SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

(Mark One)

X ----- Quarterly report pursuant to Section 13 or 15(d) ofthe Securities Exchange Act of 1934 For the quarterly period ended May 31, 1996.

----- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.

Commission file number: 0-21308

JABIL CIRCUIT, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	38-1886260
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification No.)

10800 Roosevelt Blvd
St. Petersburg, FL 33716

(Address of principal executive offices, including zip code)

Registrant's Telephone No., including area code: (813) 577-9749

_____

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes X No ___

As of May 31, 1996, there were 17,753,120 shares of the Registrant's Common Stock outstanding.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except for share and per share data)

	August 31, 1995	May 31, 1996 (UNAUDITED)
ASSETS		
Current assets		
Cash	$5,486	$28,004
Accounts receivable - Net	116,472	98,706
Inventories	91,658	59,390
Refundable income taxes	2,043	- -
Prepaid expenses and other current assets	701	714
Deferred income taxes	1,837	3,243
Total current assets	218,197	190,057
Property, plant and equipment, net	61,722	71,891
Other assets	1,042	1,517
	$280,961	$263,465
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Note payable to bank	$73,000	--
Current installments of long term debt	7,474	$5,008
Current installments of capital leases	656	501
Accounts payable	90,612	55,054
Accrued expenses	13,122	19,915
Total current liabilities	184,864	80,478
Long term debt, less current installments	26,343	57,913
Capital leases, less current installments	1,589	1,169
Deferred income taxs	3,625	3,254
Deferred grant revenue	4,945	3,412
Total liabilities	221,366	146,226
Stockholders' equity		
Common stock	15	18
Additional paid in capital	16,718	56,509
Retained earnings	42,970	60,760
	59,703	117,287
Less:		
Unearned compensation from grant of stock option	108	48

Net stockholders' equity	59,595	117,239
	$280,961	$263,465

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Nine months ended	
	May 31, 1995	May 31, 1996	May 31, 1995	May 31, 1996
Net revenue	$132,441	$219,701	$354,079	$689,184
Cost of revenue	124,610	201,142	331,387	635,039
Gross profit	7,831	18,559	22,692	54,145
Operating expenses:				
Selling, general and administrative	4,464	6,612	13,217	18,243
Research and development	405	576	1,228	1,503
Operating income	2,962	11,371	8,247	34,399
Interest expense	1,521	1,768	4,268	6,754
Income before income tax	1,441	9,603	3,979	27,645
Income taxes	207	3,366	1,685	9,855
Net income	$1,234	$6,237	$2,294	$17,790
Net income per share	$0.08	$0.33	$0.15	$0.98
Weighted average number of shares of common stock and common stock equivilents	15,533	18,893	15,463	18,226

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine months ended	
	May 31, 1995	May 31, 1996
Cash flows from operating activities:		
Net income	$2,294	$17,790
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,350	12,862
Recognition of grant revenue	(427)	(1,613)
Deferred income taxes	(610)	(1,777)
Gain on sale of property	(70)	(1)
Foreign currency translation (gain) loss	43	80
Changes in operating assets and liabilities:		
Accounts receivable	(5,898)	17,766
Inventories	(28,007)	32,268
Prepaid expenses and other current assets	(297)	236
Refundable income taxes	(365)	2,043
Other assets	(938)	(475)
Accounts payable and accrued expenses	34,756	(28,765)
Net cash provided by (used in) operating activities	8,831	50,414
Cash flows from investing activities:		
Acquisition of property,plant and equipment	(13,389)	(23426)
Proceeds from sale of property andequipment	391	207

Net cash used in investing activities	(12,998)	(23,219)
Cash flows from financing activities:		
Increase/(Decrease) in note payable	1,900	(73,000)
Proceeds from long-term debt	7,080	59,889
Payments of long-term debt	(3,038)	(30,785)
Payments of capital lease obligations	(683)	(575)
Net proceeds from issuance of common stock	515	39,794
Proceeds from Scottish grant	2,675	0
Net cash provided/(used) by financing activities	8,449	(4,677)
Net increase (decrease) in cash	4,282	22,518
Cash at beginning of period	1,798	5,486
Cash at end of period	$6,080	$28,004
Supplemental disclosure information:		
Cash Paid:		
Interest	4,458	7,169
Income taxes	2,660	7,383
Non-Cash Investing and Financing activities:		
Tax benefit ofoptions exercised	266	111
Capital lease obligations incurred to	2373	0

Jabil Circuit Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1) Summary of Significant Accounting Policies

A) Basis of Presentation

The accompanying consolidated financial statements of Jabil Circuit, Inc. and subsidiaries ("the Company") are unaudited and have been prepared based upon prescribed guidance of the Securities and Exchange Commission ("SEC"). As such, they do not include all disclosures required by generally accepted accounting principles, and should be read in conjunction with the annual audited consolidated statements as of and for the year ended August 31, 1995 contained in the Company's 1995 annual report on Form 10-K. In the opinion of management, the accompanying consolidated financial statements include all adjustments, consisting of normal and recurring adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented when read in conjunction with the annual audited consolidated financial statements and related notes thereto. The results of operations for the nine month period ended May 31, 1996 are not necessarily indicative of the results that should be expected for a full fiscal year.

B) Net Income Per Share

Net income per share is computed using the weighted average number of common shares and dilutive common equivalent shares outstanding during the applicable period. Common equivalent shares consist of stock options, using the treasury stock method.

2) Public Stock offering

The Company completed a secondary public offering of 4,025,000 shares on November 3, 1995 in which the Company sold 2,875,000 shares (including an over-allotment option of 375,000 shares) and certain selling stockholders sold 1,150,000 shares. Net proceeds to the Company (net of underwriters' discounts, commissions and other offering costs of $350,000) were

approximately $39,152,500.

3) Debt

In May 1996 , the Company completed a private placement of $50 million Senior Notes due 2004. The Notes have a fixed interest rate of 6.89%, with interest payable on a semi-annual basis. Principal is payable in six equal annual installments beginning May 30, 1999.

4) Note Payable to Bank

In May 1996 the Company renegotiated their secured line of credit facility and has established a $60,000,000 unsecured revolving credit facility with a syndicate of banks ("Revolver"). At May 31, 1996 there were no borrowings under the revolver and the entire $60,000,000 was available. Under the terms of the Revolver, borrowings may be made under either Floating Rate Loans, or Eurodollar rate loans. The Company pays interest on outstanding floating rate loans at the bank's prime rate. The Company pays interest on outstanding Eurodollar loans at the London Interbank Offering Rate (LIBOR) in effect at the loan inception date plus a factor of .75% to 1.25% depending on the company's funded debt to total capitalization ratios. The Company pays a commitment fee on the unused portion of the Revolver at .175% to .25% depending on the Company's funded debt to total capitalization ratios.

5) Commitments and Contingencies

At May 31, 1996 the Company had outstanding approximately $1,000,000 in equipment purchase commitments.

During the 1993 and 1994 fiscal years, the Company and Epson America, Inc. ("Epson") entered into several written and oral agreements and purchase orders providing for the joint development by the parties, and manufacture by the Company, of notebook computers pursuant to specifications provided by Epson. Pursuant to the parties' agreements, the Company procured materials for production. The Company contends that Epson breached the agreement by refusing to honor its purchase commitments citing production delays resulting from the unavailability of certain components and defects in certain materials supplied to the Company. On December 23, 1994, the Company instituted a breach of contract action against Epson in the Circuit Court of the Sixth Judicial Circuit of the State of Florida, requesting certain specified and unspecified monetary damages, including damages in an amount equal to $6,278,282, representing unpaid receivables, and incidental and consequential damages, including, among others, loss of design and development costs, costs of unused or specially purchased inventory and lost profits. Such action was subsequently removed to the United States District Court for the Middle District of Florida. On July 21, 1995, Epson filed a counterclaim citing damages in excess of $52 million for, among other things, breach of contract and negligent misrepresentation. The Company mitigated damages arising from Epson's breach by selling notebook computers to an electronics distributor. Epson contends that the Jabil computer manual furnished with these computers infringed certain Epson copyrights. The Company expects discovery to conclude during the fourth quarter of fiscal 1996 and the trial to commence later in the 1996 calendar year.

The parties have been unsuccessful in mediating or arbitrating their dispute, despite participation in multiple mediation and non-binding arbitration sessions. The Company intends to pursue aggressively its legal claims and contest vigorously Epson's counterclaims. The Company believes strongly in the validity of

its claims and believes that any potential exposure to the Company is substantially less than the $52 million claimed by Epson. However, such litigation may result in substantial costs and diversion of resources and, given the uncertainties inherent in litigation, could have a material adverse effect on the Company's operating results and financial condition, if decided adversely to the Company.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

THIS MANAGEMENT'S DICSUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS CONTAINS TREND ANALYSIS AND A NUMBER OF FORWARD LOOKING STATEMENTS. THESE STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND ACTUAL RESULTS MAY DIFFER MATERIALLY. AMONG THE FACTORS WHICH COULD CAUSE ACTUAL RESULTS TO VARY ARE THOSE DESCRIBED IN "BUSINESS FACTORS" BELOW.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets forth, for the three months and nine months ended May 31, 1995 and May 31, 1996, certain items as a percentage of net revenue. The table and the discussion and analysis that follows should be read in conjunction with the consolidated financial statements and notes thereto that appear on pages 3 through 7 of this report.

	Three months ended		Nine months ended	
	May 31, 1995	May 31, 1996	May 31, 1995	May 31, 1996
Net revenue	100.0%	100.0%	100.0%	100.0%
Cost of revenue	94.1%	91.6%	93.6%	92.2%
Gross profit	5.9%	8.4%	6.4%	7.8%
Operating expenses:				
Selling, general and administrative	3.4%	3.0%	3.7%	2.6%
Research and development	0.3%	0.3%	0.4%	0.2%
Operating income	2.2%	5.1%	2.3%	5.0%
Interest expense	1.1%	0.8%	1.2%	1.0%
Income before income taxes	1.1%	4.3%	1.1%	4.0%
Income taxes	0.2%	1.5%	0.5%	1.4%
Net income	0.9%	2.8%	0.6%	2.6%

The Company's net revenue for the third quarter and first nine months of fiscal 1996 increased 65.9% and 94.6% to $220 million and $689 million respectively from $132 million and $354 million in the third quarter and first nine months of fiscal 1995. These increases were due primarily to increased demand from established customers. Foreign source revenue represented 28% and 33% of net revenue for the third quarter and first nine

months of fiscal 1996, compared to 25% and 14% for the same periods of fiscal 1995. Quarterly and year to date increases in foreign sales are attributable to increased sales from the Company's foreign operations in Scotland and Malaysia along with increased exports to customer's foreign sites.

Gross margin increased to 8.4% and 7.8% for the third quarter and first nine months of fiscal 1996 from 5.9% and 6.4% for the comparable periods of fiscal 1995. This increase was primarily a result of increased utilization of the Company's domestic and foreign manufacturing facilities. Additionally, 1995 third quarter and year to date margins were reduced by the effect of valuation reserves related to the Epson project which reduced gross margins 2.0% and 1.1% of revenues, respectively.

Selling, general and administrative expenses decreased to 3.0% and 2.6% in the third quarter and first nine months of fiscal 1996 compared to 3.4% and 3.7% in the same periods of fiscal year 1995. In absolute dollars, these expenses increased over the comparable periods of fiscal 1995 by $2.1 million and $5.0 million due to increases in certain variable expenses including increased staffing to support increased revenue levels, the addition of the Company's Malaysia operation, and certain non-recurring costs associated with the private placement of debt.

Research and development expenses of 0.3% in the third quarter were consistent as a percentage of net revenue with those in fiscal 1995 while decreasing for the first nine months of fiscal 1996 to 0.2% as compared to 0.3% for the same period of fiscal 1995. In absolute dollars, the expenses were up slightly in fiscal 1996 due to the expansion of circuit design activities.

Interest expense increased $0.2 million and $2.5 million, respectively in the third quarter and first nine months of fiscal 1996 to $1.8 million and $6.8 million from $1.5 million and $4.3 million in the comparable periods of fiscal 1995. This increase was due to additional short-term and long-term borrowings required to support the Company's increased activities, international expansion, and to a lesser extent, higher effective interest rates.

The Company's effective tax rate increased to 35.1% for the third quarter of fiscal 1996 from 14.4% in fiscal 1995. The lower effective rate in the third quarter of fiscal 1995 was a result of the utilization of loss carryforwards against the income of the Company's foreign subsidiary in Scotland. The effective rate for the first nine months of fiscal 1996 was 35.6% as compared to 42.4% for the first nine months of fiscal 1995. This rate difference was primarily due to net operating losses at the Company's foreign subsidiary in Scotland which could not be utilized to offset other Company earnings for U.S. income tax purposes in the first nine months of fiscal 1995. The effective tax rate for fiscal 1996 was slightly above the U.S. regulatory rate of 35% due to domestic state income taxes which were slightly offset by lower effective tax rates at the Company's foreign subsidiaries.

Liquidity and Capital Resources

At May 31, 1996 the Company's principal sources of liquidity consisted of cash and available borrowings under the Company's credit facilities. The Company and its subsidiaries have committed line of credit facilities in place with a syndicate of banks that provide up to $60 million of working capital borrowing capacity.

The Company generated $50.4 million of cash in operating activities for the nine months ended May 31, 1996. This increase in cash was primarily due to decreases in inventories of $32.3 million and accounts receivable of $17.8 million, depreciation and amortization of $12.9 million and net income of $17.8 million offset by a decrease in accounts payable of $28.8 million.

Net cash used in investing activities of $23.2 million for the nine months ended May 31, 1996 was a result of the Company's capital expenditures for equipment at both domestic and foreign operations in order to support increased activities.

The company used $4.7 million of cash in financing activities for the nine months ended May 31, 1996. This was attributable to a $73 million reduction in borrowings under the company's line of credit facilities and a $30.8 million reduction in certain long term debt offset by $39.8 million received from the Company's secondary public offering completed November 3, 1995 and $ 59.9 million in proceeds from long term debt. At May 31, 1996 there were no borrowings under the working capital facility versus $73.0 million at August 31, 1995.

In May 1996 , the Company completed a private placement of $50 million Senior Notes due 2004.

At May 31, 1996, borrowing capacity of $60.0 million was available under the working capital facility which expires in 1998.

The Company believes that funds provided by operations and available under the credit agreements combined with trade credit from its vendors and proceeds from the secondary public offering and debt financing will be sufficient to satisfy its currently anticipated working capital and capital expenditure requirements for the next twelve months.

Business Factors

Due to the nature of turnkey manufacturing and the Company's relatively small number of customers, the Company's quarterly operating results are affected by the levels and timing of orders; the level of capacity utilization of its manufacturing facilities and associated fixed costs; fluctuations in materials costs; and by the mix of materials costs versus manufacturing costs. Similarly, operating results are affected by price competition; level of experience in manufacturing a particular product; degree of automation used in the assembly process;

efficiencies achieved by the Company in managing inventories and fixed assets; timing of expenditures in anticipation of increased sales; customer product delivery requirements; and shortages of components or labor. In the past, some of the Company's customers have terminated their manufacturing arrangement with the Company, and other customers have significantly reduced or delayed the volume of manufacturing services ordered from the Company. Any such termination of a manufacturing relationship or change, reduction or delay in orders could have an adverse affect of the Company's results of operations.

In particular, Quantum Corporation announced in January 1996 the cancellation of orders to Jabil for the manufacture of subassemblies for its high end disk drive products. This cancellation is expected to have an adverse impact on the Company's Malaysian plant over the next quarter. In light of this event and uncertain general industry conditions for the second half of calendar 1996 for computer equipment manufacturers, the Company's management intends to closely monitor manufacturing costs and to maintain flexibility in order to respond to changing business conditions and uncertainty. There can be no assurance that these events plus changing business conditions and uncertainties will not have an adverse effect on the Company's results of operations or financial condition.

Litigation

During the 1993 and 1994 fiscal years, the Company and Epson America, Inc. ("Epson") entered into serveral written and oral agreements and purchase orders providing for the joint development by the parties, and manufacture by the Company, of notebook computers pursuant to specifications provided by Epson. Pursuant to the parties' agreements, the Company procured materials for production. The Company contends that Epson breached the agreement by refusing to honor its purchase commitments citing production delays resulting from the unavailability of certain components and defects in certain materials supplied to the Company. On December 23, 1994, the Company instituted a breach of contract action against Epson in the Circuit Court of the Sixth Judicial Circuit of the State of Florida, requesting certain specified and unspecified monetary damages, including damages in an amount equal to $6,278,282, representing unpaid receivables, and incidental and consequential damanges, including, among others, loss of design and development costs, costs of unused or specially purchased inventory and lost profits. Such action was subsequently removed to the United States District Court for the Middle District of Florida. On July 21, 1995, Epson filed a counterclaim citing damages in excess of $52 million for, among other things, breach of contract and negligent misrepresention. The Company mitigated damages arising from Epson's breach by selling notebook computers to an electronics distributor. Epson contends that the Jabil computer manual furnished with these computers infringed certain Epson copyrights. The Company expects discovery to conclude during the second quarter of fiscal 1996 and the trial to commence later in 1996 calendar year. The parties have been unsuccessful in mediating or arbitrating their dispute, despite participation in multiple mediation and non binding arbitration sessions. The Company intends to pursue aggressively its legal claims and contest vigorously Epson's counterclaims. The Company believes strongly in the validity of its claims and believes that any potential exposure to the Company is substantially less than the $52 million claimed by Epson.However, such litigation may result in substatial costs and diversion of resources and, given the uncertainties inherent in litigation, could have a material adverse effect on the Company's operating results and financial condition, if decided adversely to the Company.

Part II - OTHER INFORMATION

Item 6: Exhibits and Reports on Form 8-K

(a) Exhibits

10.53 Note purchase agreement and notes dated May 30, 1996, between the registrant , certain lenders and NBD Bank as collateral agent.

10.54 Loan agreementdated May 30, 1996, between registrant and certain banks and NBD Bank as agent for the banks.

11.1 Statement re Computation of Net Income per Share

(b) Form 8-K

No Reports on Form 8-K were filed by the Registrant during the quarter ended May 31, 1995.

SIGNATURES

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

Jabil Circuit, Inc.

Registrant

Date: 7/12/96

/s/ Thomas A. Sansone

Thomas A. Sansone
President

Date: 7/12/96

/s/ Ronald J. Rapp

Ronald J. Rapp
Chief Financial Officer

JABIL CIRCUIT, INC.

NOTE PURCHASE AGREEMENT

Dated as of May 30, 1996

$50,000,000 6.89% Senior Notes Due May 30, 2004

THIS NOTE PURCHASE AGREEMENT AND THE NOTES MAY BE SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT, DATED AS OF MAY 30, 1996, AS MAY BE AMENDED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME, AMONG CERTAIN LENDERS AND NBD BANK AS COLLATERAL AGENT. BY ACCEPTANCE OF A NOTE, THE HOLDER THEREOF MAY BECOME BOUND BY THE PROVISIONS OF SUCH INTERCREDITOR AGREEMENT, WHETHER OR NOT SUCH HOLDER BECOMES A PARTY THERETO.

TABLE OF CONTENTS

SCHEDULE 5.5 -- Financial Statements

SCHEDULE 5.8 -- Certain Litigation

SCHEDULE 5.11 -- Patents, etc.

SCHEDULE 5.12 -- ERISA

SCHEDULE 5.14 -- Use of Proceeds

SCHEDULE 5.15 -- Existing Debt

SCHEDULE 9.8 -- Incorporated Covenants

SCHEDULE 10.3 -- Certain Definitions Used in Tangible Net Worth Covenant

EXHIBIT 1 -- Form of 6.89% Senior Note due May 30, 2004

EXHIBIT 4.4(a) -- Form of Opinion of General Counsel of the Company

EXHIBIT 4.4(b) -- Form of Opinion of Special Counsel for the Purchasers

EXHIBIT 4.9 -- Form of Guaranty Agreement

EXHIBIT 4.10 -- Form of Pledge Agreement

EXHIBIT 4.12 -- Form of Intercreditor Agreement

JABIL CIRCUIT, INC.
10800 Roosevelt Boulevard St. Petersburg, Florida 33716

$50,000,000 6.89% Senior Notes due May 30, 2004

Dated as of May 30, 1996

[Separately addressed to each of the Purchasers listed in Schedule A hereto]

Ladies and Gentlemen:

JABIL CIRCUIT, INC., a Delaware corporation (together with its successors and assigns, the "Company"), agrees with you as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of $50,000,000 aggregate principal amount of its 6.89% Senior Notes due May 30, 2004 (the "Notes", such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement or the Other Agreements (as hereinafter defined)). The Notes shall be substantially in the form set out in Exhibit 1, with such changes therefrom, if any, as may be approved by you and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to you and you will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount specified opposite your name in Schedule A at the purchase price of 100% of the principal amount thereof. Contemporaneously with entering into this Agreement, the Company is entering into separate Note Purchase Agreements (the "Other Agreements") identical with this Agreement with each of the other purchasers named in Schedule A (the "Other Purchasers"), providing for the sale at such Closing to each of the Other

Purchasers of Notes in the principal amount specified opposite its name in Schedule A. Your obligation hereunder and the obligations of the Other Purchasers under the Other Agreements are several and not joint obligations and you shall have no obligation under any Other Agreement and no liability to any Person for the performance or non-performance by any Other Purchaser thereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by you and the Other Purchasers shall occur at the offices of Hebb & Gitlin, One State Street, Hartford, Connecticut 06103, at 10:00 a.m., eastern time, at a closing (the "Closing") on May 30, 1996. At the Closing, the Company will deliver to you one or more Notes (as set forth below your name on Schedule A), in the denominations indicated in Schedule A, in the aggregate principal amount of your purchase, dated the date of the Closing and payable to you or payable as indicated in Schedule A, against payment by federal funds wire transfer in immediately available funds of the purchase price thereof, as directed by the Company in Schedule 3. If at the Closing the Company shall fail to tender such Notes to you as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to your satisfaction, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Your obligation to purchase and pay for the Notes to be sold to you at the Closing is subject to the fulfillment to your satisfaction, prior to or at the Closing, of the following conditions:

4.1 Representations and Warranties.

The representations and warranties of the Obligors in the Financing Documents shall be correct when made and at the time of the Closing.

4.2 Performance; No Default.

The Obligors shall have performed and complied with all agreements and conditions contained in the Financing Documents required to be performed or complied with by them prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Schedule 5.14) no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by any of Sections 10.1, 10.5, 10.6, 10.7, 10.8 and 10.9 had such Sections applied since such date.

4.3 Compliance Certificates.

(a) Company Officer's Certificate. The Company shall have delivered to you an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.13 have been fulfilled.

(b) Company Secretary's Certificate. The Company shall have delivered to you a certificate of the Secretary or an Assistant Secretary of the Company, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Financing Documents.

(c) Secretary's Certificate of Initial Guarantor. The Initial Guarantor shall have delivered to you a certificate of the Secretary or an Assistant Secretary of such Subsidiary, dated the date of the Closing, certifying as to

the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Guaranty Agreement.

4.4 Opinions of Counsel.

You shall have received opinions in form and substance satisfactory to you, dated the date of the Closing,

(a) from Linda V. Moore, Esq., the General Counsel of the Company, substantially in the form of Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as you or your counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to you), and

(b) from Hebb & Gitlin, your special counsel in connection with such transactions, substantially in the form of Exhibit 4.4(b) and covering such other matters incident to such transactions as you may reasonably request.

4.5 Purchase Permitted By Applicable Law, etc.

On the date of the Closing your purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which you are subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation G, T or X of the Board of Governors of the Federal Reserve System) and (c) not subject you to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date of your execution and delivery of this Agreement. If requested by you, you shall have received an Officer's Certificate certifying as to such matters of fact as you may reasonably specify to enable you to determine whether such purchase is so permitted.

4.6 Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to the Other Purchasers, and the Other Purchasers shall purchase, the Notes to be purchased by them at the Closing as specified in Schedule A.

4.7 Payment of Special Counsel Fees.

Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of your special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the date of the Closing.

4.8 Private Placement Number.

A private placement number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for the Notes.

4.9 Guaranty Agreement.

You shall have received a counterpart of the Guaranty Agreement, duly executed and delivered by the Initial Guarantor, substantially in the form of Exhibit 4.9 (as amended or supplemented from time to time, the "Guaranty Agreement"), and the Guaranty Agreement shall be in full force and effect.

4.10 Stock Pledge.

The Company and the Collateral Agent shall have entered into the Pledge Agreement and Irrevocable Proxy, substantially

in the form of Exhibit 4.10 (as amended or supplemented from time to time, the "Pledge Agreement"), and the Pledge Agreement shall be in full force and effect. The Lien of the Collateral Agent contemplated by the Pledge Agreement shall have been perfected.

4.11 Bank Loan Agreement.

The Company, Jabil Circuit Ltd. and the Banks shall have entered into the Bank Loan Agreement, in form and substance satisfactory to you, and the Company shall have delivered to you copies of the Bank Loan Agreement and each other document executed in connection therewith requested by you, certified as true and correct by a Responsible Officer.

4.12 Intercreditor Agreement.

The Banks, you and the Other Purchasers and the Collateral Agent shall have executed and delivered (and the Obligors shall have executed and delivered the consent and agreement thereto) the Intercreditor Agreement, substantially in the form of Exhibit 4.12 (as amended from time to time, the "Intercreditor Agreement"), and the Intercreditor Agreement shall be in full force and effect.

4.13 Changes in Corporate Structure.

Except as specified in Schedule 4.13, the Company shall not have changed its jurisdiction of incorporation or been a party to any consolidation or merger and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.14 Lien Releases.

You shall have received written evidence, in form and substance satisfactory to you, that the Company's bank lenders (or their agent acting on their behalf) under the credit facility of the Company to be replaced by the Bank Loan Agreement shall have released all Liens that such banks or such agent may have on any property of the Company and its Subsidiaries.

4.15 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by the Financing Documents and all documents and instruments incident to such transactions shall be satisfactory to you and your special counsel, and you and your special counsel shall have received all such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to you that:

5.1 Organization; Power and Authority.

Each Obligor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Obligor has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts, to execute and deliver the Financing Documents to which it is or is to be a party and to perform the provisions thereof.

5.2 Authorization, etc.

The Financing Documents have been duly authorized by all necessary corporate action on the part of the Obligors, and each of this Agreement, the Pledge Agreement, the Guaranty Agreement and the Intercreditor Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of each Obligor party thereto enforceable against each such Obligor in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Disclosure.

The Company, through its agents, SPP Hambro & Co. and NBD Bank, N.A. Capital Markets Division, has delivered to you and each Other Purchaser a copy of a Direct Placement Memorandum, dated February 1996 (the "Memorandum"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. Except as disclosed in Schedule 5.3, the Financing Documents, the Memorandum, the documents, certificates or other writings delivered to you by or on behalf of the Company in connection with the transactions contemplated by the Financing Documents and the financial statements listed in Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or as expressly described in Schedule 5.3, or in one of the documents, certificates or other writings identified therein, or in the financial statements listed in Schedule 5.5, since August 31, 1995, there has been no change in the business, operations, affairs, financial condition, assets or properties of the Company or any Subsidiary except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to you by or on behalf of the Company specifically for use in connection with the transactions contemplated hereby.

5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by

law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the agreements listed in Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5 Financial Statements.

The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed in Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

5.6 Compliance with Laws, Other Instruments, etc.

The execution, delivery and performance by the Obligors of the Financing Documents will not

(a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company (other than as contemplated by the Pledge Agreement) or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected,

(b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary, or

(c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

5.7 Governmental Authorizations, etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligors of the Financing Documents.

5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) Except as disclosed in Schedule 5.8, there are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be

expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9 Taxes.

The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, state or other taxes for all fiscal periods are adequate. The Federal income tax liabilities of the Company and its Subsidiaries have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended August 31, 1995.

5.10 Title to Property; Leases.

The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11 Licenses, Permits, etc.

Except as disclosed in Schedule 5.11,

(a) the Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others;

(b) to the best knowledge of the Company, no product of the Company or any Subsidiary infringes in any material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person; and

(c) to the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries.

5.12 Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) Schedule 5.12 sets forth all ERISA Affiliates and all "employee benefit plans" maintained by the Company (or any "affiliate" thereof) or in respect of which the Notes could constitute an "employer security" ("employee benefit plan" has the meaning specified in section 3 of ERISA, "affiliate" has the meaning specified in section 407(d) of ERISA and section V of the Department of Labor Prohibited Transaction Exemption 95-60 (60 FR 35925, July 12, 1995) and "employer security" has the meaning specified in section 407(d) of ERISA).

(f) The execution and delivery of the Financing Documents and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(f) is made in reliance upon and subject to the accuracy of your representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by you.

5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than you, the Other Purchasers and not more than 65 other

Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of section 5 of the Securities Act. For purposes of this Section 5.13 only, each reference to the Notes shall be deemed to include a reference to the Guaranty Agreement.

5.14 Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes as set forth in Schedule 5.14. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation G of the Board of Governors of the Federal Reserve System (12 CFR 207), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 1% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 1% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation G.

5.15 Existing Debt; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Debt of the Company and its Subsidiaries as of May 6, 1996 (and specifying, as to each such Debt, whether it is secured or unsecured), since which date there has been no Material change in the amounts, interest rates, sinking funds, instalment payments or maturities of the Debt of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary and no event or condition exists with respect to any Debt of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.7.

5.16 Foreign Assets Control Regulations, etc.

Neither the sale of the Notes by the Company hereunder nor its use of the proceeds thereof, nor any other transaction contemplated by the Financing Documents, will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

NO&C Status under Certain Statutes.

Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 1935, as amended, the Transportation Acts (49 U.S.C.), as amended, or the Federal Power Act, as amended.

