using the purchase method of accounting. These amounts reflect the preliminary estimates of adjustments necessary to record the Reynolds assets acquired and liabilities assumed at their respective fair values, as required by Accounting Principles Board Opinion No. 16. The total purchase price was determined and allocated as follows:

<TABLE>		
<CAPTION>		
Cash purchase price for Reynolds business.....	\$	746.0
<S>	<C>	
Additional cash paid for working capital.....		38.8
Incentive loan to RMC.....		39.0
Acquisition costs (a).....		9.0
Total purchase price.....	\$	832.8
Purchase price allocated to:		
Tangible assets.....	\$	613.1
Goodwill.....		375.3
Other intangible assets.....		15.0
Liabilities.....		(170.6)
Total purchase price allocated.....	\$	832.8

</TABLE>

- -----

(a) Represents fees and costs directly associated with the Reynolds acquisition consisting primarily of investment banking, legal and other professional fees.

(4) Goodwill was adjusted to reflect: (i) the elimination of existing goodwill of Reynolds and (ii) the excess of purchase cost over the estimated fair value of the Reynolds net assets acquired and liabilities assumed, which amount will be amortized on a straight line basis over an estimated life of 40 years.

(5) Other assets were adjusted to reflect: (i) the capitalization of \$28.0 million of financing costs that will be amortized over the life of the Notes and the Senior Credit Facility and (ii) the allocation of \$15.0 million of purchase price to other intangible assets (primarily related to customer lists, agreements not to compete and technology licensing agreements) that will be amortized over an estimated life of ten years.

(6) Pursuant to EITF 95-3, the Company has estimated certain employee severance and employee relocation costs anticipated in connection with consolidation of the businesses.

(7) Long-term debt was adjusted to reflect: (i) gross proceeds of \$550.0 million from the issuance of the Notes and additional borrowings of \$326.8 million under the Senior Credit Facility and (ii) the reclassification of \$312.7 million of short-term debt to long-term debt.

(8) Represents an adjustment to reflect the estimated liability for certain

Reynolds employee benefit obligations assumed by Ball. These obligations, primarily for certain pension and medical benefits, were recorded on the books of RMC, the seller, and not pushed down to Reynolds. All expenses related to these benefit plans were recorded on the books of Reynolds. A corresponding deferred tax asset related to this liability has also been established in this pro forma balance sheet.

- (9) The adjustment reflects the elimination of the former owner's equity of Reynolds.
- (10) The adjustment reflects an estimate of the non-recurring cost (\$16.0 million, net of a \$6.3 million tax benefit) on refinancing Ball's existing borrowings under the Senior Credit Facility as a net reduction of shareholders' equity.