5.18 Environmental Matters.

Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to you in writing,

(a) neither the Company nor any Subsidiary has knowledge of any facts that would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

6. REPRESENTATIONS OF THE PURCHASER.

6.1 Purchase for Investment.

You represent that you are purchasing the Notes for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of your or their property shall at all times be within your or their control. You understand that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

6.2 Source of Funds.

You represent, with respect to the funds with which you are acquiring the Notes, that all of such funds are from or are attributable to one or more of the following:

(a) General Account -- your general account assets or from assets of one or more segments of such general account, and that, solely for purposes of determining whether such acquisition is a "prohibited transaction" (as provided for in section 406 of ERISA or section 4975 of the Code) and in reliance on the representations of the Company set forth in Section 5.12 and the related disclosure of "employee benefit plans" set forth in Schedule 5.12, all requirements for an exemption under Department of Labor Prohibited Transaction Exemption 95-60 (60 FR 35925, July 12, 1995) in respect of such "employee benefit plans" have been satisfied; or

(b) Separate Account -- a "separate account" (as defined in section 3 of ERISA):

(i) 10% Pooled Separate Account -- in respect of which all requirements for an exemption under Department of Labor Prohibited Transaction Class

Exemption 90-1 are met with respect to the use of such funds to purchase the Notes; or

(ii) Identified Plan Assets -- that is comprised of employee benefit plans identified by you in writing and with respect to which the Company hereby warrants and represents that, as of the date of the Closing, neither the Company nor any ERISA Affiliate is a "party in interest" (as defined in section 3 of ERISA) or a "disqualified person" (as defined in section 4975 of the Code) with respect to any plan so identified; or

(iii) Guaranteed Separate Account -- that is maintained solely in connection with fixed contractual obligations of an insurance company, under which any amounts payable, or credited, to any employee benefit plan having an interest in such account and to any participant or beneficiary of such plan (including an annuitant) are not affected in any manner by the investment performance of the separate account (as provided by 29 C.F.R. SECTION 2510.3-101(h)(1)(iii)); or

(c) Qualified Professional Asset Manager -- an "investment fund" managed by a "qualified professional asset manager" (as such terms are defined in Part V of Department of Labor Prohibited Transaction Class Exemption 84-14) and all the requirements for an exemption under such Exemption are met with respect to the use of funds to purchase the Notes; or

(d) Excluded Plan -- an employee benefit plan that is excluded from the provisions of section 406 of ERISA by virtue of section 4(b) of ERISA; or

(e) Exempt Funds -- a separate investment account that is not subject to ERISA and no funds of which come from assets of an "employee benefit plan" or a "plan" or any other entity that is deemed to hold assets of an "employee benefit plan" or a "plan" ("employee benefit plan" is defined in section 3 of ERISA, and "plan" is defined in section 4975(e)(1) of the Code).

7. INFORMATION AS TO COMPANY.

7.1 Financial and Business Information.

The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) Quarterly Statements -- concurrently with the filing of the Company's Quarterly Report on Form 10-Q with the Securities and Exchange Commission after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year) but in any event within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of

(i) consolidated balance sheets of the Company and its Subsidiaries, and of the Company and its Restricted Subsidiaries, and consolidating balance sheets of the Company and its Restricted Subsidiaries, as at the end of such quarter, and

(ii) consolidated statements of operations and cash flows of the Company and its Subsidiaries, and of the Company and its Restricted Subsidiaries, and consolidating statements of operations and cash flows of the Company and its Restricted Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year,

all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(b) Annual Statements -- concurrently with the filing of the Company's Annual Report on Form 10-K with the Securities and Exchange Commission after the end of each fiscal year of the Company but in any event within 90 days after the end of each fiscal year of the Company, duplicate copies of

(i) consolidated balance sheets of the Company and its Subsidiaries, and of the Company and its Restricted Subsidiaries, and consolidating balance sheets of the Company and its Restricted Subsidiaries, as at the end of such year,

consolidated statements of operations and cash flows of the Company and its Subsidiaries, and of the Company and its Restricted Subsidiaries, and consolidating statements of operations and cash flows of the Company and its Restricted Subsidiaries, for such year, and

(iii) a consolidated statement of changes in stockholders' equity of the Company and its Subsidiaries, and of the Company and its Restricted Subsidiaries, for such year,

setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by

(A) in the case of such consolidated financial statements, an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances,

(B) a certification by a Senior Financial Officer that such consolidated and consolidating financial statements fairly present, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, and

(C) a certificate of such accountants stating that they have reviewed the Financing Documents and stating further whether, in making their audit, they have become aware of any condition or event that then constitutes a Default or an Event of Default, and, if they are aware that any such condition or event then exists, specifying the nature and period of the existence thereof (it being understood that such accountants shall not be liable, directly or indirectly, for any failure to obtain knowledge of any Default or Event of Default unless such accountants should have obtained knowledge thereof in making an audit in accordance with generally accepted auditing standards or did not make such an audit);

(c) SEC and Other Reports -- promptly upon their

becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date of the Closing; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(f) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Information Furnished to Banks, etc. -- not later than the time furnished to any of the Banks or the Collateral Agent, copies of each report, statement, document, notice or other item furnished to any of the Banks or the Collateral Agent pursuant to Section 5.1(d) or Section 5.1(g) (or any similar successor provisions) of the Bank Loan Agreement or, upon request of any holder of Notes, pursuant to any other provision of the Bank Loan Agreement or any related instrument, agreement or other document, and, promptly following effectiveness thereof, a copy of each amendment of, supplement to or waiver with respect to the

Bank Loan Agreement or any related instrument, agreement or other document;

(h) Termination or Reduction of Commitments Under Bank Loan Agreement -- within three Business Days of its delivery to any of the Banks or the agent under the Bank Loan Agreement, a copy of any request or notice by the Company to the Banks or such agent to terminate or reduce the Commitments (as such term is defined in the Intercreditor Agreement) under the Bank Loan Agreement;

(i) Names and Addresses of Holders of Notes -- promptly following a request therefor by any holder of Notes that is an Institutional Holder, a list of the names and addresses of, and principal amount of Notes held by each of, the holders of Notes (as required to be reflected in the register maintained by the Company pursuant to Section 13.1); and

(j) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Obligors to perform their obligations under the Financing Documents as from time to time may be reasonably requested by any such holder of Notes, including, without limitation, information required by 17 C.F.R. SECTION 230.144A, as amended from time to time.

7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance -- the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 9.8 and Section 10.3 through Section 10.9, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default -- a statement that such officer has reviewed the relevant terms of the Financing Documents and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3 Inspection.

The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the

consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default -- if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

8. PREPAYMENT OF THE NOTES, ETC.

8.1 Required Prepayments; Payment at Maturity.

On May 30, 1999 and on each May 30 thereafter to and including May 30, 2003, the Company will prepay $8,333,333.33 principal amount (or such lesser principal amount as shall then be outstanding) of the Notes at par and without payment of the Make-Whole Amount or any premium, and the Company will pay all of the principal amount of the Notes remaining outstanding, if any, on May 30, 2004.

8.2 Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes (but if in part, in an amount not less than $1,000,000), at 100% of the principal amount so prepaid, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.4), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

Each partial prepayment of the Notes pursuant to this Section 8.2 will be applied first, to the amount due on the maturity date of the Notes and second, to the mandatory prepayments applicable to the Notes, as set forth in Section 8.1, in the inverse order of the maturity thereof.

8.3 Prepayment Upon Change in Control.

(a) Notice and Offer. In the event of

(i) a Change in Control or

(ii) the obtaining of knowledge of a Control Notice Event by a Senior Financial Officer (including, without limitation, via the receipt of a notice of a Control Notice Event from any holder of Notes),

the Company shall, within three Business Days of the

occurrence of either of such events, give written notice of such Change in Control or Control Notice Event to each holder of Notes via an overnight courier of national reputation and, simultaneously with the sending of such written notice, give telephonic advice of such Change in Control or Control Notice Event to an investment officer or other similar representative or agent of each such holder specified in Schedule A at the telephone number specified therein, or to such other Person at such other number as any holder of a Note may specify to the Company in writing. In the event of a Change in Control, such written notice shall contain, and such written notice shall constitute, an irrevocable offer to prepay all, but not less than all, the Notes held by such holder on a date specified in such notice (the "Control Prepayment Date") that is not less than 30 days and not more than 60 days after the date of such notice. (If the Control Prepayment Date shall not be specified in such notice, the Control Prepayment Date shall be the first Business Day on or following the 30th day after such notice.) With respect to any written notice given by the Company in respect of a Change in Control, if the Company shall not have received a written response to such written notice from any holder of Notes within five Business Days after the date of initially sending via overnight courier such notice to such holder, the Company shall immediately send a second written notice via an overnight courier of national reputation to such holder of Notes.

(b) Acceptance and Payment; Rejection.

(i) Acceptance and Payment. To accept such offered prepayment, a holder of Notes shall cause a notice of such acceptance to be delivered to the Company not later than the fifth Business Day preceding the applicable Control Prepayment Date. If so accepted, such offered prepayment shall be due and payable on the Control Prepayment Date. Such offered prepayment shall be made at 100% of the principal amount of such Notes, together with interest on the principal amount of the Notes then being prepaid accrued to the Control Prepayment Date. No Make-Whole Amount shall be payable in respect of any such Notes.

(ii) Rejection. A failure by any holder of Notes to respond in writing to all written offers of prepayment referred to in Section 8.3(a) shall be deemed to constitute a rejection of such offer by such holder.

(c) Officer's Certificate. Each offer to prepay the Notes pursuant to this Section 8.3 shall be accompanied by an Officer's Certificate, dated the date of such offer,

(i) stating the principal amount of each Note offered to be prepaid;

(ii) specifying the Control Prepayment Date;

(iii) stating the interest to be paid on each such Note, accrued to the Control Prepayment Date;

(iv) certifying that the conditions of this Section 8.3 have been fulfilled; and

(v) specifying, in reasonable detail, the nature and date or proposed date of the Change in Control.

(d) Notice Concerning Status of Holders of Notes. Following each Control Prepayment Date, the Company shall, at the request of any then remaining holder of Notes, provide to such holder a certificate signed by a Responsible Officer containing a list of the then current holders of Notes (together with their addresses) and setting forth as to each such holder the outstanding principal amount of Notes held by such holder at such time.

(e) Effect on Mandatory Prepayments. Any partial prepayment of the Notes pursuant to this Section 8.3 shall reduce the principal amount of each required prepayment of the Notes becoming due under Section 8.1 on and after the date of such prepayment and the principal amount of the required payment due on May 30, 2004 in the same proportion as the aggregate unpaid principal amount of the Notes is reduced as a result of such prepayment.

8.4 Allocation of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.1 or Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.5 Maturity; Surrender, etc.

In the case of each payment or prepayment of Notes pursuant to this Section 8 or Section 10.9(c), the principal amount of each Note to be paid or prepaid, as the case may be, shall mature and become due and payable on the date fixed for such payment or prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.6 Purchase of Notes.

The Company will not and will not permit any Affiliate to purchase, redeem, pay, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.7 Make-Whole Amount.

The term "Make-Whole Amount" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or Section 10.9(c), or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 500" on the Telerate Access Service (or such other display as may replace Page 500 on the Telerate Access Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than the Remaining Average Life and (2) the actively traded U.S. Treasury security with the maturity closest to and less than the Remaining Average Life.

"Remaining Average Life" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, Section 10.9(c) or Section 12.1.

"Settlement Date" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or Section 10.9(c), or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

9.1 Compliance with Law.

The Company will and will cause each of its Subsidiaries to comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that

non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2 Insurance.

The Company will and will cause each of its Subsidiaries to maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3 Maintenance of Properties.

The Company will and will cause each of its Subsidiaries to maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4 Payment of Taxes and Claims.

The Company will and will cause each of its Subsidiaries to file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (a) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (b) the nonpayment of all such taxes and assessments in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5 Corporate Existence, etc.

The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.8 and 10.9, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Restricted Subsidiaries (unless merged with or into the Company or a Wholly-Owned Restricted Subsidiary) and all rights and franchises of the Company and its Restricted Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

9.6 Guaranty Agreement.

The Company will cause each Subsidiary that at any time becomes liable in respect of any Guaranty of any of the

obligations under the Bank Loan Agreement or of any related agreement, instrument or other document after the date of the Closing to become (simultaneously or prior to becoming liable in respect of such Guaranty of any of the obligations under the Bank Loan Agreement or such other related obligations) a Guarantor under the Guaranty Agreement by executing and delivering to each holder of Notes a Joinder Agreement in the form attached to the Guaranty Agreement as Annex 2. Each such Joinder Agreement shall be accompanied by copies of the constitutive documents of such Subsidiary and corporate resolutions (or equivalent) authorizing such transaction, in each case certified as true and correct by a Responsible Officer of the Company and an officer of such Subsidiary.

9.7 Pari Passu.

The Company covenants that its obligations under the Notes and under this Agreement and the Other Agreements do and will rank at least pari passu with all its other present and future unsecured Senior Debt including, without limitation, the Bank Debt.

9.8 Incorporated Covenants.

The Company will, and will cause each Subsidiary to, comply with the covenants set forth in Schedule 9.8 (as such covenants may be amended from time to time in accordance with Section 17.1, the "Incorporated Covenants"). The Incorporated Covenants, and certain related definitions also set forth in such Schedule, are (with certain modifications) based upon certain provisions of the Bank Loan Agreement as in effect on the date of Closing. Nothing in this Section 9.8, in Schedule 9.8 or elsewhere in this Agreement with respect to any of the Incorporated Covenants shall be deemed to excuse, waive, or otherwise affect the obligation of the Company to comply with, each and every other covenant or agreement contained in this Agreement, it being understood and agreed that the Company is obligated to comply in all respects with both the Incorporated Covenants and all such other covenants and agreements.

9.9 Additional Covenants.

If at any time the Company shall enter into, be a party to or otherwise be bound by the provisions of any instrument or agreement under or in respect of which Debt of the Company has been issued, or any agreement relating thereto, whether now or hereafter existing (including, without limitation, the Bank Loan Agreement), and such instrument or agreement contains covenants or other provisions that either are not substantially provided for in this Agreement, or are more favorable to the lenders or other creditors thereunder or are more onerous to the Company than the covenants or other provisions provided for in this Agreement (provided that this Section 9.9 shall not apply to the covenant set forth in Section 5.2(c) of the Bank Loan Agreement as in effect on the date of Closing or as may otherwise be in effect after the date of Closing so long as such covenant is no more onerous to the Company than as in effect on the date of Closing), then the Company shall provide prompt written notice of such fact to each holder of Notes. The Company agrees, upon written request therefor delivered by the Required Holders, to enter into one or more amendments of this Agreement providing for substantially the same covenants and provisions (as such covenants or other provisions may be amended from time to time in accordance with Section 17.1, the "Most Favored Covenants") as those provided for in such other instrument or agreement (with such modifications thereof as may be necessary to give the holders of Notes substantially the same benefits and protections afforded the lenders or other creditors under such other instrument or agreement) to the extent required and as may be selected by the Required Holders in their sole and absolute discretion.

10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are

outstanding:

10.1 Transactions with Affiliates.

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into directly or indirectly any transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Restricted Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of the Company's or such Restricted Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2 Line of Business.

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business if, as a result, the general nature of the business in which the Company and its Restricted Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Restricted Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Memorandum.

10.3 Consolidated Tangible Net Worth.

The Company will not permit or suffer Consolidated Tangible Net Worth at any time to be less than the sum of (a) $80,000,000 plus (b) 75% of the Net Cash Proceeds of Capital Stock of the Company offered or otherwise sold after the date of Closing, plus (c) an aggregate amount equal to 50% of Consolidated Net Income (but in each case, only if a positive number) for each completed fiscal year of the Company commencing with the fiscal year ending August 31, 1996. As used in this Section 10.3, the terms "Consolidated Tangible Net Worth," "Net Cash Proceeds," "Capital Stock" and "Consolidated Net Income" have the meanings specified in Schedule 10.3.

10.4 Pro Forma Consolidated Fixed Charges Coverage Ratio.

The Company will not, at the end of any fiscal quarter of the Company, permit the Pro Forma Consolidated Fixed Charges Coverage Ratio in respect of the 12-month period then ended to be less than 3.00 to 1.00.

10.5 Limitation on Debt.

The Company will not, and will not permit any of its Restricted Subsidiaries to, create, assume, incur, guaranty or otherwise become obligated in respect of any Debt, except:

(a) Debt evidenced by the Notes and the Guaranty Agreement;

(b) Debt of any Restricted Subsidiary owing to the Company or a Wholly- Owned Restricted Subsidiary;

(c) Debt in existence as of the date of the Closing (after giving effect to the application of the proceeds of the Notes pursuant to Section 5.14) and described in Schedule 5.15;

(d) additional Debt of the Company and its Restricted Subsidiaries, not otherwise permitted under clause (a), clause (b) or clause (c) above, provided that at the time of the incurrence thereof and after giving effect thereto and to the application of the proceeds thereof, Consolidated Debt shall not exceed 60% of Consolidated Total Capitalization; and

(e) Debt of the Company or any Restricted Subsidiary

extending, renewing or refunding any then existing Debt that was originally incurred in compliance with clause (a), clause (b), clause (c) or clause (d) of this Section 10.5, provided that the principal amount of such new Debt does not exceed the principal amount of such extended, renewed or refunded Debt outstanding immediately prior to the incurrence of such new Debt.

10.6 Limitation on Priority Debt.

The Company will not

(a) create, assume, incur, guaranty or otherwise become obligated in respect of any Debt secured by any Lien on any property of the Company or any Restricted Subsidiary that would constitute a portion of Priority Debt,

(b) permit any Restricted Subsidiary to create, assume, incur, guaranty or otherwise become obligated in respect of any Debt that would constitute a portion of Priority Debt, or

(c) permit the creation of any Lien on property of the Company or any Restricted Subsidiary to secure any Debt of the Company or any Restricted Subsidiary that would constitute a portion of Priority Debt,

unless at the time of the incurrence thereof and after giving effect thereto and to the application of the proceeds thereof, and immediately after giving effect to the creation of any such Lien, Priority Debt would not exceed 10% of Consolidated Adjusted Net Worth at such time.

10.7 Liens.

(a) Negative Pledge. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly create, assume, incur or suffer to be created, assumed or incurred or to exist (upon the happening of a contingency or otherwise), any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Restricted Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits, except:

(i) Liens for taxes, assessments or other governmental charges that are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(ii) Liens

(A) arising from judicial attachments and judgments,

(B) securing appeal bonds, supersedeas bonds, and

(C) arising in connection with court proceedings (including, without limitation, surety bonds and letters of credit or any other instrument serving a similar purpose),

provided that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings, and provided further that the aggregate amount so secured will not at any time exceed $10,000,000;

Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business

(A) in connection with workers' compensation, unemployment insurance, social security and other like laws,

(B) to secure (or to obtain letters of credit that secure) the performance of tenders, statutory obligations, surety and performance bonds (of a type other than set forth in Section 10.7(a)(ii)), bids, leases (other than Capital Leases), purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property,

(C) to secure the claims or demands of materialmen, mechanics, carriers, warehousemen, vendors, repairmen, landlords, lessors and other like Persons, arising in the ordinary course of business, and

(D) in the nature of reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions or encumbrances affecting real property,

provided that (1) any amounts secured by such Liens are not overdue and (2) such Liens do not, in the aggregate, materially detract from the value of such property or materially impair the use of such property in the conduct of the business of the Company, or the conduct of the business of the Company and its Restricted Subsidiaries taken as a whole;

(iv) (A) Liens in existence as of the date of the Closing securing Debt and listed in Schedule 5.15, and

(B) Liens securing renewals, extensions (as to time) and refinancings of Debt secured by the Liens listed in Schedule 5.15, provided that the amount of Debt secured by each such Lien is not increased in excess of the amount of Debt outstanding on the date of such renewal, extension or refinancing, and none of such Liens is extended to include any additional property of the Company or any Restricted Subsidiary;

(v) Liens on property of a Restricted Subsidiary, provided that such Liens secure only obligations owing to the Company or a Restricted Subsidiary;

(vi) Liens on property acquired or constructed by the Company or any Restricted Subsidiary after the date of the Closing to secure Debt of the Company or such Restricted Subsidiary incurred in connection with such acquisition or construction, provided that

(A) no such Lien shall extend to or cover any property other than the property being acquired or constructed,

(B) the amount of Debt secured by any such Lien shall not exceed an amount equal to the Fair Market Value (as determined in good faith by the Company) of the property being acquired or constructed, determined at the time of such acquisition or at the time of substantial completion of such construction,

(C) such Lien shall be created concurrently with or within 180 days after such

acquisition or the substantial completion of such construction, and

no Default or Event of Default shall exist at the time of, or after giving effect to, the creation, incurrence or assumption of such Lien;

(vii) Liens existing on property at the time of the acquisition thereof, including Liens existing on property of a corporation at the time such property is acquired as an entirety or substantially as an entirety by the Company or a Restricted Subsidiary, or at the time such corporation becomes a Restricted Subsidiary or is merged or consolidated with or into the Company or a Restricted Subsidiary, provided that

(A) no such Lien shall extend to or cover any property other than the property subject to such Lien at the time of any such transaction,

(B) the amount of Debt secured by any such Lien shall not exceed the Fair Market Value (as determined in good faith by the Company) of the property subject thereto, determined at the time of any such transaction,

(C) such Lien was not created in contemplation of any such transaction, and

(D) no Default or Event of Default shall exist at the time of, or after giving effect to, any such transaction;

(viii)the Lien of the Collateral Agent under the Pledge Agreement (but, unless otherwise agreed by the Required Holders, only with respect to collateral relating to shares in Jabil Circuit Ltd.); and

(ix) Liens securing Debt (other than any Bank Debt) of the Company or any Restricted Subsidiary and not otherwise permitted by clauses (i) through (viii), inclusive, of this Section 10.7(a), but only to the extent that the Debt secured by each such Lien is, at the time of the incurrence of such Debt, permitted to be incurred under Section 10.5(d) or Section 10.5(e), as the case may be, and Section 10.6.

(b) Equal and Ratable Lien; Equitable Lien. In case any property shall be subjected to a Lien in violation of this Section 10.7, the Company will forthwith make or cause to be made, to the fullest extent permitted by applicable law, provision whereby the Notes will be secured equally and ratably with all other obligations secured thereby pursuant to such agreements and instruments as shall be approved by the Required Holders, and the Company will cause to be delivered to each holder of a Note an opinion of independent counsel to the effect that such agreements and instruments are enforceable in accordance with their terms, and in any such case the Notes shall have the benefit, to the full extent that, and with such priority as, the holders of Notes may be entitled under applicable law, of an equitable Lien on such property securing the Notes. Such violation of this Section 10.7 will constitute an Event of Default hereunder, whether or not any such provision is made pursuant to this Section 10.7(b).

(c) Financing Statements. The Company will not, and will not permit any of its Restricted Subsidiaries to, sign or file a financing statement under the Uniform Commercial Code of any jurisdiction that names the Company or such Restricted Subsidiary as debtor, or sign any security agreement authorizing any secured party thereunder to file any such financing statement, except, in any such case, a financing statement filed or to be filed to perfect or

protect a security interest that the Company or such Restricted Subsidiary is entitled to create, assume or incur, or permit to exist, under the foregoing provisions of this Section 10.7 or to evidence for informational purposes a lessor's interest in property leased to the Company or any such Restricted Subsidiary.

(d) Liens of Restricted Subsidiaries. Each Person that becomes a Restricted Subsidiary after the date of the Closing will be deemed to have granted on the date such Person becomes a Restricted Subsidiary all the Liens in existence on its property on such date.

(e) Negative Pledge Limitation. The Company will not, and will not permit any Restricted Subsidiary to, enter into any agreement (other than the Financing Documents and the Bank Loan Agreement) with any Person that prohibits or limits the ability of the Company or any Restricted Subsidiary (other than Jabil Malaysia) to create, incur, assume or suffer to exist any Lien upon any of its assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired.

10.8 Merger, Consolidation, etc.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person (except that a Restricted Subsidiary of the Company may (x) merge into, or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to, the Company (if, in the case of a merger, the Company is the survivor of such merger), (y) consolidate or merge with or into, or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to, a Wholly-Owned Restricted Subsidiary of the Company and (z) convey, transfer or lease all of its assets in compliance with the provisions of Section 10.9), provided that the foregoing restriction does not apply to the consolidation or merger of the Company with or into, or the conveyance, transfer or lease of all or substantially all of the assets of the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be (the "Successor Corporation"), shall be a solvent corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

(b) if the Company is not the Successor Corporation, such corporation shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Financing Documents (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), and the Company shall have caused to be delivered to each holder of Notes an opinion of independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(c) immediately after giving effect to such transaction:

(i) no Default or Event of Default would exist, and

(ii) the Successor Corporation would be

permitted by the provisions of Section 10.5(d) to incur at least $1.00 of additional Debt owing to a Person other than a Restricted Subsidiary.

No such conveyance, transfer or lease of all or substantially all of the assets of the Company shall have the effect of releasing the Company or any successor corporation that shall theretofore have become such in the manner prescribed in this Section 10.8 from its liability under the Financing Documents.

10.9 Sale of Assets, etc.

(a) Sale of Assets, etc. The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition, unless:

(i) in the good faith opinion of the Company, the Asset Disposition is in exchange for consideration having a Fair Market Value at least equal to that of the property exchanged; and

(ii) immediately after giving effect to the Asset Disposition,

(A) no Default or Event of Default would exist,

(B) the Company would be permitted by the provisions of Section 10.5(d) to incur at least $1.00 of additional Debt owing to a Person other than a Restricted Subsidiary and the Company would be permitted by the provisions of Section 10.6 to incur at least $1.00 of additional Priority Debt,

(C) the Disposition Value of all property that was the subject of any Asset Disposition occurring in the then current fiscal year of the Company would not exceed 10% of Consolidated Total Assets as of the end of the then most recently ended fiscal quarter of the Company, and

(D) the Disposition Value of all property that was the subject of any Asset Disposition occurring on or after the date of the Closing would not exceed 25% of Consolidated Total Assets as of the end of the then most recently ended fiscal quarter of the Company.

If the Net Proceeds Amount for any Transfer is applied to a Debt Prepayment Application, as more particularly provided in subsection (c) of this Section 10.9, or a Property Reinvestment Application, in each case within 12 months after such Transfer, then such Transfer, only for the purpose of determining compliance with subsections (a)(ii)(C) and (a)(ii)(D) of this Section 10.9 as of any date, shall be deemed not to be an Asset Disposition.

(b) Sale of Subsidiary Stock. The Company will not, and will not permit any of its Restricted Subsidiaries to, sell or otherwise dispose of any shares of Subsidiary Stock of any Restricted Subsidiary, nor will the Company permit any such Restricted Subsidiary to issue, sell or otherwise dispose of any shares of its own Subsidiary Stock; provided that the foregoing restrictions do not apply to:

(i) the issue of directors' qualifying shares by any such Restricted Subsidiary;

(ii) any such Transfer of Subsidiary Stock of a Restricted Subsidiary constituting a Transfer described in clause (a) of the definition of "Asset Disposition"; and

(iii) the Transfer of all of the Subsidiary Stock of a Restricted Subsidiary owned by the Company

and its other Restricted Subsidiaries if:

<u such Transfer satisfies the requirements of Section 10.9(a),

(B) in connection with such Transfer the entire investment (whether represented by stock, Debt, claims or otherwise) of the Company and its other Restricted Subsidiaries in such Restricted Subsidiary is sold, transferred or otherwise disposed of to a Person other than (1) the Company, (2) another Restricted Subsidiary not being simultaneously disposed of, or (3) an Affiliate, and

(C) the Restricted Subsidiary being disposed of has no continuing investment in (1) any other Restricted Subsidiary not being simultaneously disposed of, or (2) the Company.

(c) Debt Prepayment Offer. In connection with any Transfer consummated after the date of the Closing and any Debt Prepayment Application by the Company pursuant to subsection (a) of this Section 10.9 with respect thereto, the following procedure will apply:

(i) The Company shall provide written notice to each holder of Notes of, and such written notice shall constitute, an irrevocable offer by the Company to prepay the Notes of each such holder with such holder's Ratable Portion of the Net Proceeds Amount with respect to such Transfer. Such holder's Ratable Portion of the Net Proceeds Amount shall be applied to the prepayment of principal of such holder's Notes, plus accrued interest with respect to such principal amount being prepaid, plus the Make-Whole Amount with respect to such principal amount. Such written notice shall be given to each holder of Notes not less than 30 days and not more than 60 days prior to the actual date of prepayment (the "Debt Prepayment Application Date"), and shall set forth:

(A) the Debt Prepayment Application Date,

(B) the principal amount of the Notes to be so prepaid, the amount of accrued interest thereon being paid, and the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation, and

(C) a statement describing the Transfer in respect of such prepayment and a calculation of the Net Proceeds Amount in respect thereof.

(ii) Each holder of a Note that fails to respond to such offer in writing at least 10 days prior to the Debt Prepayment Application Date shall be deemed to have rejected such offer. The Company may retain for its own purposes the Ratable Portion of any rejecting holder.

(iii) Any partial prepayment of the Notes pursuant to this Section 10.9 shall reduce the principal amount of each required prepayment of the Notes becoming due under Section 8.1 on and after the date of such prepayment and the principal amount of the required payment due on the maturity date of the Notes in the same proportion as the aggregate unpaid principal amount of the Notes is reduced as a result of such partial prepayment.

11. EVENTS OF DEFAULT.

An "Event of Default" shall exist if any of the following

conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) (i) the Company defaults in the performance of or compliance with any term contained in Section 7.1(d) or any of Sections 10.3 through 10.9, inclusive, or in any Incorporated Covenant in Section 5.2 of Schedule 9.8, or

(ii) the Company defaults in the performance of or compliance with any term contained in any Incorporated Covenant (other than those referred to in paragraph (c)(i) of this Section 11) and such default is not remedied within 15 calendar days; or

(d) any Obligor defaults in the performance of or compliance with any term contained in any Financing Document (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) and such default is not remedied within 30 Business Days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note; or

(e) any representation or warranty made in writing by or on behalf of any Obligor or by any officer of such Obligor in any Financing Document or in any writing furnished in connection with the transactions contemplated by any Financing Document proves to have been false or incorrect in any material respect on the date as of which made; or

(f) any Obligor or any of their respective Subsidiaries shall fail to pay any part of the principal of, the premium or make-whole amount, if any, or the interest on, or any other payment of money due under any of its Indebtedness (other than Indebtedness under this Agreement and the Notes), beyond any period of grace provided with respect thereto, that individually or together with other such Indebtedness as to which any such failure exists has an aggregate outstanding principal amount in excess of $500,000; or any Obligor or any of their respective Subsidiaries shall fail to perform or observe any other term, covenant or agreement contained in any agreement, document or instrument evidencing or securing any such Indebtedness having in excess of such aggregate outstanding principal amount, or under which any such Indebtedness was issued or created, beyond any period of grace, if any, provided with respect thereto and any such Obligor or Subsidiary has been notified by the creditor of such default, or any other event or condition shall occur or exist, and the effect of any such failure, or as a consequence of the occurrence or existence of any such event or condition, is (i) to cause, or permit the holders of such Indebtedness (or a trustee or other representative on behalf of such holders) to cause, any payment of such Indebtedness to become due prior to its regularly scheduled due date, (ii) that any such Obligor or Subsidiary has become obligated to purchase or repay any such Indebtedness prior to its regularly scheduled due date or one or more Persons have the right to require any such Obligor or Subsidiary so to purchase or repay such Indebtedness prior to its regularly scheduled due date or (iii) to permit the holders of such Indebtedness (or a trustee or other representative on behalf of such holders) to elect a majority of the board of directors of any such Obligor or Subsidiary; provided that if an Event of Default would exist under the foregoing provisions of this clause (f) solely as a result of a failure by the

Company to perform or observe Section 5.2(c) of the Bank Loan Agreement, then such failure shall not constitute an Event of Default unless, as a consequence of such failure, any such Indebtedness, which Indebtedness individually or together with other such Indebtedness as to which any such failure exists has an aggregate outstanding principal amount in excess of $1,000,000, shall have become due prior to its regularly scheduled due date, or any such Obligor or Subsidiary has become obligated to purchase or repay in excess of such amount of any such Indebtedness prior to its regularly scheduled due date, or the holders of in excess of such amount of such Indebtedness (or a trustee on behalf of such holders) shall have exercised a right to elect a majority of the board of directors of any such Obligor or Subsidiary; or

(g) any Obligor or any Restricted Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by any Obligor or any Restricted Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to any Obligor or any Restricted Subsidiary or with respect to any substantial part of the property of any Obligor or any Restricted Subsidiary, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any Obligor or any Restricted Subsidiary, or any such petition shall be filed against any Obligor or any Restricted Subsidiary and such petition shall not be dismissed within 60 days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of $10,000,000 are rendered against one or more of the Obligors and the Restricted Subsidiaries and which judgments are not, within 45 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 45 days after the expiration of such stay; or

(j) (i) the Guaranty Agreement shall cease to be in full force and effect or shall be declared by a court or governmental authority of competent jurisdiction to be void, voidable or unenforceable against any Guarantor,

(ii) the validity or enforceability of the Guaranty Agreement against any Guarantor shall be contested by such Guarantor, the Company or any Affiliate, or

(iii) any Guarantor, the Company or any Affiliate shall deny that such Guarantor has any further liability or obligation under the Guaranty Agreement; or

(k) (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under

section 412 of the Code, a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings,

(iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $100,000,

(iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans,

(v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or

(vi) the Company or any Restricted Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Restricted Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect.

As used in Section 11(k), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1 Acceleration.

(a) If an Event of Default with respect to the Company described in paragraph (g) or (h) of Section 11 (other than an Event of Default described in clause (i) of paragraph (g) or described in clause (vi) of paragraph (g) by virtue of the fact that such clause encompasses clause (i) of paragraph (g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 60% in principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by

the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained in any Financing Document, or for an injunction against a violation of any of the terms thereof, or in aid of the exercise of any power granted thereby or by law or otherwise.

12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 60% in principal amount of the Notes then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by any Financing Document upon any holder of any Note shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of

the names and addresses of all registered holders of Notes.

13.2 Transfer and Exchange of Notes.

Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than $100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

13.3 Replacement of Notes.

Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another Institutional Investor, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.

14.1 Place of Payment.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in St. Petersburg, Florida at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company located in the United States or the principal office of a bank or trust company located in the United States.

14.2 Home Office Payment.

So long as you or your nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or

in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below your name in Schedule A, or by such other method or at such other address as you shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, you shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by you or your nominee you will, at your election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by you under this Agreement and that has made the same agreement relating to such Note as you have made in this Section 14.2.

15. EXPENSES, ETC.

15.1 Transaction Expenses.

Whether or not the transactions contemplated by the Financing Documents are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required, local or other counsel) incurred by you and each Other Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of any of the Financing Documents (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under the Financing Documents or in responding to any subpoena or other legal process or informal investigative demand issued in connection with the Financing Documents, or by reason of being a holder of any Note, and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save you and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those retained by you).

15.2 Survival.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of each of the Financing Documents, and the termination of each of the Financing Documents.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of the Financing Documents, the purchase or transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of you or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to any Financing Document shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, the Financing

Documents embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1 Requirements.

(a) Requirements Generally. This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21, or any defined term (as it is used therein), will be effective as to you unless consented to by you in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

(b) Incorporated Covenants. Notwithstanding the provisions of Section 17.1(a), each Purchaser agrees, and each other holder of Notes by its acceptance of any Note shall be deemed to have agreed, to grant its written consent, promptly following its receipt of written request by the Company for such consent, to any amendment of, or waiver with respect to, (prospectively only) any of the Incorporated Covenants and related defined terms set forth in Schedule 9.8 in a manner consistent with any one or more amendments of, or waivers with respect to, the covenants and related defined terms in the Bank Loan Agreement that correspond to the Incorporated Covenants and related defined terms, provided that (A) the Company shall have delivered to each holder of Notes a copy of such amendment or waiver relating to the Bank Loan Agreement, together with a certificate of a Responsible Officer of the Company to the effect that such copy is true and complete and that such amendment or waiver relating to the Bank Loan Agreement has become effective in accordance with the terms of the Bank Loan Agreement and (B) the effect of the requested amendment or waiver relating to the Incorporated Covenants shall be no less favorable (and no more onerous) to the holders of Notes than the corresponding amendment or waiver relating to the Bank Loan Agreement is to the Banks.

(c) Most Favored Covenants. Notwithstanding the provisions of Section 17.1(a), if at any time

(i) this Agreement shall have been amended to provide for one or more Most Favored Covenants contemplated by Section 9.9, and

(ii) the Company shall have obtained an amendment of, or waiver with respect to, the covenant corresponding to any such Most Favored Covenant pursuant to the terms of each other agreement at the time having the benefit thereof, and

(iii) the Company shall have delivered to each holder of Notes a copy of each such amendment or waiver referred to in clause (ii) above, together with a certificate of a Responsible Officer of the Company to the effect that each such copy is true and complete and that each such amendment or waiver has become effective in accordance with the terms of the agreement to which it relates,

each Purchaser agrees, and each other holder of Notes by its acceptance of any Note shall be deemed to have agreed, to grant its written consent, promptly following its receipt of written request by the Company for such consent to any amendment of, or waiver with respect to, (prospectively only) each of such Most Favored Covenants in a manner no less favorable (and no more onerous) to the holders of the Notes than the corresponding amendment or waiver relating to such other agreements with respect to which such waivers or amendments have been so obtained.

17.2 Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes or any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

17.3 Binding Effect, etc.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4 Notes held by Company, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under any of the Financing Documents, or have directed the taking of any action provided in any of the Financing Documents to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by

registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to you or your nominee, to you or it at the address specified for such communications in Schedule A, or at such other address as you or it shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii)if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Chris A. Lewis, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

19. REPRODUCTION OF DOCUMENTS.

The Financing Documents and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by you at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to you, may be reproduced by you by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and you may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, "Confidential Information" means information delivered to you by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by you as being confidential information of the Company or such Subsidiary, provided that such term does not include information that

(a) was publicly known or otherwise known to you prior to the time of such disclosure,

(b) subsequently becomes publicly known through no act or omission by you or any person acting on your behalf,

(c) otherwise becomes known to you other than through disclosure by the Company or any Subsidiary or

(d) constitutes financial statements delivered to you under Section 7.1 that are otherwise publicly available.

You will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by you in good faith to protect confidential information of third parties delivered to you, provided that you may deliver or disclose Confidential Information to

(i) your directors, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by your Notes),

(ii) your financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20,

(iii)any other holder of any Note,

(iv) any Institutional Investor to which you sell or offer to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20),

(v) any Person from which you offer to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20),

(vi) any federal or state regulatory authority having jurisdiction over you,

(vii)the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about your investment portfolio or

(viii)any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to you, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which you are a party or (z) if an Event of Default has occurred and is continuing, to the extent you may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Financing Documents.

Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

21. SUBSTITUTION OF PURCHASER.

You shall have the right to substitute any one of your Affiliates as the purchaser of the Notes that you have agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both you and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of you. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to you all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to you, and you shall have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.

22.1 Additional Notes.

Subject to the terms and provisions hereof (including, but not limited to, Sections 10.5 and 10.6), the Company may, from time to time, issue and sell additional promissory notes pursuant to agreements which may incorporate by reference all or certain of the provisions of this Agreement and the Other Agreements. Such incorporation by reference shall not have the effect of constituting such promissory notes as Notes for any purpose, whether for acceleration of the Notes, rescission of such acceleration, or the exercise of any other amendments or waivers of the provisions hereof or of the Other Agreements, or otherwise.

22.2 Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

22.3 Payments Due on Non-Business Days.

Anything in the Financing Documents to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

22.4 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.5 Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

22.6 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

22.7 Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

[Remainder of page intentionally blank. Next page is signature page.] If you are in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of

this Agreement and return it to the Company, whereupon the foregoing shall become a binding agreement between you and the Company.

Very truly yours,

JABIL CIRCUIT, INC.

By
Name:
Title:

The foregoing is hereby agreed to.

[PURCHASER]

By Name: Title: SCHEDULE A

INFORMATION RELATING TO PURCHASERS

Purchaser NameCONNECTICUT GENERAL LIFE INSURANCE COMPANYName in Which to Register Note(s)CIG & Co.Note Registration Number; Principal AmountR-1; $9,100,000 R-2; $5,700,000 R-3; $3,400,000 R-4; $3,400,000Payment on Account of Note

Method

Account Information

Federal Funds Wire Transfer

Chase Manhattan Bank, N.A. Chase NYC/CTR/ BNF=CIGNA Private Placements/AC=9009001802 ABA# 021000021

OBI=[name of company; description of security; interest rate; maturity date; PPN; due date and application (as among principal, premium and interest of the payment being made); contact name and phone.]Accompanying InformationName of Company:JABIL CIRCUIT, INC. Description of Security:
6.89% Senior Notes due May 30, 2004 PPN:
466313 A* 4 Due Date and Application (as among principal, Make-Whole Amount and interest) of the payment being made:Address for Notices Related to PaymentsCIG & Co. c/o CIGNA Investments, Inc. 900 Cottage Grove Road Hartford, CT 06152-2206 Attention: Securities Processing S-206

with a copy to:

Chase Manhattan Bank, N.A. Private Placement Servicing P.O. Box 1508 Bowling Green Station New York, NY 10081 Attention: CIGNA Private Placements FAX: 212-552-3107/1005Contact for Telephonic Notices Pursuant to Section 8.3(a)CIG & Co. Attention: Edward Lewis, Private Securities Division S-307 Tel: 860/726-6868Address for All other NoticesCIG & Co. 900 Cottage Grove Road Hartford, CT 06152-2307 Attention: Private Securities Division S-307

FAX: 860/726-7203Signature Page FormatCONNECTICUT GENERAL LIFE INSURANCE COMPANY By CIGNA Investments, Inc.

By_____Tax Identification Number13-3574027Purchaser NameLIFE INSURANCE COMPANY OF NORTH AMERICAName in Which to Register Note(s)CIG & Co.Note Registration Number; Principal AmountR-5; $3,400,000Payment on Account of Note

Method

Account Information

Federal Funds Wire Transfer

Chase Manhattan Bank, N.A. Chase NYC/CTR/ BNF=CIGNA Private Placements/AC=9009001802 ABA# 021000021

OBI=[name of company; description of security; interest rate; maturity date; PPN; due date and application (as among principal, premium and interest of the payment being made); contact name and phone.]Accompanying InformationName of Company:JABIL CIRCUIT, INC. Description of Security:
6.89% Senior Notes due May 30, 2004 PPN:
466313 A* 4 Due Date and
Application (as among principal, Make-Whole Amount and interest) of the payment being made:Address for Notices Related to PaymentsCIG & Co. c/o CIGNA Investments, Inc. 900 Cottage Grove Road Hartford, CT 06152-2206 Attention: Securities Processing S-206

with a copy to:

Chase Manhattan Bank, N.A. Private Placement Servicing P.O. Box 1508 Bowling Green Station New York, NY 10081 Attention: CIGNA Private Placements FAX: 212-552-3107/1005Contact for Telephonic Notices Pursuant to Section 8.3(a)CIG & Co. Attention: Edward Lewis, Private Securities Division S-307 Tel: 860/726-6868Address for All other NoticesCIG & Co. 900 Cottage Grove Road Hartford, CT 06152-2307 Attention: Private Securities Division S-307

FAX: 860/726-7203Signature Page FormatLIFE INSURANCE COMPANY OF NORTH AMERICA By CIGNA Investments, Inc.

By_____Tax Identification Number13-3574027Purchaser NameMETROPOLITAN LIFE INSURANCE COMPANYName in Which Note is RegisteredMETROPOLITAN LIFE INSURANCE COMPANYNote Registration Number, Principal AmountR-6 $25,000,000Payment on Account of Note

Method

Account Information

Federal Funds Wire Transfer

The Chase Manhattan Bank, N.A. 33 East 23rd Street ABA No. 021000021 Account No. 002-2-410591Accompanying InformationName of Company:JABIL CIRCUIT, INC. Description of Security:
6.89% Senior Notes due May 30, 2004 PPN:
466313 A* 4 Due Date and
Application (as among principal, Make-Whole Amount and interest) of the payment being made:Address for Notices Related to PaymentsMetropolitan Life Insurance Company One Madison Avenue New York, NY 10010 Attention: Treasurer

with a copy to:

Metropolitan Life Insurance Company 334 Madison Avenue P.O. Box 633 Convent Station, NJ 07961-0633 Attention: Vice President Tel: 201/254-3222Contact for Telephonic Notices Pursuant to Section 8.3(a)Metropolitan Life Insurance Company Attention: Vice President Tel: 201/254-3222Address for All other NoticesMetropolitan Life Insurance Company One Madison Avenue New York, NY 10010 Attention: Treasurer

with a copy to:

Metropolitan Life Insurance Company 334 Madison Avenue P.O. Box 633 Convent Station, NJ 07961-0633 Attention: Vice President Tel: 201/254-3222Signature Page FormatMETROPOLITAN LIFE INSURANCE COMPANY

By_____ Name:
Title:Tax Identification Number13-5581829

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

Acquisition -- means any acquisition, directly or indirectly, by the Company or any Restricted Subsidiary, after the date of the Closing, of

(a) any Capital Stock or other equity interests of a Person that concurrently with such acquisition becomes a Restricted Subsidiary, or

(b) all or substantially all of the assets of a Person.

Affiliate -- means, at any time, and with respect to any Person,

(a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and

(b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests.

As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

Agreement, this -- is defined in Section 17.3.

Asset Disposition -- means any Transfer except:

(a) any Transfer from a Restricted Subsidiary to the Company or a Wholly-Owned Restricted Subsidiary, or

(b) any Transfer made in the ordinary course of business and involving only property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials no longer required in the operation of the business of the Company or any of its Restricted Subsidiaries or that is obsolete.

Bank Debt -- means any Debt of the Company or any of its Subsidiaries owed to any of the Banks under the Bank Loan Agreement or any related agreement, instrument or other document.

Bank Loan Agreement -- means the Loan Agreement dated as of May 30, 1996, among the Company, the Banks set forth on the signature pages thereof, and NBD Bank, as agent for such Banks, as may be amended, restated or otherwise modified from time to time, or replaced by a new agreement in which the Banks acting as lenders as of the date of Closing hold more than 50% of the commitments (measured by principal amount) to lend under such new agreement; provided that if any such new agreement shall at any time be entered into by the Company, then concurrently therewith the Company shall, unless otherwise agreed by the Required Holders, cause the Banks under such new agreement to enter into a new intercreditor agreement with the holders of the Notes substantially in the form of the Intercreditor Agreement.

Banks -- means the banks initially party to the Bank Loan Agreement (namely, NBD Bank, Sun Bank of Tampa Bay, Barnett Bank

of Pinellas County and The First National Bank of Boston) and each other bank or other Person from time to time acting as a lender or other provider of financial accommodations to the Company or any Subsidiary under the Bank Loan Agreement.

Business Day -- means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

Capital Lease -- means a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

Capital Lease Obligation -- means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease that would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

Capital Stock -- means any class of capital stock, share capital or similar equity interest of a Person, provided that as used in Section 10.3 such term shall have the meaning specified in Schedule 10.3.

Change in Control -- means, at any time, the acquisition or holding, directly or indirectly, by

(a) any person (as such term is used in section 13(d) and section 14(d)(2) of the Exchange Act as in effect on the date of the Closing), or

(b) related Persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date of the Closing),

other than Acceptable Control Persons, of the beneficial or record ownership of more than 50% of the Voting Stock of the Company. For purposes of this definition and the definition of "Acceptable Control Persons," "group of Persons" shall mean two or more Persons that are acting together as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of Securities of an issuer.

As used in this definition, "Acceptable Control Persons" means any group of Persons that includes each of William D. Morean, Thomas A. Sansone and Ronald J. Rapp, provided that Mr. Morean, Mr. Sansone and Mr. Rapp at all times (i) hold the positions of Chief Executive Officer, President and Chief Financial Officer, respectively, of the Company, or positions with another title but equal or greater responsibilities, and (ii) are actively involved in the day-today management of the Company.

Closing -- is defined in Section 3.

Code -- means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

Collateral Agent -- means NBD Bank, as collateral agent under the Pledge Agreement and the Intercreditor Agreement, and any successor or assign appointed in accordance with the provisions of the Intercreditor Agreement.

Company -- is defined in the introductory sentence.

Confidential Information -- is defined in Section 20.

Consolidated Adjusted Net Worth -- means, at any time, stockholders' equity of the Company and its Restricted Subsidiaries as would be shown on a consolidated balance sheet for such Persons at such time in accordance with GAAP, excluding therefrom, however, any Preferred Stock that is mandatorily redeemable.

Consolidated Debt -- means, as of any date of determination, the total of all Debt of the Company and its Restricted Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Company and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Restricted Subsidiaries in accordance with GAAP.

Consolidated Fixed Charges -- means, with respect to any period, the sum of (a) Consolidated Interest Charges for such period plus (b) Consolidated Lease Rentals for such period.

Consolidated Interest Charges -- means, with respect to any period, the sum (without duplication) of the following (in each case, eliminating all offsetting debits and credits between the Company and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Restricted Subsidiaries in accordance with GAAP): (a) all interest in respect of Debt of the Company and its Restricted Subsidiaries (including imputed interest on Capital Lease Obligations) deducted in determining Consolidated Net Earnings for such period, together with all interest capitalized or deferred during such period and not deducted in determining Consolidated Net Earnings for such period, plus (b) all debt discount and expense amortized or required to be amortized in the determination of Consolidated Net Earnings for such period.

Consolidated Lease Rentals -- means, with respect to any period, the sum of the rental and other obligations required to be paid during such period by the Company or any Restricted Subsidiary as lessee under all leases of real or personal property (other than Capital Leases), excluding any amount required to be paid by the lessee (whether or not therein designated as rental or additional rental) on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges, provided that if, at the date of determination, any such rental or other obligations are contingent or not otherwise definitely determinable by the terms of the related lease, the amount of such obligations (a) shall be assumed to be equal to the amount of such obligations for the period of 12 consecutive calendar months immediately preceding the date of determination or (b) if the related lease was not in effect during such preceding 12-month period, shall be the amount estimated by a Senior Financial Officer on a reasonable basis and in good faith.

Consolidated Net Earnings -- means, with reference to any period, the net earnings (or loss) of the Company and its Restricted Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Restricted Subsidiaries in accordance with GAAP, provided that there shall be excluded:

(a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is consolidated or merged with or into the Company or a Restricted Subsidiary, and the income (or loss) of any Person, all or substantially all of the assets of which have been acquired in any manner, realized by such other Person prior to the date of acquisition,

(b) the income (or loss) of any Person (other than a Restricted Subsidiary) in which the Company or any Restricted Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the Company or such Restricted Subsidiary in the form of cash dividends or similar cash distributions,

(c) the undistributed earnings of any Restricted

Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the time permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary,

(d) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of income accrued during such period,

(e) any aggregate net gain (but not any aggregate net loss) during such period arising from the sale, conversion, exchange or other disposition of capital assets (such term to include, without limitation, (i) all non-current assets and, without duplication, (ii) the following, whether or not current: all fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets, and all Securities),

(f) any gains resulting from any write-up of any assets (but not any loss resulting from any write-down of any assets),

(g) any net gain from the collection of the proceeds of life insurance policies,

(h) any net income or gain (but not any net loss) during such period from (i) any change in accounting principles in accordance with GAAP, (ii) any prior period adjustments resulting from any change in accounting principles in accordance with GAAP, (iii) any extraordinary items, or (iv) any discontinued operations or the disposition thereof,

(i) any deferred credit representing the excess of equity in any Restricted Subsidiary at the date of acquisition over the cost of the investment in such Restricted Subsidiary,

(j) in the case of a successor to the Company by consolidation or merger or as a transferee of its assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets,

(k) any portion of such net income that cannot be freely converted into United States dollars, and

(l) any extraordinary, unusual or nonrecurring gains or losses.

Consolidated Net Earnings Available for Fixed Charges -- means, with respect to any period, Consolidated Net Earnings for such period plus all amounts deducted in the computation thereof on account of (a) Consolidated Fixed Charges, (b) taxes imposed on or measured by income or excess profits and (c) depreciation and amortization (for purposes of this clause (c), it is agreed that the foregoing reference to "amortization" shall exclude amortization of grants from the Scottish government of the type described in note 1.f. to the consolidated financial statements of the Company and its subsidiaries for the fiscal year ended August 31, 1995).

Consolidated Net Income -- is defined in Schedule 10.3.

Consolidated Tangible Net Worth -- is defined in Schedule 10.3.

Consolidated Total Assets -- means, at any time, the total assets of the Company and its Restricted Subsidiaries that would be shown as assets on a consolidated balance sheet of the Company and its Restricted Subsidiaries as of such time prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of Restricted Subsidiaries.

Consolidated Total Capitalization -- means, at any time, the sum of (a) Consolidated Adjusted Net Worth at such time plus (b) Consolidated Debt at such time.

Control Notice Event -- means

(a) the execution by the Company or any Subsidiary or Affiliate of any letter of intent or similar agreement with respect to any proposed transaction or event or series of transactions or events that, individually or in the aggregate, could reasonably be expected to result in a Change in Control,

(b) the execution of any written agreement that, when fully performed by the parties thereto, would result in a Change in Control, or

(c) the making of any written offer by any person (as such term is used in section 13(d) and section 14(d)(2) of the Exchange Act as in effect on the date of the Closing) or related persons constituting a group (as such term is used in Rule 13d-5 under the Exchange Act as in effect on the date of the Closing) to the holders of the Voting Stock of the Company which offer, if accepted by the requisite number of such holders, would result in a Change in Control.

Control Prepayment Date -- is defined in Section 8.3(a).

Debt -- means with respect to any Person, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) all liabilities in respect of Capital Leases of such Person;

(d) all liabilities secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money), but only to the extent that such liabilities at such time constitute liabilities in accordance with GAAP;

(f) Swaps of such Person; and

(g) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (f) hereof;

provided that in no event shall Debt include any unfunded obligations of the Company in respect of any Plan. Debt of any Person shall include all obligations of such Person of the character described in clauses (a) through (g) above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

For the purposes of this Agreement, including, without limitation, Sections 10.5 and 10.6, (i) any Person becoming a Restricted Subsidiary after the date of the Closing shall be deemed, at the time it shall become a Restricted Subsidiary, to

have incurred all of its then outstanding Debt and (ii) with respect to any property acquired by the Company or any Restricted Subsidiary that is encumbered by a Lien securing Debt (whether or not the Company or such Restricted Subsidiary shall have assumed such Debt), the Company or such Restricted Subsidiary shall be deemed to have incurred such Debt at the time of the acquisition of such property. If, at any time, any Wholly-Owned Restricted Subsidiary shall cease to qualify under this Agreement as a "Wholly-Owned Restricted Subsidiary," the Company and/or any Restricted Subsidiary shall be deemed to have incurred any Debt owing by such Person to such former Wholly-Owned Restricted Subsidiary on the first date on which such former Wholly-Owned Restricted Subsidiary ceased to be a Wholly-Owned Restricted Subsidiary.

Debt Prepayment Application -- means, with respect to any Transfer of property, the application by the Company or its Restricted Subsidiaries of cash in an amount equal to the Net Proceeds Amount with respect to such Transfer to pay Senior Debt (other than Senior Debt owing to any of the Restricted Subsidiaries or any Affiliate and Senior Debt in respect of any revolving credit or similar facility providing the Company with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Senior Debt the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Debt), provided that in the course of making such application the Company shall offer to prepay each outstanding Note in accordance with Section 10.9(c) in a principal amount that equals the Ratable Portion for such Note. If any holder of a Note fails to accept such offer of prepayment, then, for purposes of the preceding sentence only, the Company nevertheless will be deemed to have paid Senior Debt in an amount equal to the Ratable Portion for such Note.

Debt Prepayment Application Date -- is defined in Section 10.9(c).

Default -- means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

Default Rate -- means that rate of interest that is the greater of (i) 2.00% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes or (ii) 2.00% over the rate of interest publicly announced by The First National Bank of Chicago in Chicago, Illinois (or its successor) from time to time as its "base" or "prime" rate.

Disposition Value -- means, at any time, with respect to any property

(a) in the case of property that does not constitute Subsidiary Stock, the book value thereof, valued at the time of such disposition in good faith by the Company, and

(b) in the case of property that constitutes Subsidiary Stock, an amount equal to that percentage of book value of the assets of the Restricted Subsidiary that issued such stock as is equal to the percentage that the book value of such Subsidiary Stock represents of the book value of all of the outstanding capital stock of such Restricted Subsidiary (assuming, in making such calculations, that all Securities convertible into such capital stock are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof, in good faith by the Company.

Environmental Laws -- means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or

the release of any materials into the environment, including, but not limited to, those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

ERISA -- means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

ERISA Affiliate -- means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

Event of Default -- is defined in Section 11.

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

Fair Market Value -- means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

Financing Documents -- means, collectively, this Agreement, the Notes, the Guaranty Agreement, the Pledge Agreement, the Intercreditor Agreement and any other Collateral Document (as defined in the Intercreditor Agreement) entered into from time to time.

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

Governmental Authority -- means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or that asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

Guarantor -- means, at any time, each Person (including, without limitation, the Initial Guarantor) that at such time is a guarantor under the Guaranty Agreement.

Guaranty -- means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including, without limitation, obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

Guaranty Agreement -- is defined in Section 4.9.

Hazardous Material -- means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

holder -- means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

Incorporated Covenants -- is defined in Section 9.8.

Indebtedness -- means, with respect to any Person, all Debt of such Person and, without duplication, all "Indebtedness" (as such term is defined in Schedule 9.8 as in effect on the date of Closing) of such Person.

Initial Guarantor -- means Jabil Circuit of Michigan, Inc.

Institutional Investor -- means (a) any original purchaser of a Note, (b) any holder of a Note holding more than 5% of the aggregate principal amount of the Notes then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

Intercreditor Agreement -- is defined in Section 4.12.

Jabil Malaysia -- means Jabil Circuit, Sdn Bhd.

Lien -- means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

Make-Whole Amount -- is defined in Section 8.7.

Material -- means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries taken as a whole.

Material Adverse Effect -- means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries taken as a whole, or (b) the ability of any Obligor to perform its obligations under any of the Financing Documents, or (c) the validity or enforceability of any of the Financing Documents.

Memorandum -- is defined in Section 5.3.

Most Favored Covenants -- is defined in Section 9.9.

Multiemployer Plan -- means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

Net Cash Proceeds -- is defined in Schedule 10.3.

Net Proceeds Amount -- means, with respect to any Transfer of any property by any Person, an amount equal to the difference of

(a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such Transfer) received by such Person in respect of such Transfer, minus

(b) all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such Transfer.

Notes -- is defined in Section 1.

Obligors -- means the Company and each Guarantor.

Officer's Certificate -- means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

Other Agreements -- is defined in Section 2.

Other Purchasers -- is defined in Section 2.

PBGC -- means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

Person -- means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

Plan -- means an "employee benefit plan" (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

Pledge Agreement -- is defined in Section 4.10.

Preferred Stock -- means any class of Capital Stock of a Person that is preferred over any other class of Capital Stock of such Person as to the payment of dividends or other equity distributions or the payment of any amount upon liquidation or dissolution of such corporation.

Priority Debt -- means, at any time, without duplication, the sum of

(a) all Debt of the Company secured by any Lien on any property of the Company or any Restricted Subsidiary, other than any such Debt secured by Liens permitted by any one or more of clauses (a)(i) through (a)(viii), inclusive, of Section 10.7, plus

(b) all Debt of Restricted Subsidiaries,

provided that there shall be excluded from Priority Debt (i) unsecured Debt of Jabil Malaysia guarantied by the Company in an amount not exceeding $30,000,000, (ii) Debt of any Guarantor under the Guaranty Agreement, (iii) unsecured Debt of any Guarantor referred to in the foregoing clause (ii) under such Guarantor's guaranty of obligations under the Bank Loan Agreement or any related agreement, instrument or other document, so long as such obligations of such Guarantor are

subject to the sharing provisions of the Intercreditor Agreement, and (iv) any Debt of any Restricted Subsidiary under clause (b) above owing solely to the Company or any Wholly-Owned Restricted Subsidiary. Without limitation of the foregoing, it is agreed that any Debt of Jabil Circuit Ltd., or of any other "Borrowing Subsidiary" (as such term is defined in the Bank Loan Agreement), under the Bank Loan Agreement shall constitute Priority Debt.

Pro Forma Consolidated Fixed Charges Coverage Ratio -- means, at any time, the ratio of (a) Consolidated Net Earnings Available for Fixed Charges for the immediately preceding period of four consecutive fiscal quarters of the Company (for purposes of this definition, a "One Year Retrospective Period"), after giving effect to the assumptions set forth in the last paragraph of this definition, to (b) Consolidated Fixed Charges for such One Year Retrospective Period, after giving effect to the assumptions set forth in the last paragraph of this definition.

For purposes of determining "Consolidated Net Earnings Available for Fixed Charges" and "Consolidated Fixed Charges" in this definition, any Acquisition or Asset Disposition by the Company or any Restricted Subsidiary that is consummated during the One Year Retrospective Period shall be deemed to have been consummated as of the first day of such One Year Retrospective Period (and the earnings and other results of operations during such period in respect of the property acquired or disposed of shall accordingly be included in the case of an Acquisition, or excluded in the case of an Asset Disposition, for purposes of such determinations) and any Debt incurred in connection with any such Acquisition shall be deemed to be outstanding as of such first day. For purposes of this paragraph, an Acquisition shall include any acquisition of a Person (including, without limitation, an acquisition of Capital Stock of any Subsidiary that, immediately prior to such acquisition, was not a Restricted Subsidiary) that becomes a Restricted Subsidiary or the acquisition of all or substantially all of the assets of any Person.

property or properties -- means, unless otherwise specifically limited, any kind of property or asset, whether real, personal or mixed, tangible or intangible, choate or inchoate.

Property Reinvestment Application -- means, with respect to any Transfer of property, the satisfaction of each of the following conditions:

(a) an amount equal to the Net Proceeds Amount with respect to such Transfer shall have been applied to the acquisition by the Company, or any of its Restricted Subsidiaries making such Transfer, of property that upon such acquisition is unencumbered by any Lien (other than Liens described in clauses (a)(i) through (a)(ix), inclusive, of Section 10.7) and that

(i) constitutes property that is (x) properly classifiable under GAAP as non-current to the extent that such proceeds are derived from the transfer of property that was properly classifiable as non-current, and otherwise properly classifiable as either current or non-current, (y) of a similar nature and of at least equivalent value as the property that was the subject of such Transfer, and (z) to be used in the ordinary course of business of the Company and its Restricted Subsidiaries, or

(ii) constitutes equity interests of a Person that shall be, on or prior to the time of such acquisition, a Restricted Subsidiary of the Company, and that shall invest the proceeds of such acquisition in property of the nature described in the immediately preceding clause (i); and

(b) the Company shall have delivered a certificate

of an officer of the Company to each holder of a Note referring to Section 10.9 and generally identifying the property that was the subject of such Transfer, the Disposition Value of such property, and the nature, terms, amount and application of the proceeds from the Transfer.

Ratable Portion -- for any Note means, with respect to any Transfer of property, an amount equal to the product of (x) the Net Proceeds Amount of such Transfer multiplied by (y) a fraction the numerator of which is the outstanding principal amount of such Note and the denominator of which is the aggregate outstanding principal amount of Senior Debt (excluding Senior Debt owing to any of the Restricted Subsidiaries or any Affiliate and Senior Debt in respect of any revolving credit or similar facility providing the Company with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Senior Debt the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Debt).

Required Holders -- means, at any time, the holders of at least 66-_% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

Responsible Officer -- means the chief executive officer, the President, any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this agreement.

Restricted Subsidiary -- means, at any time, each and every Subsidiary at least 80% (by number of votes) of the Voting Stock of which is legally and beneficially owned by the Company and its Wholly-Owned Restricted Subsidiaries at such time.

Securities Act -- means the Securities Act of 1933, as amended from time to time.

Security -- has the meaning set forth in section 2(1) of the Securities Act. Senior Debt -- means any Debt of the Company that is not in any manner subordinated in right of payment or security to the Notes or to any other Debt of the Company.

Senior Financial Officer -- means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

Subsidiary -- means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

Subsidiary Stock -- means, with respect to any Person, the Capital Stock (or any options or warrants to purchase stock or other Securities exchangeable for or convertible into any Capital Stock) of any Subsidiary of such Person.

Swaps -- means, with respect to any Person, payment obligations with respect to interest rate swaps, currency swaps and similar obligations obligating such Person to make payments, whether periodically or upon the happening of a contingency. For the purposes of this Agreement, the amount of the obligation

under any Swap shall be the amount determined in respect thereof as of the end of the then most recently ended fiscal quarter of such Person, based on the assumption that such Swap had terminated at the end of such fiscal quarter, and in making such determination, if any agreement relating to such Swap provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined.

Transfer -- means, with respect to any Person, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, Subsidiary Stock.

Voting Stock -- means, with respect to any Person, any Capital Stock of such Person whose holders are entitled under ordinary circumstances to vote for the election of directors (or Persons performing similar functions) of such Person (irrespective of whether at the time Capital Stock of any other class or classes shall have or might have voting powers by reason of the happening of any contingency).

Wholly-Owned Restricted Subsidiary -- means, at any time, any Restricted Subsidiary 100% of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other WhollyOwned Restricted Subsidiaries at such time.

SCHEDULE 3

PAYMENT INSTRUCTIONS

Account Name: Jabil Circuit, Inc.

Account #: 59869-04

ABA #: 072000326

NBD Bank
611 Woodward Avenue
Detroit, Michigan 48278

Contact: Rick Ellis
(313) 225-3743

SCHEDULE 4.13

CHANGES IN CORPORATE STRUCTURE

None.

SCHEDULE 5.3

DISCLOSURE MATERIALS

None.

SCHEDULE 5.4

SUBSIDIARIES OF THE COMPANY AND OWNERSHIP OF SUBSIDIARY STOCK

Subsidiaries	Ownership %
Jabil Circuit of Michigan	100%
Jabil Circuit, Ltd.	100%
Jabil Circuit Sdn Bhd	100%

SCHEDULE 5.5

FINANCIAL STATEMENTS

Jabil Circuit, Inc. Annual Report for the fiscal years ended August 31, 1993, 1994 and 1995

Jabil Circuit, Inc. 10-K for the fiscal year ended August 31, 1995

Jabil Circuit, Inc. 10-Q for the fiscal quarter ended February 29, 1996

SCHEDULE 5.8

CERTAIN LITIGATION

Jabil Circuit, Inc. v. Epson America, Inc. (Case number 95-57-CIV-T-23E).

Commercial Transaction/Breach of Contract suit. Case in late stages of discovery as of the effective date. The parties are presently involved in settlement negotiations the likely outcome of which will not have a Material Adverse Effect.

SCHEDULE 5.11

PATENTS, ETC.

Jabil Circuit, Inc. presently has several patents primarily related to the initial business when the Company started operations in Michigan in the 1970's- 1980's. None of the patents is valued on the balance sheet. The Company does not derive revenue of any significance from patented technology.

SCHEDULE 5.12

ERISA

The following plans are administered under ERISA:

Jabil Circuit, Inc. Welfare Benefit Plan

Restated Cash or Deferred Profit Sharing Plan of Jabil Circuit, Inc.

SCHEDULE 5.14

USE OF PROCEEDS

Approximately $24 million will be used to pay off term debt with existing banks. Approximately $26 million will be used to paydown Jabil Circuit, Inc.'s short- term borrowings, or revolving credit facility.

SCHEDULE 5.15

EXISTING DEBT

SCHEDULE 9.8

INCORPORATED COVENANTS

(Note:Certain capitalized terms used in the covenants contained in this Schedule are defined below in this Schedule under the heading "CERTAIN DEFINED TERMS USED IN THIS SCHEDULE;" other capitalized terms used in this Schedule shall have the meanings ascribed to them in Schedule B to the Note Purchase Agreement of which this Schedule is a part. The number and letter designations of the covenants contained in this Schedule correspond (with some modifications) to those used in the corresponding provisions of the Bank Loan Agreement.)

****

5.1 Affirmative Covenants.

(a) Preservation of Corporate Existence, Etc. The Company will, and will cause each Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except to the extent permitted by Section 5.2(g) of this Schedule, and its qualification as a foreign corporation in good standing in each jurisdiction in which such qualification is necessary under

applicable law.

(b) Compliance with Laws, Etc. The Company will, and will cause each Subsidiary to, comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority, whether federal, state, local or foreign (including without limitation ERISA, the Code and Environmental Laws), in effect from time to time; and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income, revenues or property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, would give rise to Liens upon such properties or any portion thereof, except to the extent that payment of any of the foregoing is then being contested in good faith by appropriate legal proceedings and with respect to which adequate financial reserves have been established on the books and records of the Company and its Subsidiaries.

(c) Maintenance of Properties; Insurance. The Company will, and will cause each Subsidiary to, maintain, preserve and protect all property that is material to the conduct of the business of the Company or any of its Subsidiaries and keep such property in good repair, working order and condition and from time to time make, or cause to be made all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times in accordance with customary and prudent business practices for similar businesses; and, maintain in full force and effect insurance with responsible and reputable insurance companies or associations in such amounts, on such terms and covering such risks, as is usually carried by companies engaged in similar businesses and owning similar properties similarly situated and maintain in full force and effect public liability insurance, insurance against claims for personal injury or death or property damage occurring in connection with any of its activities or any properties owned, occupied or controlled by it, in such amount as it shall reasonably deem necessary.

(d) [Reserved.]

(e) Accounting; Access to Records, Books, Etc. The Company will, and will cause each Subsidiary to, maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in accordance with GAAP and to comply with the requirements of the Financing Documents and, at any reasonable time during normal business hours and from time to time, (i) permit any holder of Notes or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and its Subsidiaries, and to discuss the affairs, finances and accounts of the Company and its Subsidiaries with their respective directors, officers, employees and independent auditors, provided that representatives of the Company selected by the Company are present during any such visit or discussion, and by this provision the Company does hereby authorize such Persons to discuss such affairs, finances and accounts with any holder of Notes subject to the above terms and conditions and (ii) permit any holder of Notes and any of its agents or representative to conduct a comprehensive field audit of its books, records, property and assets, which audits shall be performed once per year (unless an Event of Default has occurred, in which case audits may be performed more frequently) and which audits shall be at the expense of the Company. In connection with any activities of any holder of Notes pursuant to this Section 5.1(e), prior to any Default or Event of Default, any holder of Notes: (i) shall endeavor to give the Company three Business Days notice of any audit or visit, (ii) shall follow the Company's standard security procedures, and (iii) agrees that inventory will not be audited unless the Company has relied on inventory in the "Borrowing Base" (as

defined in the Bank Loan Agreement) during the twelve months prior to any such audit.

(f) Stamp Taxes. The Company will pay all stamp taxes and similar taxes, if any, including interest and penalties, if any, payable in respect of the Notes. The efficacy of this subsection shall survive the payment in full of the Notes.

(g) [Reserved.]

(h) Further Assurances. The Company will execute and deliver, within 30 days after request therefor by the Required Holders, all further instruments and documents and take all further action that may be necessary, in order to give effect to, and to aid in the exercise and enforcement of the rights and remedies of the holders of Notes under, the Financing Documents.

5.2 Negative Covenants.

(a) Current Ratio. The Company will not permit or suffer the Consolidated Current Ratio to be less than 1.40 to 1.00 at any time.

(b) Fixed Charge Coverage Ratio. The Company will not permit or suffer the Consolidated Fixed Charge Coverage Ratio to be less than, at any time, 3.0 to 1.0; calculated as of the end of each fiscal quarter for the four immediately preceding fiscal quarters.

(c) [Reserved.]

(d) Funded Indebtedness to Total Capitalization. The Company will not permit or suffer the ratio of Consolidated Funded Indebtedness to Consolidated Total Capitalization at any time to exceed 0.60 to 1.0.

(e) Indebtedness. The Company will not, and will not permit any Subsidiary to, create, incur, assume or in any manner become liable in respect of, or suffer to exist, any Indebtedness other than:

(i) Indebtedness under the Financing Documents;

(ii) The Indebtedness described in Schedule 5.2(e) to the Bank Loan Agreement as in effect on the date of Closing, having the same terms as those existing on the date of Closing, but no extension or renewal thereof shall be permitted;

(iii) Indebtedness of any Subsidiary of the Company owing to the Company or to any other Subsidiary of the Company;

(iv) Interest rate or currency swaps, rate caps or other similar transactions with any Bank (valued in an amount equal to the highest termination payment, if any, that would be payable by such Person upon termination for any reason on the date of determination), so long as such Indebtedness is incurred in compliance with the other provisions of the Note Purchase Agreement of which this Schedule is a part (including, without limitation, Sections 10.5 and 10.6 thereof);

(v) Indebtedness incurred under the Bank Loan Agreement and related instruments, agreements or other documents, so long as such Indebtedness is incurred in compliance with the other provisions of the Note Purchase Agreement of which this Schedule is a part (including, without limitation, Sections 10.5 and 10.6 thereof); and

(vi) Unsecured Indebtedness of Jabil Malaysia in an aggregate amount not exceeding $30,000,000 and a guaranty by the Company of such Indebtedness; provided, however, the aggregate amount of Indebtedness of Jabil Malaysia shall not exceed the book value of its accounts receivable, inventory and

fixed assets as reported in the books of Jabil Malaysia and the terms and conditions of such Indebtedness, including the form of guaranty to be executed by the Company, shall be satisfactory to the Required Holders.

(f) Liens. The Company will not, and will not permit any Subsidiary to, create, incur or suffer to exist any Lien on any of the assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired, of the Company or any of its Subsidiaries, other than:

(i) Liens for taxes not delinquent or for taxes being contested in good faith by appropriate proceedings and as to which adequate financial reserves have been established on its books and records;

(ii) Liens (other than any Lien imposed by ERISA) created and maintained in the ordinary course of business which are not material in the aggregate and which constitute (A) pledges or deposits under worker's compensation laws, unemployment insurance laws or similar legislation, (B) good faith deposits in connection with bids, tenders, contracts or leases to which the Company or any of its Subsidiaries is a party for a purpose other than borrowing money or obtaining credit, including rent security deposits, (C) liens imposed by law, such as those of carriers, warehousemen and mechanics, if payment of the obligation secured thereby is not yet due, (D) Liens securing taxes, assessments or other governmental charges or levies not yet subject to penalties for nonpayment, and (E) pledges or deposits to secure public or statutory obligations of the Company or any of its Subsidiaries, or surety, customs or appeal bonds to which the Company or any of its Subsidiaries is a party;

(iii) Liens affecting real property which constitute minor survey exceptions or defects or irregularities in title, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of such real property, provided that all of the foregoing, in the aggregate, do not at any time materially detract from the value of said properties or materially impair their use in the operation of the businesses of the Company or any of its Subsidiaries;

(iv) Liens existing on the date of Closing upon the same terms as the date of Closing, but no extensions, renewals and replacements thereof shall be permitted, with each existing Lien described in Schedule 5.2(f) to the Bank Loan Agreement as in effect on the date of Closing;

(v) Liens granted by a Subsidiary in favor of the Company;

(vi) The interest or title of a lessor under any lease otherwise permitted under the Financing Documents with respect to the property subject to such lease to the extent performance of the obligations of the Company or its Subsidiary thereunder is not delinquent; and

(vii) Liens in favor of the Collateral Agent for the benefit of the holders of the Notes and the Banks as contemplated by the Intercreditor Agreement.

(g) Merger; Acquisitions; Etc. The Company will not, and will not permit any Subsidiary to, subject to Section 5.2(j) of this Schedule, purchase or otherwise acquire, whether in one or a series of transactions, all or a substantial portion of the business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, of any Person, or all or a substantial portion of the capital stock of or other ownership interest in any other Person; nor merge or consolidate or amalgamate with any other Person or take any other action having a similar effect, nor enter into any joint venture or

similar arrangement with any other Person, provided, however, that this Section 5.2(g) shall not prohibit any merger, acquisition or joint venture if (i) the Company shall be the surviving or continuing corporation thereof, (ii) immediately before and after such merger or acquisition, no Default or Event of Default shall exist or shall have occurred and be continuing and the representations and warranties contained in Section 5 of the Note Purchase Agreements shall be true and correct on and as of the date thereof (both before and after such merger or acquisition is consummated) as if made on the date such merger or acquisition is consummated, (iii) the aggregate amount paid or payable in cash for all such mergers, acquisitions or joint ventures by the Company and its Subsidiaries after the date of Closing does not exceed $10,000,000, and (iv) prior to the consummation of such merger or acquisition, the Company shall have provided to each holder of Notes an opinion of counsel and a certificate of the chief financial officer of the Company (attaching computations and pro forma financial statements to demonstrate compliance with all financial covenants hereunder both before and after such merger, acquisition or joint venture has been completed), each stating that such merger or acquisition complies with this Section 5.2(g) and that any other conditions under the Financing Documents relating to such transaction have been satisfied.

(h) Disposition of Assets; Etc. The Company will not, and will not permit any Subsidiary to, sell, lease, license, transfer, assign or otherwise dispose of all or a substantial portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one or a series of transactions, other than inventory sold in the ordinary course of business upon customary credit terms and sales of scrap or obsolete material or equipment, provided, however, that this Section 5.2(h) shall not prohibit any such sale, lease, license, transfer, assignment or other disposition if the aggregate book value (disregarding any write-downs of such book value other than ordinary depreciation and amortization) of all of the business, assets, rights, revenues and property disposed of after the date of Closing shall be less than $5,000,000 in the aggregate and if, immediately before and after such transaction, no Default or Event of Default shall exist or shall have occurred and be continuing.

(i) Nature of Business. The Company will not, and will not permit any Subsidiary to, make any substantial change in the nature of its business from that engaged in on the date of Closing or engage in any other businesses other than the design, development and manufacturing of computer-grade electronic products.

(j) Investments, Loans and Advances. The Company will not, and will not permit any Subsidiary to, subject to Section 5.2(g) of this Schedule, purchase or otherwise acquire any capital stock of or other ownership interest in, or debt securities of or other evidences of Indebtedness of, any other Person; nor make any loan or advance of any of its funds or property or make any other extension of credit to, or make any investment or acquire any interest whatsoever in, any other Person; nor incur any Contingent Liability; other than (i) extensions of trade credit made in the ordinary course of business on customary credit terms and commission, travel and similar advances made to officers and employees in the ordinary course of business, and (ii) commercial paper of any United States issuer having the highest rating then given by Moody's Investors Service, Inc., or Standard & Poor's, a division of McGraw-Hill, Inc., direct obligations of and obligations fully guaranteed by the United States of America or any agency or instrumentality thereof, or certificates of deposit of any commercial bank which is a member of the Federal Reserve System and which has capital, surplus and undivided profit (as shown on its most recently published statement of condition) aggregating not less than $100,000,000, provided, however, that each of the foregoing investments has a maturity date not later than 365 days after the acquisition thereof by the Company or any of its

Subsidiaries, (iii) those investments, loans, advances and other transactions described in Schedule 5.2(j) to the Bank Loan Agreement as in effect on the date of Closing, having the same terms as existing on the date of Closing, but no extension or renewal thereof shall be permitted, and (iv) investments, loans and advances to any Subsidiary; provided, that, the aggregate amount of such investments, loans and advances outstanding at any time to Subsidiaries who are not Guarantors shall not exceed $30,000,000 and the aggregate amount of such investments, loans and advances to Jabil Ltd. shall not exceed $15,000,000.

(k) Transactions with Affiliates. The Company will not, and will not permit any Subsidiary to, enter into, become a party to, or become liable in respect of, any contract or undertaking with any Affiliate except in the ordinary course of business and on terms not less favorable to the Company or any Subsidiary than those which could be obtained if such contract or undertaking were an arms length transaction with a Person other than an Affiliate.

(l) Sale and Leaseback Transactions. The Company will not, and will not permit any Subsidiary to, become or remain liable in any way, whether directly or by assignment or as a guarantor or other contingent obligor, for the obligations of the lessee or user under any lease or contract for the use of any real or personal property if such property is owned on the date of Closing or thereafter acquired by the Company or any of its Subsidiaries and has been or is to be sold or transferred to any other Person and was, is or will be used by the Company or any such Subsidiary for substantially the same purpose as such property was used by the Company or such Subsidiary prior to such sale or transfer.

(m) Lease Rentals and Use Payments. The Company will not, and will not permit any Subsidiary to, become or remain liable in any way, whether directly or by assignment or as a guarantor or other contingent obligor, for the obligations of any lessee or user under any lease (other than a Capital Lease) of real or personal property if the highest annual rent and other amounts (exclusive of property taxes, property and liability insurance premiums and maintenance costs), which may be payable by the lessee or user thereunder in any fiscal year of the Company during the term thereof when added to the aggregate of all such rents and other amounts in respect of which the Company and its Subsidiaries are liable which may be payable in such fiscal year, shall exceed $10,000,000.

(n) [Reserved.]

(o) Inconsistent Agreements. The Company will not, and will not permit any Subsidiary to, enter into any agreement containing any provision which would be violated or breached by the Financing Documents or any of the transactions contemplated thereby or by performance by the Company or any of its Subsidiaries of its obligations in connection therewith.

(p) Accounting Changes. The Company will not, and will not permit any Subsidiary to, change its fiscal year or make any significant changes (i) in accounting treatment and reporting practices except as permitted by GAAP and disclosed to each holder of Notes, or (ii) in tax reporting treatment except as permitted by law and disclosed to each holder of Notes.

(q) [Reserved.]

(r) [Reserved.]

****

CERTAIN DEFINED TERMS USED IN THIS SCHEDULE:

For purposes of this Schedule 9.8, the following terms have the respective meanings set forth below:

"Balloon Payments" shall have the meaning specified

in the Bank Loan Agreement.

"Consolidated" shall mean, when used with reference to any financial term in this Schedule, the aggregate for the Company and its consolidated Subsidiaries of the amounts signified by such term for all such Persons determined on a consolidated basis in accordance with GAAP.

"Consolidated Fixed Charge Coverage Ratio" of any Person shall mean, as of any date, the ratio of (a) Consolidated EBITDA as calculated for the four most recently ended consecutive fiscal quarters of the Company plus all payments relating to operating leases of such Person during such period to (b) all consolidated interest expense during such period for such Person, plus all payments relating to operating leases of such Person during such period.

"Contingent Liabilities" of any Person shall mean, as of any date, all obligations of such Person or of others for which such Person is contingently liable, as obligor, guarantor, surety or in any other capacity, or in respect of which obligations such Person assures a creditor against loss or agrees to take any action to prevent any such loss (other than endorsements of negotiable instruments for collection in the ordinary course of business), including without limitation all reimbursement obligations of such Person in respect of any letters of credit, surety bonds or similar obligations and all obligations of such Person to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such other Person.

"Current Assets" and "Current Liabilities" of any Person shall mean, as of any date, all assets or liabilities, respectively, of such Person which, in accordance with GAAP, should be classified as current assets or current liabilities, respectively, on a balance sheet of such Person; provided, however, that, regardless of proper classification under GAAP, the Balloon Payments shall be excluded from the calculation of Current Liabilities and the aggregate amount of outstanding Revolving Credit Advances shall be included in the calculation of Current Liabilities hereunder.

"Current Ratio" shall mean, as of any date, the ratio of (a) Consolidated Current Assets to (b) Consolidated Current Liabilities.

"EBIT" shall mean, with respect to any Person, for any period, the sum of (a) Net Income or loss plus (b) all amounts deducted in determining such Net Income or loss on account of (i) interest expense and (ii) taxes based on or measured by income, all as determined in accordance with GAAP.

"EBITDA" shall mean, with respect to any Person, for any period, EBIT for such period plus, to the extent deducted in determining such EBIT, depreciation and positive amortization expense, all as determined in accordance with GAAP.

"Funded Indebtedness" of any Person shall mean, as of any date, all Indebtedness of such Person for borrowed money, including without limitation, all obligations under any Capital Lease, other than Subordinated Debt.

"Indebtedness" of any Person shall mean (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations to pay the deferred purchase price of property or services, except for trade accounts payable arising in the ordinary course of business that are not more than 90 days past due or as are reasonably being contested, (iv) obligations as lessee under leases which have been in accordance with GAAP, recorded as Capital Leases, (v) obligations to purchase property or services if payment is required regardless of whether such property is delivered or services are performed (generally called "take or pay" contracts), (vi) obligations in respect of currency or interest rate swaps or comparable transactions

valued at the maximum termination payment payable by the obligor, (vii) all obligations of others similar in character to those described in clauses (i) through (iv) of this definition for which such Person is contingently liable, as guarantor, surety, accommodation party, partner or in any other capacity, or in respect of which obligations such Person assures a creditor against loss or agrees to take any action to prevent any such loss (other than endorsements of negotiable instruments for collection in the ordinary course of business), including without limitation all reimbursement obligations of such Person in respect of letters of credit, surety bonds or similar obligations and all obligations of such Person to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such other Person and (viii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Revolving Credit Advance" shall have the meaning specified in the Bank Loan Agreement.

"Subordinated Debt" of any Person shall mean, as of any date, that Indebtedness of such Person for borrowed money which is expressly subordinate and junior in right and priority of payment to the Indebtedness owed to the holders of the Notes under the Financing Documents in a manner and by one or more agreements satisfactory in form and substance to the Required Holders and as approved by the Required Holders in writing.

"Subsidiary" of any Person shall mean any other Person (whether now existing or hereafter organized or acquired) in which (other than directors' qualifying shares required by law) at least a majority of the securities or other ownership interests of each class having ordinary voting power or analogous right (other than securities or other ownership interests which have such power or right only by reason of the happening of a contingency), at the time as of which any determination is being made, are owned, beneficially and of record, by such Person or by one or more of the other Subsidiaries of such Person or by any combination thereof. Unless otherwise specified, reference to "Subsidiary" shall mean a Subsidiary of the Company.

"Total Capitalization" of any Person shall mean the sum of (a) Tangible Net Worth (as defined in Schedule 10.3) plus (b) Funded Indebtedness plus (c) deferred income taxes of such Person.

SCHEDULE 10.3

CERTAIN DEFINITIONS USED IN TANGIBLE NET WORTH COVENANT

For purposes of Section 10.3, the following terms have the respective meanings set forth below:

"Capital Stock" shall include all capital stock and any securities exchangeable for or convertible into capital stock and any warrants, rights or other options to purchase or otherwise acquire capital stock or such securities or any other form of equity securities.

"Consolidated" shall mean, when used with reference to any financial term in this Schedule, the aggregate for the Company and its consolidated Subsidiaries of the amounts signified by such term for all such Persons determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" shall have the meaning provided for by the definitions of "Consolidated" and "Net Income" in this Schedule.

"Consolidated Tangible Net Worth" shall have the meaning provided for by the definitions of "Consolidated" and "Tangible Net Worth" in this Schedule.

"Net Cash Proceeds" shall mean, in connection with any issuance or sale of any Capital Stock, the cash proceeds received from such issuance, net of investment banking fees,

reasonable and documented attorneys' fees, accountants' fees, underwriting discounts and commissions and other customary fees and other costs and expenses actually incurred in connection therewith.

"Net Income" of any Person shall mean, for any period, the net income (after deduction for income and other taxes of such Person determined by reference to income or profits of such Person) of such Person for such period, all as determined in accordance with GAAP.

"Tangible Net Worth" of any Person shall mean, as of any date, (a) the amount of any capital stock, paid in capital and similar equity accounts plus (or minus in the case of a deficit) the capital surplus and retained earnings of such Person and the amount of any foreign currency translation adjustment account shown as a capital account of such Person, less (b) the net book value of all items of the following character which are included in the assets of such Person: (i) goodwill, including, without limitation, the excess of cost over book value of any asset, (ii) organization or experimental expenses, (iii) unamortized debt discount and expense, (iv) patents, trademarks, trade names and copyrights, (v) treasury stock, (vi) franchises, licenses and permits, and (vii) other assets which are deemed intangible assets under GAAP.

EXHIBIT 1

[FORM OF NOTE]

THIS NOTE AND THE NOTE PURCHASE AGREEMENTS REFERRED TO BELOW MAY BE SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT, DATED AS OF MAY 30, 1996, AS MAY BE AMENDED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME, AMONG CERTAIN LENDERS AND NBD BANK AS COLLATERAL AGENT. BY ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF MAY BECOME BOUND BY THE PROVISIONS OF SUCH INTERCREDITOR AGREEMENT, WHETHER OR NOT SUCH HOLDER BECOMES A PARTY THERETO.

JABIL CIRCUIT, INC.

6.89% SENIOR NOTE DUE MAY 30, 2004

No. R-__
[Date] $_____
PPN 466313 A* 4

FOR VALUE RECEIVED, the undersigned, JABIL CIRCUIT, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to , or registered assigns, the principal sum of DOLLARS ($_____) on May 30, 2004, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.89% per annum from the date hereof, payable semiannually, on the 30th day of May and November in each year, commencing with the May 30 or November 30 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 6.89% or (ii) 2.00% over the rate of interest publicly announced by The First National Bank of Chicago (or its successor) from time to time in Chicago, Illinois as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the address shown in the register maintained by the Company for such purpose or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to separate Note Purchase Agreements, dated as of May 30, 1996 (as from time to time amended, the "Note Purchase Agreements"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. This Note is also entitled to the benefits of the Pledge Agreement (as such term is defined in the Note Purchase Agreements). Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreements and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreements. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

THIS NOTE AND THE NOTE PURCHASE AGREEMENTS ARE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

JABIL CIRCUIT, INC.

By

Name:

Title:

EXHIBIT 4.4(a)

[FORM OF OPINION OF GENERAL COUNSEL OF THE COMPANY]

[Letterhead of Jabil Circuit, Inc.]

[Closing Date]

To the Persons Listed on Annex 1 hereto

Re: Jabil Circuit, Inc. (the "Company")

Ladies and Gentlemen:

Reference is made to the separate Note Purchase Agreements, each dated as of May 30, 1996 (collectively, the "Note Purchase Agreement"), between the Company and each of the purchasers listed on Schedule A attached thereto (the "Purchasers"), which provide, among other things, for the issuance and sale by the Company of its 6.89% Senior Notes due May 30, 2004, in the aggregate principal amount of $50,000,000. The capitalized

terms used herein and not defined herein have the meanings specified in the Note Purchase Agreement.

I am the General Counsel of the Company and have acted as counsel to the Company in connection with the transactions contemplated by the Note Purchase Agreement. The opinion is delivered to you pursuant to Section 4.4(a) of the Note Purchase Agreement. In acting as such counsel, I have examined:

(a) the Note Purchase Agreement;

(b) the Company's 6.89% Senior Notes due May 30, 2004, dated the date hereof, in the form of Exhibit 1 to the Note Purchase Agreement and registered in the names, in the principal amounts and with the registration numbers set forth on Schedule A to the Note Purchase Agreement (the "Notes");

(c) the Guaranty Agreement;

(d) the Pledge Agreement;

(e) the Intercreditor Agreement;

(f) the documents executed and delivered by the Company and the Guarantor in connection with the transactions contemplated by the Financing Documents;

(g) the bylaws and minute books of the Company and a certified copy of the certificate of incorporation of the Company, as in effect on the date hereof;

(h) the bylaws and minute books of the Guarantor and a certified copy of the articles of incorporation of the Guarantor, as in effect on the date hereof;

(i) a long-form good standing certificate of the Company from the State of Delaware and foreign good standing certificates for the Company from each of the states set forth on Annex 2 hereto;

(j) a good standing certificate of the Guarantor from the State of Michigan;

(k) a letter from SPP Hambro & Co. and NBD Bank, dated the date hereof, making certain representations with respect to the manner in which the Notes were offered (the "Offeree Letter");

(l) the opinion of Hebb & Gitlin, special counsel to the Purchasers, dated the date hereof; and

(m) originals, or copies certified or otherwise identified to my satisfaction, of such other documents, records, instruments and certificates of public officials as I have deemed necessary or appropriate to enable me to render this opinion.

The documents referred to in clauses (a) through (e), inclusive, above are hereinafter referred to collectively as the "Financing Documents;" the documents referred to in clauses (a), (b), (d) and (e) above are hereinafter referred to collectively as the "Company Financing Documents;" and the documents referred to in clauses (c) and (e) above are hereinafter referred to collectively as the "Guarantor Financing Documents."

In rendering my opinion, I have relied, to the extent I deem necessary and proper, on:

(a) warranties and representations as to certain factual matters contained in the Note Purchase Agreement;

(b) the Offeree Letter; and

(c) such opinion of Hebb & Gitlin with respect to all matters governed by New York law.

I have no actual knowledge of any of the facts contained in the documents listed in item (a) or item (b) of the immediately preceding sentence.

My opinion is based upon the federal laws of the United States of America and the laws of the State of Florida, the State of Delaware (with respect to corporate law), the State of Michigan and, in reliance upon the opinion of Hebb & Gitlin, the State of New York. If the Financing Documents were governed by the laws of the State of Florida, my opinion would not vary materially from that set forth below.

Based on the foregoing, I am of the following opinions:

1. (a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business and own its property.

(b) The Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Michigan and has all requisite corporate power and authority to carry on its business and own its property.

2. (a) The Company has duly qualified and is in good standing as a foreign corporation in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to so qualify and be in good standing would not have a material adverse effect on the ability of the Company to perform its obligations under the Company Financing Documents.

(b) The Guarantor has duly qualified and is in good standing as a foreign corporation in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to so qualify and be in good standing would not have a material adverse effect on the ability of the Guarantor to perform its obligations under the Guarantor Financing Documents.

3. To the best of my knowledge after due inquiry, there is no default or existing condition that with the passage of time or the giving of notice, or both, would result in a default by the Company or the Guarantor under any contract, lease or commitment known to me to which the Company or the Guarantor is a party or any of their respective properties may be bound, except where such default would not have a material adverse effect on the ability of the Company or the Guarantor to perform their respective obligations set forth in the Financing Documents.

4. To the best of my knowledge after due inquiry, there is no judgment, order, action, suit, proceeding, inquiry, order or investigation, at law or in equity, before any court or Governmental Authority, arbitration board or tribunal, pending or threatened against the Company or the Guarantor that, in the aggregate, could have a material adverse effect on the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries, taken as a whole, or the ability of the Company or the Guarantor to perform their respective obligations under the Financing Documents.

5. (a) The Company has the requisite corporate power and authority to execute and deliver the Company Financing Documents, to issue and sell the Notes, and to perform its obligations set forth in each of the Company Financing Documents.

(b) The Guarantor has the requisite corporate power and authority to execute and deliver the Guarantor Financing Documents and to perform its obligations thereunder.

6. (a) Each of the Company Financing Documents has been duly authorized by all necessary corporate action on the

part of the Company (no action on the part of the stockholders of the Company being required in respect thereof), has been executed and delivered by a duly authorized officer of the Company, and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Each of the Guarantor Financing Documents has been duly authorized by all necessary corporate action on the part of the Guarantor (no action on the part of the stockholders of the Guarantor being required in respect thereof), has been executed and delivered by a duly authorized officer of the Guarantor, and constitutes a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

7. (a) The execution and delivery by the Company of the Company Financing Documents, the issue and sale of the Notes by the Company, and the performance by the Company of its obligations thereunder will not conflict with, constitute a violation of, result in a breach of any provision of, constitute a default under, or result in the creation or imposition of any Lien upon any of its properties (other than the Liens granted pursuant to the Pledge Agreement) pursuant to the certificate of incorporation or bylaws of the Company, any applicable statute, rule or regulation to which the Company is subject, or, to the best of my knowledge after due inquiry, any agreement or instrument to which the Company is a party or by which its properties may be bound.

(b) The execution and delivery by the Guarantor of the Guarantor Financing Documents and the performance by the Guarantor of its obligations thereunder will not conflict with, constitute a violation of, result in a breach of any provision of, constitute a default under, or result in the creation or imposition of any Lien upon any of its properties pursuant to the articles of incorporation or bylaws of the Guarantor, any applicable statute, rule or regulation to which the Guarantor is subject, or, to the best of my knowledge after due inquiry, any agreement or instrument to which the Guarantor is a party or by which its properties may be bound.

8. All consents, approvals and authorizations of, and all designations, declarations, filings, registrations, qualifications and recordations with, Governmental Authorities, required on the part of the Company and the Guarantor in connection with the execution and delivery of each of the Financing Documents and the issue and sale of the Notes and the use of the proceeds thereof, have been obtained.

9. Under existing law, the Notes are not subject to the registration requirements under the Securities Act of 1933, as amended, and the Company is not required to qualify an indenture with respect thereto under the Trust Indenture Act of 1939, as amended.

10. The Company is the record and beneficial owner of 100% of the shares of the common stock of Jabil Circuit Limited and has not granted any security interest in such common stock other than the security interests granted pursuant to the Pledge Agreement.

11. The Pledge Agreement, together with the delivery to the Collateral Agent of the certificates evidencing the shares of stock identified on Schedule 1 to the Pledge Agreement (the "Pledged Shares") and stock powers executed by the Company in blank, will create under the Michigan Uniform Commercial Code a perfected security interest in the Pledged Shares in favor of the Collateral Agent for the benefit of the holders of the Notes and the other Persons specified in the Pledge Agreement. The Collateral Agent will acquire such security interest in the Pledged Shares free of any adverse claims.

12. The Company

(a) is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and

(b) is not a "holding company" or an "affiliate" of a "holding company," or a "subsidiary company" of a "holding company," or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

All opinions herein contained with respect to the enforceability of documents and instruments are qualified to the extent that:

(a) the availability of equitable remedies, including, without limitation, specific enforcement and injunctive relief, is subject to the discretion of the court before which any proceedings therefor may be brought; and

(b) the enforceability of certain terms provided in the Financing Documents may be limited by applicable bankruptcy, reorganization, arrangement, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally as at the time in effect.

I acknowledge that this opinion is being issued at the request of the Company pursuant to Section 4.4(a) of the Note Purchase Agreement and I agree that the parties listed on Annex 1 hereto may rely and are relying hereon in connection with the consummation of the transactions contemplated by the Note Purchase Agreement. Hebb & Gitlin may rely on this opinion for the sole purpose of rendering their opinion to be rendered pursuant to Section 4.4(b) of the Note Purchase Agreement. Subsequent holders of the Notes may rely on this opinion as if it were addressed to them.

Very truly yours,

Linda V. Moore
General Counsel

ANNEX 1 Addressees

Jabil Circuit, Inc. 10800 Roosevelt Boulevard St. Petersburg, Florida 33716

Connecticut General Life Insurance Company c/o CIGNA Investments, Inc. 900 Cottage Grove Road Hartford, CT 06152

Life Insurance Company of North America c/o CIGNA Investments, Inc. 900 Cottage Grove Road Hartford, CT 06152

Metropolitan Life Insurance Company One Madison Avenue New York, NY 10010

Hebb & Gitlin One State Street Hartford, CT 06103

ANNEX 2 Foreign Good Standing Certificates

States in which qualified as a foreign corporation

California

Florida

Michigan

EXHIBIT 4.4(b)

[FORM OF OPINION OF SPECIAL COUNSEL TO THE PURCHASERS]

[Letterhead of Hebb & Gitlin]

[Closing Date]

To the Persons Listed on Annex 1 hereto

Re: Jabil Circuit, Inc. (the "Company")

Ladies and Gentlemen:

Reference is made to the separate Note Purchase Agreements, each dated as of May 30, 1996 (collectively, the "Note Purchase Agreement"), between the Company and each of the purchasers listed on Schedule A attached thereto (the "Purchasers"), which provide, among other things, for the issuance and sale by the Company of its 6.89% Senior Notes due May 30, 2004, in the aggregate principal amount of $50,000,000. The capitalized terms used herein and not defined herein have the meanings specified in the Note Purchase Agreement.

We have acted as special counsel to the Purchasers in connection with the transactions contemplated by the Note Purchase Agreement. This opinion is delivered to you pursuant to Section 4.4(b) of the Note Purchase Agreement. In acting as such counsel, we have examined:

(a) the Note Purchase Agreement;

the Company's 6.89% Senior Notes due May 30, 2004, dated the date hereof, in the form of Exhibit 1 to the Note Purchase Agreement and registered in the names, in the principal amounts and with the registration numbers set forth on Schedule A to the Note Purchase Agreement (the "Notes");

(c) the Guaranty Agreement;

(d) the Pledge Agreement;

(e) the Intercreditor Agreement;

(f) an Officer's Certificate of the Company, dated the date hereof, delivered pursuant to Section 4.3(a) of the Note Purchase Agreement;

(g) a certificate of the Secretary of the Company, dated the date hereof, delivered pursuant to Section 4.3(b) of the Note Purchase Agreement;

(h) a certificate of the Secretary of the Initial Guarantor, dated the date hereof, delivered pursuant to Section 4.3(c) of the Note Purchase Agreement;

(i) a letter from SPP Hambro & Co. and NBD Bank, dated the date hereof, making certain representations with respect to the manner in which the Notes were offered (the "Offeree Letter");

(j) the opinion of Linda V. Moore, Esq., General Counsel of the Company, dated the date hereof, delivered pursuant to Section 4.4(a) of the Note Purchase Agreement; and

(k) originals, or copies certified or otherwise identified to our satisfaction, of such other documents, records, instruments and certificates of public officials as we have deemed necessary or appropriate to enable us to render this opinion.

The documents referred to in clauses (a) through (e), inclusive, above are hereinafter referred to collectively as the "Financing Documents" and the documents referred to in clauses (a), (b), (d) and (e) above are hereinafter referred to collectively as the "Company Financing Documents."

We have assumed the genuineness of all signatures and documents submitted to us as originals, that all copies

submitted to us conform to the originals, the legal capacity of all natural Persons, and, as to documents executed by the Purchasers and other Persons other than the Company and the Initial Guarantor, that each such Person executing documents had the power to enter into and perform its obligations under such documents, and that such documents have been duly authorized, executed and delivered by, and are binding on and enforceable against, such Persons. We have further assumed that the Initial Guarantor has received fair consideration and reasonably equivalent value in consideration for executing the Guaranty Agreement.

In rendering our opinion, we have relied, to the extent we deem necessary and proper, on:

(a) warranties and representations as to certain factual matters contained in the Financing Documents;

(b) the Offeree Letter; and

(c) such opinion of Linda V. Moore, Esq. with respect to all questions governed by Florida law, Delaware law and Michigan law and with respect to all questions concerning the due incorporation, valid existence and good standing of, and the authorization, execution and delivery of agreements and instruments by, the Company and the Initial Guarantor, and our conclusions as to such matters are subject to the same assumptions and qualifications as are contained in such opinion; based on such investigation as we have deemed appropriate, such opinion is satisfactory in form and scope to us and in our opinion the Purchasers and we are justified in relying thereon.

Based on the foregoing, we are of the following opinions:

1. (a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) The Initial Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Michigan.

2. (a) The Company has the requisite corporate power and authority to execute and deliver the Company Financing Documents, to issue and sell the Notes, and to perform its obligations set forth in each of the Company Financing Documents.

(b) The Initial Guarantor has the requisite corporate power and authority to execute and deliver the Guaranty Agreement and to perform its obligations thereunder.

3. (a) Each of the Company Financing Documents has been duly authorized by all necessary corporate action on the part of the Company, has been executed and delivered by a duly authorized officer of the Company, and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) The Guaranty Agreement has been duly authorized by all necessary corporate action on the part of the Initial Guarantor, has been executed and delivered by a duly authorized officer of the Initial Guarantor, and constitutes a legal, valid and binding obligation of the Initial Guarantor, enforceable against the Initial Guarantor in accordance with its terms.

4. (a) The execution and delivery of the Company Financing Documents, and the issuance and sale of the Notes, by the Company and the performance by the Company of its obligations thereunder will not conflict with, result in a breach of any provision of, constitute a default under, or result in the creation or imposition of any Lien upon any of its properties (other than the Liens granted pursuant to the Pledge Agreement) pursuant to, the certificate of

incorporation or bylaws of the Company.

(b) The execution and delivery of the Guaranty Agreement by the Initial Guarantor and the performance by the Initial Guarantor of its obligations thereunder will not conflict with, result in a breach of any provision of, constitute a default under, or result in the creation or imposition of any Lien upon any of its properties pursuant to, the articles of incorporation or bylaws of the Initial Guarantor.

5. No consents, approvals or authorizations of governmental authorities are required on the part of the Company or the Initial Guarantor under the laws of the United States of America or the State of New York in connection with (a) the execution and delivery by the Company of any of the Company Financing Documents, or the offer, issuance, sale and delivery of the Notes or (b) the execution and delivery by the Initial Guarantor of the Guaranty Agreement. Our opinion in this paragraph 5 is based solely on a review of generally applicable laws of the United States of America and the State of New York, and not on any search with respect to, or review of, any orders, decrees, judgments or other determinations specifically applicable to the Company or the Initial Guarantor.

6. Neither the issuance of the Notes nor the intended use of the proceeds of the Notes (as set forth in Section 5.14 of the Note Purchase Agreement) will violate Regulations G, T or X of the Federal Reserve Board.

7. Under existing law, the Notes are not subject to the registration requirements under the Securities Act of 1933, as amended, or the "blue sky" laws of the State of New York, and the Company is not required to qualify an indenture with respect thereto under the Trust Indenture Act of 1939, as amended.

All opinions contained herein with respect to the enforceability of agreements and instruments are qualified to the extent that:

(a) the availability of equitable remedies, including, without limitation, specific enforcement and injunctive relief, is subject to the discretion of the court before which any proceedings therefor may be brought; and

(b) the enforceability of certain terms provided in the Financing Documents may be limited by applicable bankruptcy, reorganization, arrangement, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally as at the time in effect.

Except in reliance on the opinion of Linda V. Moore, Esq. as expressly set forth above, we express no opinion as to the law of any jurisdiction other than the law of the State of New York and United States federal law. Without limiting the foregoing, we express no opinion with respect to any matter of Scottish law, including, without limitation, any matter with respect to Scottish conflicts of laws principles or creation or perfection of the security interest contemplated by the Pledge Agreement to the extent that it may be affected by Scottish law.

Subsequent holders of the Notes may rely on this opinion as if it were addressed to them. Linda V. Moore, Esq. may rely on this opinion as to matters of New York law for the sole purpose of rendering her opinion referred to above.

Very truly yours,

ANNEX 1

Addressees

Connecticut General Life Insurance Company c/o CIGNA Investments, Inc. 900 Cottage Grove Road Hartford, CT 06152

Life Insurance Company of North America c/o CIGNA Investments, Inc. 900 Cottage Grove Road Hartford, CT 06152

Metropolitan Life Insurance Company One Madison Avenue New York, NY 10010

EXHIBIT 4.9

[FORM OF GUARANTY AGREEMENT]

GUARANTY AGREEMENT

Dated as of May 30, 1996

Re:

$50,000,000 6.89% Senior Notes Due May 30, 2004
Issued by Jabil Circuit, Inc.

THIS GUARANTY AGREEMENT MAY BE SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT, DATED AS OF MAY 30, 1996, AS MAY BE AMENDED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME, AMONG CERTAIN LENDERS AND NBD BANK AS COLLATERAL AGENT.

TABLE OF CONTENTS

GUARANTY AGREEMENT

GUARANTY AGREEMENT, dated as of May 30, 1996 (as amended, restated or otherwise modified from time to time, this "Agreement"), by JABIL CIRCUIT OF MICHIGAN, INC. (together with each other Person that becomes a party hereto from time to time by execution and delivery of a Joinder Agreement, and including their respective successors and assigns, the "Guarantors"), in favor of each of the Noteholders (as such term is hereinafter defined).

1. PRELIMINARY STATEMENTS

1.1 Jabil Circuit, Inc. (together with its successors and assigns, the "Company"), a Delaware corporation, has authorized the issuance of its 6.89% Senior Notes due May 30, 2004 (as may be amended, restated or otherwise modified from time to time, the "Notes"), in the aggregate principal amount of $50,000,000, pursuant to the separate Note Purchase Agreements (collectively, as may be amended, restated or otherwise modified from time to time, the "Note Purchase Agreement"), each dated as of May 30, 1996, entered into by the Company with each of the purchasers of the Notes named on Schedule A to the Note Purchase Agreement (the "Purchasers").

1.2 In order to induce the Purchasers to purchase the Notes, Jabil Circuit of Michigan, Inc. has agreed to become a Guarantor hereunder and the Company has agreed, pursuant to the Note Purchase Agreement, that each other Subsidiary that at any time becomes liable in respect of any Guaranty of any of the obligations under the Bank Loan Agreement or any related agreement, instrument or other document, will be required to become a Guarantor hereunder.

1.3 Each Guarantor will receive direct and indirect economic, financial and other benefits from the indebtedness incurred under the Note Purchase Agreement and the Notes by the Company, and under this Agreement, and the incurrence of such indebtedness is in the best interests of such Guarantor.

1.4 All acts and proceedings required by law and by the constitutive documents of each Guarantor necessary to constitute this Agreement a valid and binding agreement for the uses and purposes set forth herein in accordance with its terms have been done and taken, and the execution and delivery hereof have been in all respects duly authorized.

2. GUARANTY AND OTHER RIGHTS AND UNDERTAKINGS

2.1 Guarantied Obligations.

(a) Each Guarantor, in consideration of the execution and delivery of the Note Purchase Agreement, the purchase of the Notes by the Purchasers and other consideration, hereby irrevocably, unconditionally and absolutely guaranties, on a continuing basis, to each Noteholder, as and for such Guarantor's own debt:

(i) the prompt payment of the principal of the Notes and any and all accrued and unpaid interest (including, without limitation, interest which otherwise may cease to accrue by operation of any insolvency law, rule, regulation or interpretation thereof) and Make-Whole Amount on the Notes and all other obligations of the Company to the Noteholders under the Note Purchase Agreement when due, whether by mandatory or optional prepayment, acceleration or otherwise, all in accordance with the terms of the Note Purchase Agreement and the Notes, including, without limitation, overdue interest, indemnification payments and all reasonable costs and expenses incurred by the Noteholders and the Collateral Agent in connection with enforcing any obligations of the Company under the Note Purchase Agreement and the Notes, including, without limitation, the reasonable fees and disbursements of Noteholders' special counsel,

(ii) the prompt and punctual performance and observance of each and every term, covenant or agreement contained in the Note Purchase Agreement and the Notes to be performed or observed on the part of the Company, and

(iii) the prompt and complete payment, on demand, of any and all reasonable costs and expenses incurred by the Noteholders in connection with enforcing the obligations of such Guarantor hereunder, including, without limitation, the reasonable fees and disbursements of Noteholders' special counsel.

All of the obligations set forth in subsections (i), (ii) and (iii) of this Section 2.1 are referred to herein as the "Guarantied Obligations" and the guaranty thereof contained herein is a primary, original and immediate obligation of each Guarantor and is an absolute, unconditional, continuing and irrevocable guaranty of payment and performance and shall remain in full force and effect until the full, final and indefeasible payment of the Guarantied Obligations.

(b) If for any reason any duty, agreement or obligation of the Company contained in the Note Purchase Agreement shall not be performed or observed by the Company as provided therein, or if any amount payable under or in connection with the Note Purchase Agreement or the Notes shall not be paid in full when the same becomes due and payable, each Guarantor undertakes to perform or cause to be performed promptly each of such duties, agreements and obligations and to pay forthwith each such amount to the Noteholders regardless of any defense or setoff or counterclaim which the Company may have or assert, and regardless of any other condition or contingency.

2.2 Waivers and Other Agreements.

Each Guarantor hereby unconditionally

(a) waives any requirement that the Noteholders, upon the occurrence of an Event of Default, first make demand upon, or seek to enforce remedies against, the Company before demanding payment under or seeking to enforce the obligations of such Guarantor under this Agreement,

(b) agrees that the obligations of such Guarantor under this Agreement will not be discharged except by complete performance of all obligations of the Company contained in the Note Purchase Agreement, the Notes and the

other Financing Documents,

(c) agrees that the obligations of such Guarantor under this Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired, without limitation, by any invalidity, irregularity or unenforceability in whole or in part of the Note Purchase Agreement, the Notes or any other Financing Document, or any limitation on the liability of any Guarantor under this Agreement, or any limitation on the method or terms of payment under the Note Purchase Agreement, the Notes or any other Financing Document which may at any time be caused or imposed in any manner whatsoever (including, without limitation, usury laws),

(d) waives diligence, presentment and protest with respect to, and any notice of default or dishonor in the payment of any amount at any time payable by the Company under or in connection with the Note Purchase Agreement, the Notes or any other Financing Document, and further waives any requirement of notice of acceptance of, or other formality relating to, the obligations of such Guarantor under this Agreement, and

(e) agrees that to the extent the Company makes a payment or payments to any Noteholder, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required, for any of the foregoing reasons or for any other reason, to be repaid or paid over to a custodian, trustee, receiver or any other party or officer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, state or federal law, or any common law or equitable cause, then to the extent of such payment or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made and each Guarantor shall be primarily liable for such obligation.

2.3 Nature of Guaranty.

The obligations of each Guarantor under this Agreement constitute an absolute and unconditional and irrevocable guaranty of payment and not a guaranty of collection and are wholly independent of and in addition to other rights and remedies of the Noteholders and are not contingent upon the pursuit by the Noteholders of any such rights and remedies, such pursuit being hereby waived by such Guarantor. Notwithstanding anything to the contrary set forth in the Note Purchase Agreement, the Notes or any other Financing Document, the obligations of each Guarantor under this Agreement are joint and several with the obligations of each other Guarantor and any other guarantor of all or any part of the Guarantied Obligations.

2.4 Obligations Absolute.

The obligations, covenants, agreements and duties of each Guarantor under this Agreement shall not be released, affected or impaired by any of the following, whether or not undertaken with notice to or consent of such Guarantor:

(a) any assignment or transfer, in whole or in part, of any Note although made without notice to or consent of such Guarantor, or

(b) any waiver by any Noteholder, or by any other Person, of the performance or observance by the Company of any of the agreements, covenants, terms or conditions contained in the Note Purchase Agreement or in any other Financing Document, or

(c) any indulgence in or the extension of the time for payment by the Company of any amounts payable under or in connection with the Note Purchase Agreement, the Notes or

any other Financing Document, or of the time for performance by the Company of any other obligations under or arising out of the Note Purchase Agreement, the Notes or any other Financing Document, or the extension or renewal thereof, or

(d) the modification, amendment or waiver (whether material or otherwise) of any duty, agreement or obligation of the Company set forth in the Note Purchase Agreement, the Notes or any other Financing Document (the modification, amendment or waiver from time to time of the Note Purchase Agreement, the Notes and the other Financing Documents being expressly authorized without further notice to or consent of such Guarantor), or

(e) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of the Company or any receivership, insolvency, bankruptcy, reorganization or other similar proceedings affecting the Company or any of its assets, or

(f) the merger or consolidation of the Company or any Guarantor with any other Person, or

(g) the release or discharge of the Company from the performance or observance of any agreement, covenant, term or condition contained in the Note Purchase Agreement, the Notes or any other Financing Document, by operation of law, or

(h) any other cause, whether similar or dissimilar to the foregoing, that would release, affect or impair the obligations, covenants, agreements or duties of any Guarantor under this Agreement.

2.5 No Investigation by Noteholders.

Each Guarantor hereby waives unconditionally any obligation that, in the absence of such provision, the Noteholders might otherwise have to investigate or to assure that there has been compliance with the law of any jurisdiction with respect to the Guarantied Obligations, recognizing that, to save both time and expense, such Guarantor has requested that the Noteholders not undertake such investigation. Each Guarantor hereby expressly confirms that the obligations of such Guarantor hereunder shall remain in full force and effect without regard to compliance or noncompliance with any such law and irrespective of any investigation or knowledge of any such law by any Noteholder.

2.6 Indemnity.

As a separate, additional and continuing obligation, each Guarantor unconditionally and irrevocably undertakes and agrees with the Noteholders that, should the Guarantied Obligations not be recoverable from such Guarantor under Section 2.1 for any reason whatsoever (including, without limitation, by reason of any provision of the Note Purchase Agreement or the Notes or any other agreement or instrument executed in connection therewith being or becoming void, unenforceable or otherwise invalid under any applicable law) then, notwithstanding any knowledge thereof by any Noteholder at any time, such Guarantor as sole, original and independent obligor, upon demand by the Required Holders, will make payment of the Guarantied Obligations to the Noteholders by way of a full indemnity in such currency and otherwise in such manner as is provided in the Note Purchase Agreement and the Notes.

2.7 Subordination, Subrogation, Etc.

Each Guarantor agrees that any present or future indebtedness, obligations or liabilities of the Company to such Guarantor shall be fully subordinate and junior in right and priority of payment to any present or future indebtedness, obligations or liabilities of the Company to the Noteholders. Each Guarantor waives any right of subrogation to the rights of the Noteholders against the Company or any other Person

obligated for payment of the Guarantied Obligations and any right of reimbursement, contribution or indemnity whatsoever (including, without limitation, any such right as against any other Guarantor) arising or accruing out of any payment that such Guarantor may make pursuant to this Agreement, and any right of recourse to security for the debts and obligations of the Company, unless and until the entire amount of the Guarantied Obligations shall have been paid in full.

2.8 Waiver.

To the extent that it lawfully may, each Guarantor agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law, which may affect observance or performance of the provisions of this Agreement, the Note Purchase Agreement, the Notes or any other Financing Document; nor will it claim, take or insist upon any benefit or advantage of any present or future law providing for the evaluation or appraisal of any security for its obligations hereunder or the Company under the Note Purchase Agreement, the Notes or any other Financing Document prior to any sale or sales thereof which may be made under or by virtue of any instrument governing the same; nor will it, after any such sale or sales, claim or exercise any right, under any applicable law, to redeem any portion of such security so sold.

2.9 Limitation on Guarantied Obligations.

Notwithstanding anything in Section 2.1 or elsewhere in this Agreement or any other Financing Document to the contrary, the obligations of each Guarantor under this Agreement shall at each point in time be limited to an aggregate amount equal to the greatest amount that would not result in such obligations being subject to avoidance, or otherwise result in such obligations being unenforceable, at such time under applicable law (including, without limitation, to the extent, and only to the extent, applicable to any such Guarantor, Section 548 of the Bankruptcy Code of the United States of America and any comparable provisions of the law of any other jurisdiction, any capital preservation law of any jurisdiction and any other law of any jurisdiction that at such time limits the enforceability of the obligations of such Guarantor under this Agreement).

2.10 Marshaling.

Neither any Noteholder nor any Person acting for the benefit of any Noteholder shall be under any obligation to marshal any assets in favor of any Guarantor or against or in payment of any or all of the Guarantied Obligations.

2.11 Setoff, Counterclaim or Other Deductions.

Except as otherwise required by law, each payment by each Guarantor shall be made without setoff, counterclaim or other deduction.

2.12 No Election of Remedies by Noteholders.

No election to proceed in one form of action or proceeding, or against any party, or on any obligation, shall constitute a waiver of such Noteholder's right to proceed in any other form of action or proceeding or against other parties unless such Noteholder has expressly waived such right in writing. Specifically, but without limiting the generality of the foregoing, no action or proceeding by any Noteholder against the Company or any Guarantor under any document or instrument evidencing obligations of the Company or any Guarantor to such Noteholder shall serve to diminish the liability of any Guarantor under this Agreement, except to the extent that such Noteholder finally and unconditionally shall have realized payment by such action or proceeding in respect of the Guarantied Obligations.

2.13 Separate Action; Other Enforcement Rights.

Each of the rights and remedies granted under this Agreement to each Noteholder in respect of the Notes held by such Noteholder may be exercised by such Noteholder without notice by such Noteholder to, or the consent of or any other action by, any other Noteholder. Each Noteholder may proceed to protect and enforce this Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement contained herein or in execution or aid of any power herein granted or for the recovery of judgment for the obligations hereby guarantied or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

2.14 Noteholder Setoff.

Each Noteholder shall have, to the fullest extent permitted by law and this Agreement, a right of set-off against any and all credits and any and all other property of each Guarantor now or at any time whatsoever,with or in the possession of such Noteholder, or anyone acting for such Noteholder, to ensure the full performance of any and all obligations of each Guarantor hereunder.

2.15 Delay or Omission; No Waiver.

No course of dealing on the part of any Noteholder and no delay or failure on the part of any such Person to exercise any right hereunder shall impair such right or operate as a waiver of such right or otherwise prejudice such Person's rights, powers and remedies hereunder. Every right and remedy given by this Agreement or by law to any Noteholder may be exercised from time to time as often as may be deemed expedient by such Person.

2.16 Restoration of Rights and Remedies.

If any Noteholder shall have instituted any proceeding to enforce any right or remedy under this Agreement or under any Note held by such Noteholder, and such proceeding shall have been dismissed, discontinued or abandoned for any reason, or shall have been determined adversely to such Noteholder, then and in every such case each such Noteholder, the Company and each Guarantor shall, except as may be limited or affected by any determination (including, without limitation, any determination in connection with any such dismissal) in such proceeding, be restored severally and respectively to its respective former positions hereunder and thereunder, and thereafter, subject as aforesaid, the rights and remedies of such Noteholders shall continue as though no such proceeding had been instituted.

2.17 Cumulative Remedies.

No remedy under this Agreement, the Note Purchase Agreement, the Notes or any other Financing Document is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and in addition to any and every other remedy given pursuant to this Agreement, the Note Purchase Agreement, the Notes or any other Financing Document.

3. INTERPRETATION OF THIS AGREEMENT

3.1 Terms Defined.

As used in this Agreement, the capitalized terms have the meaning specified in the Note Purchase Agreement unless otherwise specified below or set forth in the section of this Agreement referred to immediately following such term (such definitions, unless otherwise expressly provided, to be equally applicable to both the singular and plural forms of the terms defined):

Agreement, this -- has the meaning assigned to such term in the first paragraph hereof.

Company -- Section 1.1.

Guarantied Obligations -- Section 2.1.

Guarantor -- has the meaning assigned to such term in the first paragraph hereof.

Note Purchase Agreement -- Section 1.1.

Noteholder -- means, at any time, each Person that is the holder of any Note at such time.

Notes -- Section 1.1.

Person -- means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

Purchasers -- Section 1.1.

3.2 Section Headings and Construction.

(a) Section Headings, etc. The titles of the Sections appear as a matter of convenience only, do not constitute a part hereof and shall not affect the construction hereof. The words "herein," "hereof," "hereunder" and "hereto" refer to this Agreement as a whole and not to any particular Section or other subdivision.

(b) Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

4. WARRANTIES AND REPRESENTATIONS

Each Guarantor warrants and represents, as of the date such Guarantor becomes a Guarantor hereunder, that each of the warranties and representations made by the Company in Section 5 of the Note Purchase Agreement with respect to Subsidiaries, Restricted Subsidiaries or the Guarantors generally are true with respect to such Guarantor on the date that such Guarantor becomes a Guarantor, with the same effect as though such warranties and representations were made on and as of such date rather than on and as of the date of this Agreement.

5. MISCELLANEOUS

5.1 Successors and Assigns.

(a) All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

(b) Each Guarantor agrees to take such action as may be reasonably requested by any Noteholder to confirm such Guarantor's guaranty of the Guarantied Obligations in connection with the transfer of the Notes of such Noteholder.

5.2 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability

in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

5.3 Communications.

All communications hereunder shall be in writing, shall be delivered in the manner required by the Note Purchase Agreement, and shall be addressed, if to any Guarantor, at the applicable address set forth on Annex 1 hereto, and if to any of the Noteholders:

(a) if such Noteholder is a Purchaser, at the address for such Noteholder set forth on Schedule A to the Note Purchase Agreement, and further including any parties referred to on such Schedule A which are required to receive notices in addition to such Noteholder, and

(b) if such Noteholder is not a Purchaser, at the address for such Noteholder set forth in the register for the registration and transfer of Notes maintained pursuant to Section 13.1 of the Note Purchase Agreement,

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section 5.3.

Notices shall be deemed given only when actually received.

5.4 Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

5.5 Benefits of Guaranty Restricted to Noteholders.

Nothing express or implied in this Agreement is intended or shall be construed to give to any Person other than the Guarantors and the Noteholders any legal or equitable right, remedy or claim under or in respect hereof or any covenant, condition or provision therein or herein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Guarantors and the Noteholders.

5.6 Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein or made in writing by any Guarantor in connection herewith shall survive the execution and delivery of this Agreement.

5.7 Amendment.

This Agreement may be amended in accordance with Section 5.8 and this Agreement may be further amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Guarantor and the Required Holders, except that no amendment or waiver of any of the provisions of Section 2, or any defined term as it is used therein, will be effective unless consented to by each Guarantor and each Noteholder in writing; provided that this Agreement may, in the manner specified in Section 5.7, be amended to add one or more new Guarantors hereunder without the consent of any other Guarantor or any holder of Notes.

5.8 Joinder Agreement.

Upon execution and delivery by any Person of a counterpart of a Joinder Agreement substantially in the form attached to this Agreement as Annex 2, this Agreement shall for all

purposes, without further action, be deemed to have been amended to add such Person as a Guarantor hereunder with the same effect as if such Person had been an original party hereto.

5.9 Survival.

So long as the Guarantied Obligations and all payment obligations of each Guarantor hereunder shall not have been fully and finally performed and indefeasibly paid, the obligations of each Guarantor hereunder shall survive the transfer and payment of any Note and the payment in full of all the Notes.

5.10 Execution in Counterpart.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

[Remainder of page intentionally blank. Next page is signature page.] IN WITNESS WHEREOF, each Guarantor has caused this Agreement to be executed on its behalf by one of its duly authorized officers.

JABIL CIRCUIT OF MICHIGAN, INC.

By

Name:

Title:

Annex 1

Addresses of Guarantors

Jabil Circuit of Michigan, Inc. c/o Jabil Circuit, Inc.
10800 Roosevelt Blvd. St. Petersburg, Florida 33716
Attention: Chris A. Lewis

(addresses of any other Guarantors to be added pursuant to Joinder Agreement)

Annex 2

[FORM OF JOINDER AGREEMENT]

Joinder Agreement

[Date]

To each of the Noteholders (as defined in the Guaranty Agreement hereinafter referred to)

Ladies and Gentlemen:

Reference is made to the Guaranty Agreement, dated as of May 30, 1996 (as amended, restated or otherwise modified from time to time, the "Guaranty Agreement"), by Jabil Circuit of Michigan, Inc., a Michigan corporation (together with its successors and assigns, "Jabil Michigan"; together each other Person that at any time becomes or has become a party to the Guaranty Agreement, the "Guarantors"), in favor of each of the Noteholders (as defined in the Agreement). Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Guaranty Agreement.

[NEW GUARANTOR], a _____ (the "New Guarantor"), agrees with you as follows:

1. Guaranty. The New Guarantor hereby unconditionally and expressly agrees to become, and by execution and delivery of this Agreement does become, a "Guarantor" under and as defined in the Guaranty Agreement. Without limitation of the foregoing or of anything in the Guaranty Agreement, by such execution and delivery hereof the New Guarantor does become fully liable, as a Guarantor, for the payment of the Guarantied Obligations as further provided in Section 2 of the Guaranty Agreement. As provided in Section 5.8 of the Guaranty Agreement, the Guaranty Agreement is hereby amended, without any further action, to add the New Guarantor as a Guarantor thereunder as if the New Guarantor had been an original party to the Guaranty Agreement. Annex 1 to the Guaranty Agreement is hereby amended by adding the following address of the New Guarantor for purposes of communications pursuant to Section 5.3 of the Guaranty Agreement: [insert name and address of New Guarantor].

2. Further Assurances. The New Guarantor agrees to cooperate with the Noteholders and execute such further instruments and documents as the Required Holders shall reasonably request to effect, to the reasonable satisfaction of the Required Holders, the purposes of this Agreement.

3. Binding Effect. This Agreement shall be binding upon the New Guarantor and shall inure to the benefit of the Noteholders and their respective successors and assigns.

4. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

IN WITNESS WHEREOF, the New Guarantor has caused this Agreement to be executed on its behalf by one of its duly authorized officers.

[NEW GUARANTOR]

By

Name:

Title:

EXHIBIT 4.10

[FORM OF PLEDGE AGREEMENT]

[Prepared by counsel for NBD Bank]

EXHIBIT 4.12

[FORM OF INTERCREDITOR AGREEMENT]

[Prepared by counsel for NBD Bank]

THIS LOAN AGREEMENT, dated as of May 30, 1996 (as amended or modified from time to time, this "Agreement"), is by and among JABIL CIRCUIT, INC., a Delaware corporation (the "Company"), each of the Subsidiaries of the Company designated in Section 1.1 as a Borrowing Subsidiary (individually, a "Borrowing Subsidiary" and collectively, the "Borrowing Subsidiaries") (the Company and the Borrowing Subsidiaries may each be referred to as a "Borrower" and, collectively, as the "Borrowers"), and the Banks set forth on the signature pages hereof (collectively, the "Banks" and individually, a "Bank") and NBD BANK, a Michigan banking corporation, as agent for the Banks (in such capacity, the "Agent").

INTRODUCTION

The Borrowers desire to obtain a revolving credit facility, including letters of credit and bank guarantees, in the aggregate principal amount of $60,000,000 (or the equivalent thereof in any other Permitted Currency), in order to refinance certain existing indebtedness and provide funds for their general corporate purposes, and the Banks are willing to establish such a credit facility in favor of the Borrowers on the terms and conditions herein set forth.

In consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

1.1 Certain Definitions. As used herein the following terms shall have the following respective meanings:

"Advance" shall mean any Loan and any Letter of Credit Advance.

"Affiliate" when used with respect to any person shall mean any other person which, directly or indirectly, controls or is controlled by or is under common control with such person. For purposes of this definition "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), with respect to any person, shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise.

"Applicable Administrative Office" shall be: (a) with respect to all Advances denominated in Dollars, the principal office of the Agent in Detroit, Michigan; (b) with respect to all other Advances, to the principal London office of the Agent's affiliate, The First National Bank of Chicago, currently located at First Chicago House, 90 Long Acre, London, England; and (c) for all other purposes, the principal office of the Agent in Detroit, Michigan.

"Applicable Margin" shall mean with respect to any Floating Rate Loan, Eurocurrency Rate Loan, commitment fee or S/L/C fee, as the case may be, the applicable percentage set forth in the applicable table below as adjusted on the first Business Day of the calendar month after the date on which the financial statements and compliance certificate required pursuant to Section 5.1(d)(iii) and (iv) are delivered to the Banks and shall remain in effect until the next change to be effected pursuant to this definition, provided, that, if any financial statements referred to above are not delivered within the time period specified above, then, until the financial statements are delivered, the ratio of Funded Indebtedness to Total Capitalization as of the end of the fiscal quarter that would have been covered thereby shall for the purposes of this definition be deemed to be greater than 0.60 to 1.0:

Applicable Margin

Funded Indebtedness to Total Capitalization	Floating Rate Loan	Eurocur-rency Rate Loan	Commitment Fee	S/L/C Fee
Equal to or less than 0.40:1.0	0.00%	0.75%	0.175%	0.875%
Greater than 0.40:1.0 but less than or equal to 0.50:1.0	0.00%	1.00%	0.20%	1.125%
Greater than 0.50:1.0	0.00%	1.25%	0.25%	1.375%

"Balloon Payments" shall mean a certain balloon payment due to NBD by the Company on March 31, 1996 in the amount of $1,350,000 and a certain balloon payment due to Sun Bank of Tampa Bay by the Company on June 30, 1996 in the amount of $2,115,000, with respect to certain term loans owing by the Company to such Banks.

"Bank Guarantee" shall mean each guarantee and any other similar instrument having an analogous effect denominated in Pounds Sterling, issued by the Issuing Bank hereunder in favor of HM Customs and Excise for the benefit of a Borrower for the purpose of guaranteeing value-added-tax and duty import payments.

"Bank Obligations" shall mean all indebtedness, obligations and liabilities, whether now owing or hereafter arising, direct, indirect, contingent or otherwise, of the Borrowers to the Agent or any Bank pursuant to the Loan Documents.

"Borrowing" shall mean the aggregation of Advances made to any Borrower, or continuations and conversions of such Advances, made pursuant to Article II on a single date and for a single Interest Period. A Borrowing may be referred to for purposes of this Agreement by reference to the type of Loan comprising the relating Borrowing, e.g., a "Floating Rate Borrowing" if such Loans are Floating Rate Loans or a "Eurocurrency Rate Borrowing" if such Loans are Eurocurrency Rate Loans.

"Borrowing Base" shall mean, with respect to any Borrower, as of any date the sum of (a) an amount equal to the sum of (i) 90% of Eligible Accounts Receivable owing to such Borrower by an account debtor located in the United States with an Investment Grade Senior Debt Rating on the date of calculation of the Borrowing Base, plus (ii) 80% of Eligible Accounts Receivable owing to such Borrower by an account debtor located in the United States other than account debtors qualifying under clause (i) above, plus (iii) 80% of Eligible Accounts Receivable owing to such Borrower by an account debtor located outside of the United States but qualifying as an "Eligible Account Receivable" pursuant to clause (g)(i) of such definition, plus (iv) the applicable percentage indicated as the "Advance Ratio" on Schedule 1.1(b) of Eligible Accounts Receivable owing to such Borrower by an account debtor listed on Schedule 1.1(b) pursuant to clause (g)(ii) of the definition of "Eligible Account Receivable", plus (b) an amount equal to 50% of Eligible Inventory of such Borrower not to exceed (i) on an aggregate basis, the lesser of (A) $20,000,000 or (B) 30% of the aggregate Borrowing Base as of such date or (ii) with respect to each Borrower, 30% of the Borrowing Base of such Borrower as of such date.

"Borrowing Base Certificate" for any date shall mean an appropriately completed report as of such date in substantially the form of Exhibit A hereto, certified as true and correct by a duly authorized officer of the Borrower submitting such Borrowing Base Certificate.

"Borrowing Subsidiary" shall mean each of the Subsidiaries of the Company set forth on Schedule 1.1(a) on the Effective Date together with any other Subsidiary of the Company upon request by the Company to the Agent for designation of such Subsidiary as a "Borrowing Subsidiary" hereunder, so long as (a) all of the Banks approve, in their sole and absolute discretion,

the designation of such Subsidiary as a "Borrowing Subsidiary", (b) each of the Guarantors guarantees the obligations of such new Borrowing Subsidiary pursuant to the terms of the Guaranty, (c) such new Borrowing Subsidiary delivers Notes executed in favor of each Bank, all documents and items referred to in Section 2.5 and Security Documents granting a security interest in all assets pursuant to Section 2.11, all in form and substance satisfactory to the Banks, and (d) the Company and such new Borrowing Subsidiary execute an agreement in the form of Exhibit B hereto.

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which (a) the Agent is not open to the public for carrying on substantially all of its banking functions or banks located in New York City are authorized or required to close, and (b) if such reference relates to the date for payment or purchase of any amount denominated in any currency other than Dollars or in respect of any Eurocurrency Rate Loan, banks are not generally open to the public for carrying on substantially all of their banking functions in the principal financial center of the country issuing such currency and in London, England.

"Capital Expenditures" shall mean, for any period, the additions to property, plant and equipment and other capital expenditures of the Company and its Subsidiaries for such period as the same are (or should be) set forth, in accordance with Generally Accepted Accounting Principles, in consolidated financial statements of the Company and its Subsidiaries for such period.

"Capital Lease" of any person shall mean any lease which, in accordance with Generally Accepted Accounting Principles, is capitalized on the books of such person.

"Capital Stock" shall include all capital stock and any securities exchangeable for or convertible into capital stock and any warrants, rights or other options to purchase or otherwise acquire capital stock or such securities or any other form of equity securities.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

"Collateral Agent" shall mean NBD.

"C/L/C" shall mean any commercial letter of credit issued by the Issuing Bank hereunder.

"Commitment" shall mean, with respect to each Bank, the commitment of each such Bank to make Loans and to participate in Letter of Credit Advances made through the Issuing Bank pursuant to Section 2.1(a) and (b), in amounts not exceeding in aggregate principal amount outstanding at any time the respective commitment amount for each such Bank set forth next to the name of each such Bank in the signature pages hereof, as such amounts may be reduced from time to time pursuant to Section 2.2.

"Consolidated" or "consolidated" shall mean, when used with reference to any financial term in this Agreement, the aggregate for the Company and its consolidated Subsidiaries of the amounts signified by such term for all such persons determined on a consolidated basis in accordance with Generally Accepted Accounting Principles.

"Contingent Liabilities" of any person shall mean, as of any date, all obligations of such person or of others for which such person is contingently liable, as obligor, guarantor, surety or in any other capacity, or in respect of which obligations such person assures a creditor against loss or agrees to take any action to prevent any such loss (other than endorsements of negotiable instruments for collection in the ordinary course of business), including without limitation all reimbursement obligations of such person in respect of any letters of credit, surety bonds or similar obligations and all

obligations of such person to advance funds to, or to purchase assets, property or services from, any other person in order to maintain the financial condition of such other person.

"Current Assets" and "Current Liabilities" of any person shall mean, as of any date, all assets or liabilities, respectively, of such person which, in accordance with Generally Accepted Accounting Principles, should be classified as current assets or current liabilities, respectively, on a balance sheet of such person; provided, however, that, regardless of proper classification under Generally Accepted Accounting Principles, the Balloon Payments shall be excluded from the calculation of Current Liabilities and the aggregate amount of outstanding Revolving Credit Advances shall be included in the calculation of Current Liabilities hereunder.

"Current Ratio" shall mean, as of any date, the ratio of (a) Consolidated Current Assets to (b) Consolidated Current Liabilities.

"Default" shall mean any of the events or conditions described in Section 6.1 which might become an Event of Default with notice or lapse of time or both.

"Dollar Equivalent" shall mean, with respect to each Advance, the sum in Dollars resulting from the conversion of the amount of such Advance from the Permitted Currency in which such Advance is denominated into Dollars at the spot exchange rate determined by the Agent to be available to it for the purchase of such Permitted Currency with Dollars at approximately 11:00 a.m. local time of the Applicable Administrative Office on the date any Advance is disbursed or rolled over, or on such other date as a determination of the Dollar Equivalent is made.

"Dollars" and "$" shall mean the lawful money of the United States of America. "Domestic Borrower" shall mean any Borrower incorporated or formed in any State of the United States of America or any political subdivision of any such State.

"Domestic Subsidiary" shall mean any Subsidiary of any Borrower incorporated or formed in any State of the United States or any political subdivision of any such State.

"EBIT" shall mean, with respect to any person, for any period, the sum of (a) Net Income or loss plus (b) all amounts deducted in determining such Net Income or loss on account of (i) all consolidated interest expense and (ii) taxes based on or measured by income, all as determined in accordance with Generally Accepted Accounting Principles.

"EBITDA" shall mean, with respect to any person, for any period, EBIT for such period plus, to the extent deducted in determining such EBIT, depreciation and positive amortization expense, all as determined in accordance with Generally Accepted Accounting Principles.

"Effective Date" shall mean the effective date specified in the final paragraph of this Agreement.

"Eligible Accounts Receivable" shall mean, as of any date, those trade accounts receivable owned by a Borrower or a Guarantor which are payable in Dollars (or, with respect to account debtors located outside of the United States which are not excluded from the Borrowing Base under subparagraph (g) below, payable in a Permitted Currency and valued on the basis of the Dollar Equivalent thereof), valued at the face amount thereof less sales, excise or similar taxes and less returns, discounts, claims, credits and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed, but shall not include any such account receivable (a) that is not a bona fide existing obligation created by the sale and actual delivery of inventory, goods or other property or the furnishing of services or other good and sufficient consideration to customers of such Borrower or such Guarantor in

the ordinary course of business, (b) that is more than 90 days past due or that remains outstanding more than 90 days after the earlier of the date of the invoice or the shipment of the related inventory, goods or other property or the furnishing of the related services or other consideration, (c) that is subject to any dispute, contra-account, defense, offset or counterclaim or any Lien, or the inventory, goods, property, services or other consideration of which such account receivable constitutes proceeds is subject to any such Lien, (d) in respect of which the inventory, goods, property, services or other consideration have been rejected or the amount is in dispute, (e) that is due from any Affiliate or Subsidiary of the Borrower or the Guarantor, (f) that has failed to meet established or customary credit standards of the Borrower or the Guarantor, (g) that is payable by any person located outside the United States (which shall not be deemed to include any territories of the United States) unless either (i) such receivable is insured by foreign credit insurance, acceptable to the Agent, and the Agent is listed as lender loss payee and additional insured with respect to such insurance, or (ii) such receivable is owing by an account debtor listed on Schedule 1.1(b), which Schedule may be amended to add or delete account debtors with the consent of the Majority Banks and, with respect to additions, the Company shall have provided 90 days prior written notice to the Agent of such requested addition together with any information reasonably requested by the Agent with respect to such account debtor, and, with respect to deletions, such deletion shall be effective 90 days after the Agent provides written notice to the Company of any such deletion, (h) with respect to which any representation or warranty contained in Section 4.11 is incorrect at any time, (i) that is payable by the United States or any of its departments, agencies or instrumentalities or by any state or other foreign or domestic governmental entity, (j) that is payable by any person that is the subject of any proceeding seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up or reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or seeking the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, or that is not generally paying its debts as they become due or has admitted in writing its inability to pay its debts generally or has made a general assignment for the benefit of creditors, (k) that is evidenced by a promissory note or other instrument, (l) that is subordinate or junior in right or priority of payment to any other unsecured obligation or claim, (m) that is payable by Epson of America, Inc. or any of its Affiliates, or (n) that for any other reason is at any time reasonably deemed by the Agent and the Required Banks to be ineligible.

"Eligible Inventory" shall mean, as of any date, that inventory owned by a Borrower or a Guarantor that constitutes raw materials valued at the lower of cost or market on a FIFO basis, but shall not include any such inventory (a) that does not constitute raw materials readily salable or usable in the business of the Borrower or the Guarantor, as the case may be, (b) that is located outside the United States (which shall not be deemed to include any territories of the United States), except inventory owned by a Foreign Borrower which is located in the same jurisdiction in which such Foreign Borrower is organized, (c) that is subject to, or any accounts or other proceeds resulting from the sale or other disposition thereof could be subject to, any Lien, including any sale on approval or sale or return transaction or any consignment, (d) that is not in the possession of the Borrower or the Guarantor, as the case may be, (e) that is held for lease or is the subject of any lease, (f) that is subject to any trademark, trade name or licensing arrangement, or any law, rule or regulation, (g) if such inventory is located on premises not owned by the Borrower or the Guarantor, as the case may be, and the landlord or other owner of such premises shall not have waived its distraint, lien and similar rights with respect to such inventory and shall not have agreed to permit the Banks and the Agent to enter such premises pursuant to a waiver and agreement of such person in

favor of and in form and substance acceptable to the Banks and the Agent, (h) with respect to which any insurance proceeds are not payable to the Banks and the Agent as a loss payee or are payable to any loss payee other than the Banks and the Agent or the Borrower or the Guarantor, as the case may be, (i) relating to contracts or orders for Epson America, Inc., or its Affiliates or (j) that for any other reason is at any time reasonably deemed by the Agent and the Required Banks to be ineligible.

"Environmental Certificate" shall mean an appropriately completed environmental certificate in the form of Exhibit C attached hereto, delivered by each Borrower, certified as true and correct as of such date by an executive officer of each Borrower acceptable to the Agent.

"Environmental Laws" at any date shall mean all provisions of law, statute, ordinances, rules, regulations, judgments, writs, injunctions, decrees, orders, awards and standards which are applicable to any Borrower or any Subsidiary and promulgated by the government of the United States of America or any foreign government or by any state, province, municipality or other political subdivision thereof or therein or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning the protection of, or regulating the discharge of substances into, the environment.

"Equivalent" of an amount of one currency (the "first currency") denominated in another currency (the "second currency"), as of any date of determination, shall mean the amount of the second currency which could be purchased with the amount of the first currency at the spot exchange rate quoted by the Agent at approximately 11:00 a.m. local time of the Applicable Administrative Office on such date.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations thereunder.

"ERISA Affiliate" shall mean, with respect to any person, any trade or business (whether or not incorporated) which, together with such person or any Subsidiary of such person, would be treated as a single employer under Section 414 of the Code.

"Eurocurrency Rate" applicable to any Eurocurrency Interest Period means, the per annum rate that is equal to the sum of:

(a) the Applicable Margin, plus

(b) the rate per annum obtained by dividing (i) the per annum rate of interest at which deposits in the Permitted Currency in which such Eurocurrency Rate Loan is to be denominated for such Eurocurrency Interest Period and in an aggregate amount comparable to the amount of the related Eurocurrency Rate Loan to be made by the Agent in its capacity as a Bank hereunder are offered to the Agent by other prime banks in the applicable interbank market selected by the Agent in its reasonable discretion, at approximately 11:00 a.m. local time in London, England on the second Eurocurrency Business Day prior to the first day of such Eurocurrency Interest Period by (ii) an amount equal to one minus the stated maximum rate (expressed as a decimal) of all reserve requirements including, without limitation, any marginal, emergency, supplemental, special or other reserves, that is specified on the first day of such Eurocurrency Interest Period by the Board of Governors of the Federal Reserve System (or any successor agency thereto) or the relevant fiscal or monetary authority for determining the maximum reserve requirement with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such Board) maintained by a member bank of such System; all as conclusively determined by the Agent, absent manifest error, such sum to be rounded up, if necessary, to the

nearest whole multiple of one one-hundredth of one percent (1/100 of 1%); which Eurocurrency Rate shall change simultaneously with any change in the Applicable Margin.

"Eurocurrency Business Day" shall mean, with respect to any Eurocurrency Rate Loan, a day which is both a Business Day and a day on which dealings in deposits of the relevant Permitted Currency are carried out in the relevant interbank market.

"Eurocurrency Interest Period" shall mean, with respect to any Eurocurrency Rate Loan, the period commencing on the day such Eurocurrency Rate Loan is made or converted to a Eurocurrency Rate Loan and ending on the date one, two, three or six months thereafter, as any Borrower may elect under Section 2.4 or 2.7, and each subsequent period commencing on the last day of the immediately preceding Eurocurrency Interest Period and ending on the date one, two, three or six months thereafter, as a Borrower may elect under Section 2.4 or 2.7, provided, however, that (a) any Eurocurrency Interest Period which commences on the last Eurocurrency Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Eurocurrency Business Day of the appropriate subsequent calendar month, (b) each Eurocurrency Interest Period which would otherwise end on a day which is not a Eurocurrency Business Day shall end on the next succeeding Eurocurrency Business Day or, if such next succeeding Eurocurrency Business Day falls in the next succeeding calendar month, on the next preceding Eurocurrency Business Day, and (c) no Eurocurrency Interest Period shall be permitted which would end after the Termination Date.

"Eurocurrency Rate Loan" shall mean any Loan which bears interest at the Eurocurrency Rate.

"Event of Default" shall mean any of the events or conditions described in Section 6.1.

"Federal Funds Rate" shall mean the per annum rate that is equal to the per annum rate established and announced by the Federal Reserve Bank of New York from time to time as the opening federal funds rate; as conclusively determined by the Agent, absent manifest error, such rate to be rounded up, if necessary, to the nearest whole multiple of one one-hundredth of one percent (1/100 of 1%), which Federal Funds Rate shall change simultaneously with any change in such announced rates.

"Fixed Charge Coverage Ratio" of any person shall mean, as of any date, the ratio of (a) Consolidated EBITDA as calculated for the four most recently ended consecutive fiscal quarters of the Company plus all payments relating to operating leases of such person during such period to (b) all consolidated interest expense during such period for such person, plus all payments relating to operating leases of such person.

"Floating Rate" shall mean, as of any date, the per annum rate equal to the sum of (i) the Applicable Margin, plus (ii) greater of (x) the Prime Rate in effect from time to time, or (y) the Federal Funds Rate in effect from time to time; which Floating Rate shall change simultaneously with any change in such Prime Rate or Federal Funds Rate, as the case may be.

"Floating Rate Loan" shall mean any Loan which bears interest at the Floating Rate.

"Foreign Borrower" shall mean any Borrower incorporated or formed in any jurisdiction other than any State of the United States of America or any political subdivision of any such State.

"Foreign Subsidiary" shall mean any Subsidiary incorporated or formed in any jurisdiction other than any State of the United States of America or any political subdivision of any such State.

"Funded Indebtedness" of any person shall mean, as of any date, all Indebtedness of such person for borrowed money, including without limitation, all obligations under any Capital Lease, other than Subordinated Debt.

"Generally Accepted Accounting Principles" shall mean Generally Accepted Accounting Principles in effect from time to time and applied on a basis consistent with that reflected in the financial statements referred to in Section 4.6.

"Guarantor" shall mean each Domestic Borrower and each Domestic Subsidiary of any Borrower and each person becoming a Domestic Borrower or Domestic Subsidiary of any Borrower, or otherwise entering into a Guaranty from time to time.

"Guaranty" shall mean the guaranty entered into by each Guarantor for the benefit of the Agent and the Banks pursuant to Article VIII of this Agreement and any other guaranties entered into by a Guarantor pursuant to Section 5.1(f), as amended or modified from time to time.

"Indebtedness" of any person shall mean (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations to pay the deferred purchase price of property or services, except for trade accounts payable arising in the ordinary course of business that are not more than 90 days past due or as are reasonably being contested, (iv) obligations as lessee under leases which have been in accordance with Generally Accepted Accounting Principles, recorded as Capital Leases, (v) obligations to purchase property or services if payment is required regardless of whether such property is delivered or services are performed (generally called "take or pay" contracts), (vi) obligations in respect of currency or interest rate swaps or comparable transactions valued at the maximum termination payment payable by the obligor, (vii) all obligations of others similar in character to those described in clauses (i) through (iv) of this definition for which such person is contingently liable, as guarantor, surety, accommodation party, partner or in any other capacity, or in respect of which obligations such person assures a creditor against loss or agrees to take any action to prevent any such loss (other than endorsements of negotiable instruments for collection in the ordinary course of business), including without limitation all reimbursement obligations of such person in respect of letters of credit, surety bonds or similar obligations and all obligations of such person to advance funds to, or to purchase assets, property or services from, any other person in order to maintain the financial condition of such other person and (viii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Intercreditor Agreement" shall mean the Intercreditor Agreement dated of approximately even date herewith, as amended or modified from time to time, among the Company, the Banks, the Agent, the Collateral Agent and the Note Purchasers.

"Interest Payment Date" shall mean (a) with respect to any Eurocurrency Rate Loan, the last day of each Interest Period with respect to such Eurocurrency Rate Loan and, in the case of any Interest Period exceeding three months, those days that occur during such Interest Period at intervals of three months after the first day of such Interest Period, and (b) in all other cases, the last Business Day of each August, November, February and May occurring after the date hereof, commencing with the first such Business Day occurring after the date of this Agreement.

"Interest Period" shall mean any Eurocurrency Interest Period.

"Investment Grade Senior Debt Rating" means, at any date, a person's senior unsecured long term debt is rated BBB- or better by Standard & Poor's Corporation and Baa3 or better by Moody's Investor Service, Inc.

"Issuing Bank" shall mean NBD, together with its successors and assigns, and any other Bank hereafter designated as an "Issuing Bank" upon the prior written agreement of the Company, the Agent and such Bank.

"Jabil Malaysia" shall mean Jabil Circuit Sbn Bhd., a corporation organized and existing under the laws of Malaysia.

"Jabil Ltd" shall mean Jabil Circuit Ltd., a corporation organized and existing under the laws of Scotland.

"Letter of Credit" shall mean a Bank Guarantee, S/L/C or C/L/C having a stated expiry date or a date by which any draft drawn thereunder must be presented not later than twelve months after the date of issuance and not later than the fifth Business Day before the Termination Date, issued by the Issuing Bank on behalf of the Banks for the account of any Borrower under an application and related documentation acceptable to the Issuing Bank requiring, among other things, immediate reimbursement by such Borrower to the Issuing Bank in respect of all drafts or other demand for payment honored thereunder and all reasonable and customary expenses paid or incurred by the Issuing Bank relative thereto.

"Letter of Credit Advance" shall mean any issuance of a Letter of Credit under Section 2.4 made pursuant to Section 2.1 in which each Bank acquires a pro rata participation (based on such Bank's Commitment) pursuant to Section 2.4(d).

"Letter of Credit Documents" shall have the meaning set forth in Section 3.3(b).

"Lien" shall mean any pledge, assignment, deed of trust, hypothecation, mortgage, security interest, conditional sale or title retaining contract, financing statement filing, or any other type of lien, charge, encumbrance or other similar claim or right.

"Loan" shall mean any Revolving Credit Loan or any Swing Line Loan, as the context may require.

"Loan Documents" shall mean this Agreement, the Notes, the Letter of Credit Documents, the Environmental Certificate, the Security Documents and any other agreement, instrument or document executed at any time in connection with this Agreement.

"Majority Banks" shall mean Banks holding not less than fifty-one percent (51%) of the aggregate principal amount of the Advances then outstanding (or fifty-one percent (51%) of the Commitments if no Advances are then outstanding).

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, assets, operations or financial condition of any Borrower or any Subsidiary, (b) the ability of any Borrower to perform its obligations under any Loan Document, or (c) the validity or enforceability of any Loan Document or the rights or remedies of the Agent or the Banks under any Loan Document.

"Multiemployer Plan" shall mean any "multiemployer plan" as defined in Section 4001(a)(3) of ERISA or Section 414(f) of the Code.

"NBD" shall mean NBD Bank, a Michigan banking corporation, together with its branches and affiliates, including without limitation, The First National Bank of Chicago and its branches.

"Net Cash Proceeds" shall mean, in connection with any issuance or sale of any Capital Stock, the cash proceeds received from such issuance, net of investment banking fees, reasonable and documented attorneys' fees, accountants' fees, underwriting discounts and commissions and other customary fees and other costs and expenses actually incurred in connection

therewith.

"Net Income" of any person shall mean, for any period, the net income (after deduction for income and other taxes of such person determined by reference to income or profits of such person) of such person for such period, all as determined in accordance with Generally Accepted Accounting Principles.

"Notes" shall mean the Revolving Credit Notes and the Swing Line Notes; "Note" shall mean any Revolving Credit Note or any Swing Line Note.

"Note Purchase Agreement" shall mean the Note Purchase Agreement between the Company and the Note Purchasers dated as of May 30, 1996, as amended or modified from time to time.

"Note Purchasers" shall mean Connecticut General Life Insurance Company, Life Insurance Company of North America and Metropolitan Life Insurance Company.

"Original Dollar Amount" shall mean, with respect to any Advance, the Equivalent in Dollars of the original principal amount of such Advance specified in the related request therefor given by a Borrower pursuant to Section 2.4 (a) as such amount is reduced by payments of principal made in respect of such Advance in Dollars (or the Dollar Equivalent thereof in the case of a payment made in a Permitted Currency other than Dollars) and (b) as such amount is adjusted pursuant to Section 3.1(c).

"Overdue Rate" shall mean (a) in respect of principal of Floating Rate Loans, a rate per annum that is equal to the sum of three percent (3%) per annum plus the Floating Rate, (b) in respect of principal of Eurocurrency Rate Loans or Swing Line Loans, a rate per annum that is equal to the sum of three percent (3%) per annum plus the per annum rate in effect thereon until the end of the then current Interest Period for such Loan and, thereafter, a rate per annum that is equal to the sum of three percent (3%) per annum plus, with respect to Loans denominated in Dollars, the Floating Rate and, with respect to Loans denominated in any other Permitted Currency, the relevant market rate for such Permitted Currency plus the Applicable Margin for Eurocurrency Rate Loans, and (c) in respect of other amounts payable by any Borrower hereunder (other than interest), a per annum rate that is equal to the sum of three percent (3%) per annum plus the Floating Rate.

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

"Permitted Currency" shall mean Dollars and any currency which is freely transferable and convertible into Dollars and is either (a) issued by an OECD country (as such designation shall change from time to time) and is approved by the Banks or (b) any other currency approved by the Banks. A list of all OECD countries as of the Effective Date is set forth in Schedule 1.1(c), which Schedule shall be updated, if necessary, by the Agent on each anniversary of the Effective Date.

"Permitted Liens" shall mean Liens permitted by Section 5.2(f) hereof.

"Person" or "person" shall include an individual, a corporation, a limited liability company, an association, a partnership, a trust or estate, a joint stock company, an unincorporated organization, a joint venture, a trade or business (whether or not incorporated), a government (foreign or domestic) and any agency or political subdivision thereof, or any other entity.

"Plan" shall mean, with respect to any person, any pension plan (other than a Multiemployer Plan) subject to Title IV of ERISA or to the minimum funding standards of Section 412 of the Code which has been established or maintained by such

person, any Subsidiary of such person or any ERISA Affiliate, or by any other person if such person, any Subsidiary of such person or any ERISA Affiliate could have liability with respect to such pension plan.

"Pledge Agreement" shall mean the Pledge Agreement entered into by the Company in favor of the Collateral Agent for the benefit of the Banks and the Note Purchasers pursuant to the Intercreditor Agreement in substantially the form of Exhibit D hereto, as amended or modified from time to time.

"Prime Rate" shall mean the per annum rate announced by the Agent from time to time as its "prime rate" (it being acknowledged that such announced rate may not necessarily be the lowest rate charged by the Agent to any of its customers), which Prime Rate shall change simultaneously with any change in such announced rate.

"Private Placement Debt" shall mean the Indebtedness evidenced by the Senior Notes.

"Private Placement Documents" shall mean the Note Purchase Agreement, the Senior Notes, together with any and all other documents, instruments and certificates executed and delivered pursuant thereto, as amended or modified from time to time and any other documents executed in exchange or replacement therefor.

"Prohibited Transaction" shall mean any non-exempt transaction involving any Plan which is proscribed by Section 406 of ERISA or Section 4975 of the Code.

"Reportable Event" shall mean a reportable event as described in Section 4043(b) of ERISA including those events as to which the thirty (30) day notice period is waived under Part 2615 of the regulations promulgated by the PBGC under ERISA.

"Required Banks" shall mean Banks holding not less than sixty-six percent (66%) of the aggregate principal amount of the Advances then outstanding (or sixty-six percent (66%) of the Commitments if no Advances are then outstanding).

"Requirement of Law" shall mean as to any person, the certificate of incorporation and by-laws or other organizational or governing documents of such person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject.

"Revolving Credit Advance" shall mean any Revolving Credit Loan and any Letter of Credit Advance.

"Revolving Credit Note" shall mean any promissory note of any Borrower evidencing the Revolving Credit Advances in substantially the form annexed hereto as Exhibit E, as amended or modified from time to time and together with any promissory note or notes issued in exchange or replacement therefor.

"Revolving Credit Loan" shall mean any Borrowing under Section 2.4 evidenced by the Revolving Credit Notes and made pursuant to Section 2.1(a).

"Security Documents" shall mean, collectively, the Pledge Agreement, the Guaranties, the Intercreditor Agreement and all other related agreements and documents, including financing statements and similar documents delivered pursuant to this Agreement or otherwise entered into by any person to secure the Advances.

"Senior Notes" shall mean the 6.89% Senior Notes due May __, 2004 issued pursuant to the Note Purchase Agreement.

"S/L/C" shall mean any standby letter of credit issued by the Issuing Bank hereunder.

"Subordinated Debt" of any person shall mean, as of any date, that Indebtedness of such person for borrowed money which is expressly subordinate and junior in right and priority of payment to the Advances and other Indebtedness of such person to the Banks in manner and by agreement satisfactory in form and substance to the Required Banks.

"Subsidiary" of any person shall mean any other person (whether now existing or hereafter organized or acquired) in which (other than directors' qualifying shares required by law) at least a majority of the securities or other ownership interests of each class having ordinary voting power or analogous right (other than securities or other ownership interests which have such power or right only by reason of the happening of a contingency), at the time as of which any determination is being made, are owned, beneficially and of record, by such person or by one or more of the other Subsidiaries of such person or by any combination thereof. Unless otherwise specified, reference to "Subsidiary" shall mean a Subsidiary of the Company.

"Swing Line Bank" shall mean NBD, together with its successors and assigns, and any other Bank hereafter designated as a "Swing Line Bank" upon the prior written agreement of the Company, the Agent and such Bank.

"Swing Line Facility" shall have the meaning specified in Section 2.1(b).

"Swing Line Interest Period" shall mean, with respect to any Swing Line Loan, the period commencing on the day such Swing Line Loan is made and ending on the date agreed upon between the Borrower requesting such Loan and the Swing Line Bank at the time such Swing Line Loan is made, provided no Swing Line Interest Period which would end after the Termination Date shall be permitted.

"Swing Line Loan" shall mean any borrowing under Section 2.4 evidenced by a Swing Line Note and made pursuant to Section 2.1(b).

"Swing Line Note" means any promissory note of any Borrower payable to the order of the Swing Line Bank, in substantially the form annexed hereto as Exhibit F, as amended or modified from time to time and together with any promissory note or notes issued in exchange or replacement therefor.

"Swing Line Rate" shall mean, with respect to any Swing Line Rate Loan, the rate per annum agreed upon between the Borrower requesting such Loan and the Swing Line Bank at the time such Swing Line Rate Loan is made.

"Tangible Net Worth" of any person shall mean, as of any date, (a) the amount of any capital stock, paid in capital and similar equity accounts plus (or minus in the case of a deficit) the capital surplus and retained earnings of such person and the amount of any foreign currency translation adjustment account shown as a capital account of such person, less (b) the net book value of all items of the following character which are included in the assets of such person: (i) goodwill, including, without limitation, the excess of cost over book value of any asset, (ii) organization or experimental expenses, (iii) unamortized debt discount and expense, (iv) patents, trademarks, trade names and copyrights, (v) treasury stock, (vi) franchises, licenses and permits, and (vii) other assets which are deemed intangible assets under Generally Accepted Accounting Principles.

"Termination Date" shall mean the earlier to occur of (a) May 30, 1998 and (b) the date on which the Commitments shall be terminated pursuant to Section 2.2 or 6.2.

"Total Capitalization" of any person shall mean the sum of (a) Tangible Net Worth plus (b) Funded Indebtedness plus (c)

deferred income taxes of such person.

"Unfunded Benefit Liabilities" shall mean, with respect to any Plan as of any date, the amount of the unfunded benefit liabilities determined in accordance with Section 4001(a)(18) of ERISA.

1.2 Other Definitions; Rules of Construction. As used herein, the terms "Agent", "Banks", "Company", "Borrower", "Borrowers", "Borrowing Subsidiary", "Borrowing Subsidiaries" and "this Agreement" shall have the respective meanings ascribed thereto in the introductory paragraph of this Agreement. Such terms, together with the other terms defined in Section 1.1, shall include both the singular and the plural forms thereof and shall be construed accordingly. All computations required hereunder and all financial terms used herein shall be made or construed in accordance with Generally Accepted Accounting Principles unless such principles are inconsistent with the express requirements of this Agreement provided that, if the Company notifies the Agent that the Company wishes to amend any covenant in Article V to eliminate the effect of any change in Generally Accepted Accounting Principles in the operation of such covenant (or if the Agent notifies the Company that the Required Banks wish to amend Article V for such purpose), then the Borrowers' compliance with such covenant shall be determined on the basis of Generally Accepted Accounting Principles in effect immediately before the relevant change in Generally Accepted Accounting Principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrowers and the Required Banks. Use of the terms "herein", "hereof", and "hereunder" shall be deemed references to this Agreement in its entirety and not to the Section or clause in which such term appears. References to "Sections" and "subsections" shall be to Sections and subsections, respectively, of this Agreement unless otherwise specifically provided.

ARTICLE II. THE COMMITMENTS AND THE ADVANCES

2.1 Commitments of the Banks.

(a) Revolving Credit Advances. Each Bank agrees, for itself only, subject to the terms and conditions of this Agreement, to make Revolving Credit Loans to the Borrowers pursuant to Section 2.4 and to participate in Letter of Credit Advances to the Borrowers pursuant to Section 2.4, from time to time from and including the Effective Date to but excluding the Termination Date, not to exceed in aggregate principal amount at any time outstanding the amount determined pursuant to Section 2.1(c). On the date of each Advance, the Dollar Equivalent on such date of all Advances, including the Advances to be made or requested on such date, shall not exceed the aggregate Commitments.

(b) Swing Line Loan. (i) Any Borrower may request the Swing Line Bank to make, and the Swing Line Bank may, in its sole discretion provided that the requirements of Section 2.6 are complied with by the Borrowers at the time of such request, make, Swing Line Loans to any Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate principal amount not to exceed at any date the lesser of (A) $5,000,000 (or the Dollar Equivalent thereof in any other Permitted Currency) (the "Swing Line Facility") and (B) the aggregate of the unused portions of the Commitments of the Banks as of such date. Each Bank's Commitment shall be deemed utilized by an amount equal to such Bank's pro rata share (based on such Bank's Commitment) of each Swing Line Loan for purposes of determining the amount of Revolving Credit Advances required to be made by such Bank, but no Bank's Commitment, other than the Swing Line Bank, shall be deemed utilized for purposes of determining commitment fees under Section 2.3(a). Swing Line Loans shall bear interest at the Floating Rate or at the Swing Line Rate, as elected by the Borrower requesting such Loan pursuant to Section 2.4. Within

the limits of the Swing Line Facility, so long as the Swing Line Bank, in its sole discretion, elects to make Swing Line Loans, the Borrowers may borrow and reborrow under this Section 2.1(b)(i).

(ii) The Swing Line Bank may at any time in its sole and absolute discretion require that any Swing Line Loan be refunded by a Revolving Credit Loan which is, in the case of any Swing Line Loan denominated in Dollars, a Floating Rate Loan, and in the case of any Swing Line Loan in any other Permitted Currency, a Eurocurrency Rate Loan in the same Permitted Currency in which such Swing Line Loan is denominated, and upon written notice thereof by the Swing Line Bank to the Agent, the Banks and the Borrower for any such Swing Line Loan, such Borrower shall be deemed to have requested a Revolving Credit Loan for the account of such Borrower for any such Swing Line Loan bearing interest at the Floating Rate or Eurocurrency Rate with an Interest Period of one month, as provided above, in an amount equal to the amount of any such Swing Line Loan in the same Permitted Currency in which such Swing Line Loan is denominated (unless a Default or Event of Default has occurred and is continuing at which time all Swing Line Loans being refunded under this Section 2.1(b)(ii) or Section 2.1(b)(iii) may, at the option of the Required Banks, be converted to Dollars), and such Revolving Credit Loan shall be made to refund such Swing Line Loan. Each Bank shall be absolutely and unconditionally obligated (except as set forth in Section 2.1(b)(i)) to fund its pro rata share (based on such Bank's Commitment) of such Revolving Credit Loan or, if applicable, purchase a participating interest in the Swing Line Loans pursuant to Section 2.1(b)(iii) and such obligation shall not be affected by any circumstance, including, without limitation, (A) any set-off, counterclaim, recoupment, defense or other right which such Bank or any Borrower or any of their respective Subsidiaries may have against the Agent, any Borrower or any of their respective Subsidiaries or anyone else for any reason whatsoever; (B) the occurrence or continuance of a Default or an Event of Default, subject to Section 2.1(b)(iii); (C) any adverse change in the condition (financial or otherwise) of any Borrower or any of its Subsidiaries; (D) any breach of this Agreement by any Borrower or any of their respective Subsidiaries or any other Bank; or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing (including any Borrower's failure to satisfy any conditions contained in Article II or any other provision of this Agreement).

(iii) If, for any reason (including without limitation as a result of the occurrence of an Event of Default with respect to any Borrower pursuant to Section 6.1(i)), Revolving Credit Loans may not be made by the Banks as described in Section 2.1(b)(ii), then (A) each Borrower agrees that each Swing Line Loan not paid pursuant to Section 2.1(b)(ii) shall bear interest, payable on demand by the Agent, at the Overdue Rate then applicable to Floating Rate Loans with respect to Swing Line Loans denominated in Dollars and at the Overdue Rate then applicable to Eurocurrency Rate Loans in the Permitted Currency in which such Swing Line Loan is denominated in all other cases, and (B) effective on the date each such Revolving Credit Loan would otherwise have been made, each Bank severally agrees that it shall unconditionally and irrevocably, without regard to the occurrence of any Default or Event of Default, in lieu of deemed disbursement of loans, to the extent of such Bank's Commitment, purchase a participating interest in the Swing Line Loans by paying its participation percentage thereof. Each Bank will immediately transfer to the Agent, in same day funds, the amount of its participation. Each Bank shall share on a pro rata basis (calculated by reference to its Commitment) in any interest which accrues thereon and in all repayments thereof. If and to the extent that any Bank shall not have so made the amount of such participating interest available to the Agent, such Bank and the Borrower of such Swing Line Loan severally agree to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by the Agent until the date such amount

is paid to the Agent, at (x) in the case of any Borrower, at the interest rate specified above and (y) in the case of such Bank, the Federal Funds Rate.

(c) Limitation on Amount of Advances. Notwithstanding anything in this Agreement to the contrary, (i) the Dollar Equivalent of the aggregate principal amount of the Revolving Credit Advances made by any Bank at any time outstanding shall not exceed the amount of its respective Commitment as of the date any such Advance is made and (ii) the Dollar Equivalent of the aggregate principal amount of all Revolving Credit Advances at any time outstanding to any Borrower shall not exceed the lesser of (A) the Borrowing Base of such Borrower as of the close of business on the last day of the week next preceding the date any such Advance is made and (B) the amount set forth next to the name of such Borrower set forth on Schedule 1.1(a), provided, however, that the Dollar Equivalent of the aggregate principal amount of Letter of Credit Advances (other than Bank Guarantees) outstanding at any time shall not exceed $5,000,000 and the Dollar Equivalent of the aggregate principal amount of Bank Guarantees outstanding at any time shall not exceed $3,000,000.

2.2 Termination and Reduction of Commitments. (a) (i) The Company shall have the right to terminate or reduce the Commitments at any time and from time to time at its option, provided that (A) the Company shall give five days' prior written notice of such termination or reduction to the Agent (with sufficient executed copies for each Bank) specifying the amount and effective date thereof, (B) each partial reduction of the Commitments shall be in a minimum amount of $5,000,000 and in integral multiples of $1,000,000 and shall reduce the Commitments of all of the Banks proportionately in accordance with the respective commitment amounts for each such Bank set forth in the signature pages hereof next to the name of each such Bank, (C) no such termination or reduction shall be permitted with respect to any portion of the Commitments as to which a request for a Borrowing pursuant to Section 2.4 is then pending and (D) the Commitments may not be terminated if any Advances are then outstanding and may not be reduced below the principal amount of Advances then outstanding.

The Commitments or any portion thereof terminated or reduced pursuant to this Section 2.2(a), whether optional or mandatory, may not be reinstated. The Borrowers shall immediately prepay the Loans to the extent they exceed the reduced aggregate Commitments pursuant hereto, and any reduction hereunder shall reduce the Commitment amount of each Bank proportionately in accordance with the respective Commitment amounts for each such Bank set forth on the signature pages hereof next to the name of each such Bank.

(b) For purposes of this Agreement, a Letter of Credit Advance (i) shall be deemed outstanding in an amount equal to the sum of the maximum amount available to be drawn under the related Letter of Credit on or after the date of determination and on or before the stated expiry date thereof plus the amount of any draws under such Letter of Credit that have not been reimbursed by a Revolving Credit Loan as provided in Section 3.3 and (ii) shall be deemed outstanding at all times on and before such stated expiry date or such earlier date on which all amounts available to be drawn under such Letter of Credit have been fully drawn, and thereafter until all related reimbursement obligations have been paid. Upon each payment made by the Agent in respect of any draft or other demand for payment under any Letter of Credit, the amount of any Letter of Credit Advance outstanding immediately prior to such payment shall be automatically reduced by the amount of each Revolving Credit Loan deemed advanced in respect of the related reimbursement obligation of the Borrower.

2.3 Fees. (a) The Company agrees to pay to the Banks a commitment fee on the daily average unused amount of the Commitments, for the period from the Effective Date to but excluding the Termination Date, at a rate equal to the

Applicable Margin. Accrued commitment fees shall be payable quarterly in arrears in Dollars on the last Business Day of each August, November, February and May, commencing on the first such Business Day occurring after the date of this Agreement, and on the Termination Date. For the purpose of calculating the commitment fee under this Section 2.3(a) only, but not for the purpose of calculating the Borrowing Base availability, the aggregate amount of S/L/Cs and Bank Guarantees outstanding shall constitute usage of the Commitment while the aggregate amount of C/L/Cs outstanding shall not constitute usage of the Commitment. All Letters of Credit shall constitute usage of the Borrowing Base. For the purpose of calculating the commitment fee under this Section 2.3(a) only, but not for the purpose of calculating the available Commitment of each Bank, Swing Line Loans shall not constitute usage of the Commitment for any Bank other than the Swing Line Bank.

(b) The Borrowers agree to pay (i) with respect to S/L/Cs, (A) a fee to Agent for the benefit of the Banks computed at the Applicable Margin on the maximum amount available to be drawn from time to time under such S/L/C for the period from and including the date of issuance of such S/L/C to and including the stated expiry date of such S/L/C, and (B) to pay an additional fee to the Issuing Bank for its own account computed at the rate of one-eighth of one percent (1/8 of 1%) per annum of such maximum amount for such period, which fee shall be paid annually in advance at the time such S/L/C is issued or amended, (ii) with respect to C/L/Cs, a fee to the Agent for the ratable benefit of the Banks computed at the rate of three-eighths of one percent (3/8 of 1%) per annum, which fees shall be paid at each time as any C/L/C is presented or drawn upon, in whole or in part on the amount of such C/L/C which is presented or drawn upon, in whole or in part, and (iii) with respect to Bank Guarantees, a fee to the Agent for the ratable benefit of the Banks computed at the rate of seven-eighths of one percent (7/8 of 1%) per annum on the maximum amount available to be drawn from time to time under such Bank Guarantee for the period from and including the date of issuance of such Bank Guarantee to and including the stated expiry date of such Bank Guarantee, which fee shall be paid by the Borrower in advance at three month intervals from issuance of the Bank Guarantee. Such fees are nonrefundable and the Borrowers shall not be entitled to any rebate of any portion thereof if such Letter of Credit does not remain outstanding through its stated expiry date or for any other reason. The Borrowers further agree to pay to the Issuing Bank, on demand, such other customary and reasonable administrative fees, charges and expenses of the Issuing Bank in respect of the issuance, negotiation, acceptance, amendment, transfer and payment of such Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is issued in accordance with a schedule of fees provided by the Issuing Bank to the Company.

(c) The Company agrees to pay to the Agent an arrangement fee and an agency fee for its services as Agent under this Agreement in such amounts as may from time to time be agreed upon by the Company and the Agent.

2.4 Disbursement of Advances. (a) Except with respect to Swing Line Loans, a Borrower shall give the Agent notice of its request for each Advance in substantially the form of Exhibit G hereto at the principal office of the Agent and at the Applicable Administrative Office with respect to such Advance not later than 12:00 p.m. local time of the Applicable Administrative Office (i) three Eurocurrency Business Days prior to the date such Advance is requested to be made if such Borrowing is to be made as a Eurocurrency Rate Borrowing, and (ii) three Business Days prior to the date any Letter of Credit Advance is requested to be made and (iii) on the date such Advance is requested to be made if such Advance is to be made as a Floating Rate Borrowing. Such notice shall specify whether a Eurocurrency Rate Loan, Floating Rate Loan or a Letter of Credit Advance is requested and, in the case of each requested Eurocurrency Rate Loan, the Interest Period to be initially

applicable to such Loan and the Permitted Currency in which such Loan is to be denominated. With respect to Swing Line Loans, a Borrower shall give the Swing Line Bank notice of its request for each Swing Line Loan in substantially the form of Exhibit G hereto at the Applicable Administrative Office with respect to such Advance not later than 1:00 p.m. local time of the Applicable Administrative Office on the same Business Day any Swing Line Loan is requested to be made which notice shall specify the Permitted Currency in which such Loan is to be denominated and whether such Borrower elects the Swing Line Rate or the Floating Rate with respect to such Swing Line Loan. The Agent, on the same day any such notice is given, shall provide notice of such requested Loan, other than any Swing Line Loan, to each Bank (which notice shall be provided by 2:00 p.m. local time of the Applicable Administrative Office with respect to Floating Rate Loans). Subject to the terms and conditions of this Agreement, the proceeds of each such requested Loan shall be made available to the Borrower requesting such Loan by depositing the proceeds thereof, in immediately available, freely transferable cleared funds, in the case of any Loan denominated in Dollars in an account maintained and designated by such Borrower, and, in all other cases, in an account maintained and designated by such Borrower at a bank acceptable to the Agent in the principal financial center of the country issuing the Permitted Currency in which such Loan is denominated or in such other place specified by the Agent. Subject to the terms and conditions of this Agreement, the Issuing Bank shall, on the date any Letter of Credit Advance is requested to be made, issue the related Letter of Credit on behalf of the Banks for the account of the Borrower requesting such Letter of Credit. Notwithstanding anything herein to the contrary, the Issuing Bank may decline to issue any requested Letter of Credit on the basis that the beneficiary, the purpose of issuance or the terms or the conditions of drawing are unacceptable to it in its reasonable discretion.

(b) Each Bank, on the date any Loan is requested to be made, shall make its pro rata share of such Loan available in immediately available, freely transferable cleared funds for disbursement to the Borrower requesting such Loan pursuant to the terms and conditions of this Agreement, in the case of any Loan denominated in Dollars, at the principal office of the Agent and, in all other cases, to the account of the Agent at its designated branch or correspondent bank in the country issuing such Permitted Currency in which such Loan is denominated or at such other place specified by the Agent. Unless the Agent shall have received notice from any Bank prior to the date such Loan is requested to be made under this Section 2.4 that such Bank will not make available to the Agent such Bank's pro rata portion of such Loan, the Agent may assume that such Bank has made such portion available to the Agent on the date such Loan is requested to be made in accordance with this Section 2.4. If and to the extent such Bank shall not have so made such pro rata portion available to the Agent, the Agent may (but shall not be obligated to) make such amount available to such Borrower, and such Bank agrees to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date such amount is made available to such Borrower by the Agent until the date such amount is repaid to the Agent, at a rate per annum equal to the Federal Funds Rate or the relevant market interbank compensation rate with respect to Permitted Currencies other than Dollars then in effect. If such Bank shall pay such amount to the Agent together with interest, such amount so paid shall constitute a Loan by such Bank as part of the related Borrowing for purposes of this Agreement and interest shall accrue from the date of the related Borrowing. The failure of any Bank to make its pro rata portion of any such Borrowing available to the Agent shall not relieve any other Bank of its obligation to make available its pro rata portion of such Loan on the date such Loan is requested to be made, but no Bank shall be responsible for failure of any other Bank to make such pro rata portion available to the Agent on the date of any such Loan.

(c) All Revolving Credit Loans made under this

Section 2.4 shall be evidenced by the Revolving Credit Notes and all Swing Line Loans made under this Section 2.4 shall be evidenced by the Swing Line Notes, and all such Loans shall be due and payable and bear interest as provided in Article III. Each Bank is hereby authorized by the Borrowers to record on its books and records, the date, amount and type of each Loan and the duration of the related Interest Period (if applicable), the amount of each payment or prepayment of principal thereon, and the other information provided for in such books and records, which books and records shall constitute prima facie evidence of the information so recorded, provided, however, that failure of any Bank to record, or any error in recording, any such information shall not relieve the Borrowers of their obligation to repay the outstanding principal amount of the Loans, all accrued interest thereon and other amounts payable with respect thereto in accordance with the terms of the Notes and this Agreement. Subject to the terms and conditions of this Agreement, each Borrower may borrow Revolving Credit Loans under this Section 2.4, prepay Revolving Credit Loans pursuant to Section 3.1 and reborrow Revolving Credit Loans.

(d) Nothing in this Agreement shall be construed to require or authorize any Bank to issue any Letter of Credit, it being recognized that the Issuing Bank has the sole obligation under this Agreement to issue Letters of Credit on behalf of the Banks, and the Commitment of each Bank with respect to Letter of Credit Advances is expressly conditioned upon the Issuing Bank's performance of such obligations. Upon such issuance by the Issuing Bank, each Bank shall automatically acquire a pro rata participation interest in such Letter of Credit Advance based on the amount of its respective Commitment. If the Issuing Bank shall honor a draft or other demand for payment presented or made under any Letter of Credit, the Issuing Bank shall provide notice thereof to each Bank on the date such draft or demand is honored unless a Borrower shall have satisfied its reimbursement obligation by payment to the Issuing Bank on such date. Each Bank, on such date, shall make its pro rata share of the amount paid by the Issuing Bank available in immediately available funds at the principal office of the Agent for the account of the Issuing Bank, subject to Section 9.5(b). If and to the extent such Bank shall not have made such pro rata portion available to the Agent, such Bank and the Borrower severally agree to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date such amount was paid by the Issuing Bank until such amount is so made available to the Agent at a per annum rate equal to, in the case of the Borrower at the Floating Rate or the relevant interbank compensation market rate plus the Applicable Margin with respect to Permitted Currencies other than Dollars and, in the case of any Bank, the Federal Funds Rate or the relevant interbank compensation market rate with respect to Permitted Currencies other than Dollars. If such Bank shall pay such amount to the Agent together with such interest, such amount so paid shall, subject to Section 3.3(a)(ii), constitute a Revolving Credit Loan by such Bank as part of the Revolving Credit Borrowing disbursed in respect of the reimbursement obligation of the Borrower for purposes of this Agreement. The failure of any Bank to make its pro rata portion of any such amount paid by the Issuing Bank available to the Agent shall not relieve any other Bank of its obligation to make available its pro rata portion of such amount, but no Bank shall be responsible for failure of any other Bank to make such pro rata portion available to the Agent.

2.5 Conditions for First Disbursement. The obligation of each Bank to make its first Advance hereunder is subject to receipt by each Bank and the Agent of the following documents and completion of the following matters, in form and substance reasonably satisfactory to the Agent:

(a) Charter Documents. Certificates of recent date of the appropriate authority or official of each Borrower's and each Guarantor's state of incorporation listing all charter documents of such Borrower or such Guarantor, on file in that office and certifying as to the good standing and corporate

existence of such Borrower or such Guarantor, together with copies of such charter documents of such Borrower or such Guarantor, certified as of a recent date by such authority or official and certified as true and correct as of the Effective Date by a duly authorized officer of such Borrower or such Guarantor;

(b) By-Laws and Corporate Authorizations. Copies of the by-laws of each Borrower and each Guarantor together with all authorizing resolutions and evidence of other corporate action taken by such Borrower or such Guarantor to authorize the execution, delivery and performance by such Borrower or such Guarantor of the Loan Documents to which it is a party and the consummation by such Borrower or such Guarantor of the transactions contemplated hereby, certified as true and correct as of the Effective Date by a duly authorized officer of such Borrower or such Guarantor;

(c) Incumbency Certificate. Certificates of incumbency of each Borrower and each Guarantor containing, and attesting to the genuineness of, the signatures of those officers authorized to act on behalf of such Borrower or such Guarantor in connection with the Loan Documents and the consummation by such Borrower or such Guarantor of the transactions contemplated hereby, certified as true and correct as of the Effective Date by a duly authorized officer of such Borrower or such Guarantor;

(d) Notes. The Notes, duly executed on behalf of each Borrower, for each Bank;

(e) Security Documents. The Security Documents duly executed on behalf of each Borrower and each Guarantor granting to the Banks and the Agent the collateral and security intended to be provided pursuant to Section 2.11.

(f) Legal Opinion. The favorable written opinion of Linda Moore, General Counsel of the Company, and the favorable written opinion of counsel of Jabil Circuit Ltd, each in substantially the form of Exhibit H attached hereto; and

(g) Consents, Approvals, Etc. Copies of all governmental and nongovernmental consents, approvals, authorizations, declarations, registrations or filings, if any, required on the part of each Borrower and each Guarantor in connection with the execution, delivery and performance of the Loan Documents or the transactions contemplated hereby or as a condition to the legality, validity or enforceability of this Agreement and the Notes, certified as true and correct and in full force and effect as of the Effective Date by a duly authorized officer of such Borrower or such Guarantor, or, if none are required, a certificate of such officer to that effect.

(h) Private Placement Debt. The Company shall have completed the closing of the Private Placement Debt on terms and conditions satisfactory to the Banks and all Private Placement Documents shall have been delivered to the Agent and the Banks and approved by the Banks, together with the Intercreditor Agreement in form and substance satisfactory to the Banks.

2.6 Further Conditions for Disbursement. The obligation of each Bank to make any Advance (including its first Advance), or any continuation or conversion under Section 2.7, is further subject to the satisfaction of the following conditions precedent:

(a) The representations and warranties contained in Article IV hereof and in any other Loan Document shall be true and correct in all material respects on and as of the date such Advance is made, continued or converted (both before and after such Advance is made, continued or converted) as if such representations and warranties were made on and as of such date; and

(b) No Event of Default and no Default shall exist or shall have occurred and be continuing on the date such Advance is made, continued or converted (whether before or after such Advance is made, continued or converted);

(c) The Agent shall have received the Borrowing Base Certificates required pursuant to Section 5.1(d)(v) calculated as of the close of business on the last day of the week immediately preceding the date such Advance is made;

(d) In the case of any Letter of Credit Advance, the Borrower requesting such Letter of Credit Advance shall have delivered to the Agent an application for the related Letter of Credit and other related documentation requested by and acceptable to the Agent appropriately completed and duly executed on behalf of such Borrower.

Each Borrower shall be deemed to have made a representation and warranty to the Banks at the time of the requesting of, the making of, and the continuation or conversion of, each Advance to the effects set forth in clauses (a) and (b) of this Section 2.6. For purposes of this Section 2.6, the representations and warranties contained in Section 4.6 hereof shall be deemed made with respect to the most recent financial statements delivered pursuant to Section 5.1(d)(ii) and (iii).

2.7 Subsequent Elections as to Borrowings. A Borrower may elect (a) to continue a Eurocurrency Rate Borrowing, or a portion thereof, as a Eurocurrency Rate Borrowing, or (b) may elect to convert a Eurocurrency Rate Borrowing, or a portion thereof, to a Floating Rate Borrowing or (c) elect to convert a Floating Rate Borrowing, or a portion thereof, to a Eurocurrency Rate Borrowing, or (d) elect to convert a Loan denominated in a Permitted Currency to a Loan denominated in another Permitted Currency, in each case by giving notice thereof to the Agent in substantially the form of Exhibit I hereto at the principal office of the Agent and at the Applicable Administrative Office with respect to such Loan not later than 12:00 p.m. local time of the Applicable Administrative Office (i) three Eurocurrency Business Days prior to the date any such continuation of or conversion to a Eurocurrency Rate Borrowing is to be effective and (ii) the date such continuation or conversion is to be effective in all other cases, provided that an outstanding Eurocurrency Rate Borrowing may only be converted on the last day of the then current Interest Period with respect to such Borrowing, and provided, further, if a continuation of a Borrowing as, or a conversion of a Borrowing to, a Eurocurrency Rate Borrowing is requested, such notice shall also specify the Interest Period to be applicable thereto upon such continuation or conversion. The Agent, on the day any such notice is given, shall promptly provide notice of such election to the Banks. If a Borrower shall not timely deliver such a notice with respect to any outstanding Eurocurrency Rate Borrowing, the Borrower shall be deemed to have elected to convert such Eurocurrency Rate Borrowing to a Floating Rate Borrowing on the last day of the then current Interest Period with respect to such Borrowing.

2.8 Limitation of Requests and Elections. Notwithstanding any other provision of this Agreement to the contrary, if, upon receiving a request for a Eurocurrency Rate Borrowing pursuant to Section 2.4, or a request for a continuation of a Eurocurrency Rate Borrowing as a Eurocurrency Rate Borrowing, or a request for a conversion of a Floating Rate Borrowing to a Eurocurrency Rate Borrowing pursuant to Section 2.7, (a) in the case of any Eurocurrency Rate Borrowing, deposits in the relevant Permitted Currency for periods comparable to the Interest Period elected by the Borrower are not available to any Bank in the relevant interbank or secondary market and such Bank has provided to the Agent and the Borrowers a certificate prepared in good faith to that effect, or (b) any Bank reasonably determines that the Eurocurrency Rate will not adequately and fairly reflect the cost to such Bank of making, funding or maintaining the related Eurocurrency Rate Loan and such Bank has provided to the Agent and the Borrowers a certificate prepared in good faith to that effect, or (c) by

reason of national or international financial, political or economic conditions or by reason of any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect, or the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Bank with any directive of such authority (whether or not having the force of law), including without limitation exchange controls, it is impracticable, unlawful or impossible for any Bank (i) to make or fund the relevant Eurocurrency Rate Borrowing or (ii) to continue such Eurocurrency Rate Borrowing as a Eurocurrency Rate Borrowing or (iii) to convert a Loan to such a Eurocurrency Rate Loan, and such Bank has provided to the Agent and the Borrowers a certificate prepared in good faith to that effect, then the Borrowers shall not be entitled, so long as such circumstances continue, to request a Eurocurrency Rate Borrowing of the affected type pursuant to Section 2.4 or a continuation of or conversion to a Eurocurrency Rate Borrowing pursuant to Section 2.7. In the event that such circumstances no longer exist, the Banks shall again honor requests, subject to this Agreement, for Eurocurrency Rate Borrowings of the affected type pursuant to Section 2.4, and requests for continuations of and conversions to Eurocurrency Rate Borrowings of the affected type pursuant to Section 2.7.

2.9 Minimum Amounts; Limitation on Number of Borrowings. Except for (a) Borrowings and conversions thereof which exhaust the entire remaining amount of the Commitments, (b) conversions or payments required pursuant to Section 3.1(c) or Section 3.7, (c) Revolving Credit Loans requested as a result of the refusal of the Agent to make a Swing Line Loan, in which case the minimum amount of the Loan shall be $100,000, and (d) Revolving Credit Loans disbursed to satisfy reimbursement obligations under Letters of Credit pursuant to Section 3.3(a), each Revolving Credit Loan and each continuation or conversion pursuant to Section 2.7 and each prepayment thereof shall be in a minimum amount of, with respect to Floating Rate Loans, $1,000,000 and in integral multiples of $100,000 and, with respect to Eurocurrency Rate Loans, $3,000,000 and in integral multiples of $500,000. Notwithstanding anything herein to the contrary, (a) all Loans must be denominated in a Permitted Currency and (b) Floating Rate Loans must be denominated in Dollars.

2.10 Borrowing Base Adjustments. Each Borrower agrees that if at any time any trade account receivable or any inventory of such Borrower fails to constitute Eligible Account Receivable or Eligible Inventory, as the case may be, for any reason, the Agent may, at any time and notwithstanding any prior classification of eligibility, classify such asset or property as ineligible and exclude the same from the computation of the Borrowing Base.

2.11 Security and Collateral. To secure the payment when due of the Notes and all other obligations of the Borrowers under this Agreement to the Banks and the Agent, each Borrower shall execute and deliver, or cause to be executed and delivered, to the Banks and the Agent Security Documents granting the following:

(a) Pledges of 66% of all capital stock of Jabil Circuit Ltd.

(b) Guaranties of all Domestic Borrowers and present and future Domestic Subsidiaries.

ARTICLE III.
PAYMENTS AND PREPAYMENTS

3.1 Principal Payments. (a) Unless earlier payment is required under this Agreement, the Borrowers shall pay to the Banks on the Termination Date the entire outstanding principal amount of the Loans.

(b) The Borrowers may at any time and from time

to time prepay all or a portion of the Loans without premium or penalty, provided that (i) a Borrower may not prepay any portion of any Loan as to which an election for continuation of or conversion to a Eurocurrency Rate Loan is pending pursuant to Section 2.7, and (ii) unless earlier payment is required under this Agreement or unless Borrower pays all amounts required pursuant to Section 3.9, any Eurocurrency Rate Loan may only be prepaid on the last day of the then current Interest Period with respect to such Loan and (iii) such prepayment shall only be permitted if a Borrower shall have given notice thereof on the Business Day of such prepayment with respect to prepayment of Floating Rate Loans, not less than three Eurocurrency Business Days' notice thereof with respect to prepayment of Eurocurrency Rate Loans, such notice specifying the Loan or portion thereof to be so prepaid and shall have paid to the Banks, together with such prepayment of principal, all accrued interest to the date of payment on such Loan or portion thereof so prepaid and all amounts owing to the Banks under Section 3.9 in connection with such prepayment. Upon the giving of such notice, the aggregate principal amount of such Loan or portion thereof so specified in such notice, together with such accrued interest and other amounts, shall become due and payable on the specified date.

(c) If at any time (i) the Dollar Equivalent of the aggregate outstanding principal amount of the Revolving Credit Advances shall exceed the lesser of the Borrowing Base or the aggregate Commitments or (ii) the Dollar Equivalent of the aggregate outstanding principal amount of the Revolving Credit Advances to any Borrower shall exceed the lesser of the Borrowing Base of such Borrower or the sublimit specified for such Borrower on Schedule 1.1(a), the Borrowers, in the case of clause (i) above, or the relevant Borrower, in the case of clause (ii) above, shall forthwith pay to the Banks, without demand, an amount not less than the amount of such excess for application to the outstanding principal amount of the Loans, provided that if any such prepayment would be in excess of the outstanding amount of the Loans, the Borrowers or the relevant Borrower, as the case may be, shall deliver cash collateral to the Agent to secure the outstanding Letters of Credit in the amount of such excess which is greater than the outstanding Loans and the Company hereby grants to the Agent, for the benefit of the Banks, a first priority lien and security interest in such collateral, and all such cash collateral shall be under the sole and exclusive control of the Agent.

(d) If, pursuant to Section 2.7, a Borrowing, or portion thereof, is continued or converted, such Borrowing or portion thereof shall be repaid on the last day of the related Interest Period in the Permitted Currency in which such Borrowing is then denominated and (i) in the case of any conversion, the Agent shall readvance to the Borrower making such request the Equivalent of the Original Dollar Amount of the Borrowing or portion thereof as has been so repaid by the Borrower in the Permitted Currency requested pursuant to Section 2.7, and (ii) in the case of any continuation when the aggregate outstanding amount of Advances exceeds 90% of the aggregate Commitments, the Agent shall readvance to the Borrower the same amount of such Permitted Currency as has been so repaid. The Agent shall provide prompt notice to the Company and the Banks of the activation of clause (ii) above. For purposes of effecting the repayment required by this Section 3.1(d), the Agent shall apply the proceeds of such readvance toward the repayment of such Borrowing or portion thereof on the last day of the related Interest Period. In the case of any conversion, the Agent shall be deemed to have applied the proceeds of such Advance toward the purchase of the Permitted Currency to be repaid and to have applied the proceeds of such purchase toward such repayment. If after any such application there shall remain owing an amount of the Permitted Currency due to the Agent, for the benefit of the Banks, or if an excess of such Permitted Currency shall result, such Borrower shall pay to the Banks, or, if no Default or Event of Default shall have occurred and be continuing, the Banks shall return to such Borrower the amount of such deficiency or such excess. In the case of any continuation described in clause (ii) above, on the last day of

such Interest Period, the Original Dollar Amount of such Borrowing or portion thereof shall be adjusted to equal the amount in Dollars resulting from the conversion of the amount of such Permitted Currency so readvanced to Dollars determined as of the second Business Day preceding such day. On the date of each such conversion or continuation, if the Dollar Equivalent on such date of all outstanding Advances, including the Advances being continued or converted, exceeds the aggregate Commitments of the Banks, the Borrower shall take the following actions in the following order until such excess of the Dollar Equivalent of all Advances over the aggregate Commitments of the Banks is eliminated: (a) on such date, first, reduce or withdraw any pending request for a new Advance in Dollars to be made on such date, second, repay in Dollars any Floating Rate Loan denominated in Dollars then outstanding, and third, reduce the amount of, or repay, in the Permitted Currency in which such Borrowing is denominated, any Advance which the Borrower has requested to be converted or continued on such date, and (b) on the last day of each Eurocurrency Interest Period ending thereafter, reduce the amount of, or repay in the Permitted Currency in which such Borrowing is denominated, any Advance which the Borrower has requested to be converted or continued on such last day.

3.2 Interest Payments. The Borrowers shall pay interest to the Banks on the unpaid principal amount of each Loan, for the period commencing on the date such Loan is made until such Loan is paid in full, on each Interest Payment Date and at maturity (whether at stated maturity, by acceleration or otherwise), and thereafter on demand, at the following rates per annum:

(a) With respect to Revolving Credit Loans:

(i) During such periods that such Loan is a Floating Rate Loan, the Floating Rate.

(ii) During such periods that such Loan is an Eurocurrency Rate Loan, the Eurocurrency Rate applicable to such Loan for each related Eurocurrency Interest Period.

(b) With respect to Swing Line Loans, the Swing Line Rate or Floating Rate applicable to such Loan.

Notwithstanding the foregoing paragraphs (a) through (b), the Borrowers shall pay interest on demand at the Overdue Rate on the outstanding principal amount of any Loan and any other amount payable by the Borrowers hereunder (other than interest) on and after an Event of Default.

3.3 Letter of Credit Reimbursement Payments. (a)(i) Each Borrower agrees to pay to the Banks, on the day on which the Issuing Bank shall honor a draft or other demand for payment presented or made under any Letter of Credit, an amount equal to the amount paid by the Issuing Bank in respect of such draft or other demand under such Letter of Credit and all expenses paid or incurred by the Issuing Bank relative thereto. Unless a Borrower shall have made such payment to the Agent on such day, upon each such payment by the Issuing Bank, subject to Section 3.3(a)(ii), the Issuing Bank shall be deemed to have disbursed to such Borrower, and such Borrower shall be deemed to have elected to satisfy its reimbursement obligation by, a Revolving Credit Loan bearing interest at the Floating Rate for the account of the Banks in an amount equal to the amount so paid by the Issuing Bank in respect of such draft or other demand under such Letter of Credit. Such Revolving Credit Loan shall, subject to Section 3.3(a)(ii), be disbursed notwithstanding any failure to satisfy any conditions for disbursement of any Loan set forth in Article II hereof and, to the extent of the Revolving Credit Loan so disbursed, the reimbursement obligation of the Borrower under this Section 3.3 shall be deemed satisfied; provided, however, that nothing in this Section 3.3 shall be deemed to constitute a waiver of any Default or Event of Default caused by the failure to the conditions for disbursement or otherwise.

(ii) If, for any reason (including without limitation as a result of the occurrence of an Event of Default with respect to any Borrower pursuant to Section 6.1(i)), Floating Rate Loans may not be made by the Banks as described in Section 3.3(a)(i), then (A) each Borrower agrees that each reimbursement amount not paid pursuant to the first sentence of Section 3.3(a)(i) shall bear interest, payable on demand by the Agent, at the interest rate then applicable to Floating Rate Loans, and (B) effective on the date each such Floating Rate Loan would otherwise have been made, each Bank severally agrees that it shall unconditionally and irrevocably, without regard to the occurrence of any Default or Event of Default, in lieu of deemed disbursement of loans, to the extent of such Bank's Commitment, purchase a participating interest in each reimbursement amount. Each Bank will immediately transfer to the Agent, in same day funds, the amount of its participation. Each Bank shall share on a pro rata basis (calculated by reference to its Commitment) in any interest which accrues thereon and in all repayments thereof. If and to the extent that any Bank shall not have so made the amount of such participating interest available to the Agent, such Bank and the Borrower severally agree to pay to the Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by the Agent until the date such amount is paid to the Agent, at (x) in the case of any Borrower, the interest rate then applicable to Floating Rate Loans and (y) in the case of such Bank, the Federal Funds Rate.

(b) The reimbursement obligation of each Borrower under this Section 3.3 shall be absolute, unconditional and irrevocable and shall remain in full force and effect until all obligations of the Borrowers to the Banks hereunder shall have been satisfied, and such obligations of the Borrowers shall not be affected, modified or impaired upon the happening of any event, including without limitation, any of the following, whether or not with notice to, or the consent of, any Borrower:

(i) Any lack of validity or enforceability of any Letter of Credit or any documentation relating to any Letter of Credit or to any transaction related in any way to such Letter of Credit (the "Letter of Credit Documents");

(ii) Any amendment, modification, waiver, consent, or any substitution, exchange or release of or failure to perfect any interest in collateral or security, with respect to any of the Letter of Credit Documents;

(iii) The existence of any claim, setoff, defense or other right which any Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any persons or entities for whom any such beneficiary or any such transferee may be acting), the Agent, the Issuing Bank or any Bank or any other person or entity, whether in connection with any of the Letter of Credit Documents, the transactions contemplated herein or therein or any unrelated transactions;

(iv) Any draft or other statement or document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) Payment by the Issuing Bank to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit;

(vi) Any failure, omission, delay or lack on the part of the Agent, the Issuing Bank or any Bank or any party to any of the Letter of Credit Documents to enforce, assert or exercise any right, power or remedy conferred upon the Agent, the Issuing Bank, any Bank or any such party under this Agreement or any of the Letter of Credit Documents, or any other

acts or omissions on the part of the Agent, the Issuing Bank, any Bank or any such party;

(vii) Any other event or circumstance that would, in the absence of this clause, result in the release or discharge by operation of law or otherwise of any Borrower from the performance or observance of any obligation, covenant or agreement contained in this Section 3.3.

No setoff, counterclaim, reduction or diminution of any obligation or any defense of any kind or nature which any Borrower has or may have against the beneficiary of any Letter of Credit shall be available hereunder to such Borrower against the Agent, the Issuing Bank or any Bank. Nothing in this Section 3.3 shall limit the liability, if any, of the Agent or the Issuing Bank to any Borrower pursuant to Section 9.5.

3.4 Payment Method. (a) All payments to be made by the Borrower hereunder shall be made to the Agent for the account of the Banks in the specified or relevant currency in freely transferable, cleared, same-day funds, not later than 1:00 p.m. local time in the place specified for payment on the date on which such payment is due. Payments of principal and interest on any Loan denominated, and of any other amounts due, in a Permitted Currency other than Dollars shall be made by the Borrowers by credit to the account of the Agent at its designated branch or correspondent bank in the country issuing the relevant Permitted Currency or in such other place specified by the Agent with respect to such Loan or amount under Section 2.4(b). Payments of any other amounts due under this Agreement shall be made to the Applicable Administrative Office of the Agent. Payments received after 1:00 p.m. at the place for payment shall be deemed to be payments made prior to 1:00 p.m. at the place for payment on the next succeeding Business Day. Each Borrower hereby authorizes the Agent to charge its account with the Agent in order to cause timely payment of amounts due hereunder to be made (subject to sufficient funds being available in such account for that purpose).

(b) At the time of making each such payment, a Borrower shall, subject to the other terms and conditions of this Agreement, specify to the Agent that Borrowing or other obligation of the Borrowers hereunder to which such payment is to be applied. In the event that a Borrower fails to so specify the relevant obligation or if an Event of Default shall have occurred and be continuing, the Agent may apply such payments as it may determine in its sole discretion to obligations of the Borrowers to the Banks arising under this Agreement.

(c) On the day such payments are deemed received, the Agent shall promptly remit to the Banks their pro rata shares of such payments in immediately available funds, (i) in the case of payments of principal and interest on any Borrowing denominated in a Permitted Currency other than Dollars, at an account maintained and designated by each Bank at a bank in the principal financial center of the country issuing the Permitted Currency in which such Borrowing is denominated or in such other place specified by the Agent and agreed to by the Banks and (ii) in all other cases, to the Banks at their respective address in the United States specified for notices pursuant to Section 9.2. Such pro rata shares shall be determined with respect to each such Bank, (i) in the case of payments of principal and interest on any Borrowing, by the ratio which the outstanding principal balance of its Loan included in such Borrowing bears to the outstanding principal balance of the Loans of all of the Banks included in such Borrowing and (ii) in the case of fees paid pursuant to Section 2.3 and other amounts payable hereunder (other than the Agent's fees payable pursuant to Section 2.3(c) and amounts payable to any Bank under Section 2.4 or 3.6) by the ratio which the Commitment of such Bank bears to the Commitments of all the Banks.

(d) This Agreement arises in the context of an international transaction, and the specification of payment in a specific currency at a specific place pursuant to this Agreement

is of the essence. Such specified currency shall be the currency of account and payment under this Agreement. The obligations of the Borrowers hereunder shall not be discharged by an amount paid in any other currency or at another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid, on prompt conversion into the applicable currency and transfer to the Banks under normal banking procedure, does not yield the amount of such currency due under this Agreement. In the event that any payment, whether pursuant to a judgment or otherwise, upon conversion and transfer, does not result in payment of the amount of such currency due under this Agreement, the Banks shall have an independent cause of action against the Borrowers for the currency deficit.

(e) If for purposes of obtaining judgment in any court it becomes necessary to convert any currency due hereunder into any other currency, the Borrowers will pay such additional amount, if any, as may be necessary to ensure that the amount paid in respect of such judgment is the amount in such other currency which, when converted at the Agent's spot rate of exchange prevailing on the date of payment, would yield the same amount of the currency due hereunder. Any amount due from the Borrowers under this Section 3.4(e) will be due as a separate debt and shall not be affected by judgment being obtained for any other sum due under or in respect of this Agreement.

3.5 No Setoff or Deduction. (a) All such payments shall be made free and clear of any present or future taxes or withholdings and without any set-off or counter claim or any restriction or condition or deduction whatsoever. The Borrowers shall indemnify the Agent and each Bank against any taxes or charges (other than on net overall income) which may be claimed from it in respect of the Advances or any of them or any sum payable by the Borrowers or any of them hereunder and against any costs, charges and expenses or liabilities in respect of such claim and such indemnity shall survive the termination of the Commitments.

(b) If at any time any Borrower is required by law or by any directive or order of any court of competent jurisdiction to make any deduction or withholding of whatsoever nature from any payment due under this Agreement or any of the Loan Documents, such Borrower will ensure that the same does not exceed the minimum liability therefor and will (a) pay to any Bank on request such additional amount as such Bank certifies will result in the net amount received by it after all deductions being equal to the full amount which would have been receivable had there been no deduction or withholding and (b) pay forthwith to the relevant authorities the full amount of the deduction or withholding and deliver to the Agent such an official receipt, certificate or other proof evidencing the amount paid in respect of such deduction or withholding. Any additional amount paid under this sub-clause shall not be treated as interest but as agreed compensation.

(c) If any payment by any Borrower is made to or for the account of any Bank after deduction for or on account of tax, and additional payments are made by the Borrower then, if any Bank shall receive or be granted a credit against or remission for such tax, such Bank shall, to the extent that it can do so without prejudice to the retention of the amount of such credit or remission, reimburse to such Borrower such amount as such Bank shall, in its absolute opinion, have concluded to be attributable to the relevant tax or deduction or withholding. Nothing herein contained shall interfere with the right of any Bank to arrange its affairs in whatever manner it thinks fit and, in particular, the Banks shall not be under any obligation to claim relief from its corporation profits or similar tax liability in respect of such tax in priority to any other claims, reliefs, credits or deductions available to it nor oblige any Bank to disclose any information relating to its tax affairs. Such reimbursement shall be made as soon as reasonably practical upon such Bank certifying that the amount of such credit or remission has been received by it.

3.6 Payment on Non-Business Day; Payment Computations. Except as otherwise provided in this Agreement to the contrary, whenever any installment of principal of, or interest on, any Loan or any other amount due hereunder becomes due and payable on a day which is not a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of any installment of principal, interest shall be payable thereon at the rate per annum determined in accordance with this Agreement during such extension. Computations of interest and other amounts due under this Agreement shall be made on the basis of a year of 360 days or as determined by custom and practice in the relevant market with respect to any Loan denominated in a Permitted Currency other than Dollars, for the actual number of days elapsed, including the first day but excluding the last day of the relevant period.

3.7 Additional Costs. (a) In the event that any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to any Bank or the Agent, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Bank or the Agent with any directive of any such authority (whether or not having the force of law), shall (i) affect the basis of taxation of payments to any Bank or the Agent of any amounts payable by any Borrower under this Agreement (other than taxes imposed on the overall net income of the Bank or the Agent, by the jurisdiction, or by any political subdivision or taxing authority of any such jurisdiction, in which any Bank or the Agent, as the case may be, has its principal office), or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by any Bank or the Agent, as the case may be, or (iii) shall impose any other condition with respect to this Agreement, the Commitments, the Notes or the Advances, and the result of any of the foregoing is to increase the cost to any Bank or the Agent, as the case may be, of making, funding or maintaining any Loan or to reduce the amount of any sum receivable by any Bank or the Agent, thereon, then the Borrowers shall pay to such Bank or the Agent, as the case may be, from time to time, upon request by such Bank (with a copy of such request to be provided to the Agent) or the Agent, additional amounts sufficient to compensate such Bank or the Agent, as the case may be, for such increased cost or reduced sum receivable to the extent, in the case of any Eurocurrency Rate Loan, such Bank or the Agent, as the case may be, is not compensated therefor in the computation of the interest rate applicable to such Eurocurrency Rate Loan. Each Bank or the Agent, as the case may be, seeking compensation hereunder shall deliver to the Borrowers a statement setting forth (i) such increased cost or reduced sum receivable as such Bank or the Agent, as the case may be, has calculated in good faith, (ii) a description of the event giving rise thereto, and (iii) a calculation in reasonable detail of the amounts requested. Such statement as to the amount of such increased cost or reduced sum receivable, prepared in good faith and in reasonable detail by such Bank or the Agent, as the case may be, and submitted by such Bank or the Agent, as the case may be, to the Borrowers, shall be conclusive and binding for all purposes absent manifest error in computation.

(b) In the event that any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to any Bank or the Agent, but applicable to banks or financial institutions generally, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Bank or the Agent with any directive of any such authority (whether or not having the force of law), including any risk-based capital guidelines, affects the amount of capital required or expected to be maintained by such Bank or the Agent (or any corporation controlling such Bank or the Agent) and such Bank or the Agent, as the case may be, determines that the

amount of such capital is increased by or based upon the existence of such Bank's or the Agent's obligations hereunder and such increase has the effect of reducing the rate of return on such Bank's or the Agent's (or such controlling corporation's) capital as a consequence of such obligations hereunder to a level below that which such Bank or the Agent (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank or the Agent to be material, then the Borrowers shall pay to such Bank or the Agent, as the case may be, from time to time, upon request by such Bank (with a copy of such request to be provided to the Agent) or the Agent, additional amounts sufficient to compensate such Bank or the Agent (or such controlling corporation) for any reduced rate of return which such Bank or the Agent reasonably determines to be allocable to the existence of such Bank's or the Agent's obligations hereunder. Each Bank or the Agent, as the case may be, seeking compensation hereunder shall deliver to the Borrowers a statement setting forth (i) such increased cost or reduced sum receivable as such Bank or the Agent, as the case may be, has calculated in good faith, (ii) a description of the event giving rise thereto, and (iii) a calculation in reasonable detail of the amounts requested. Such statement as to the amount of such compensation, prepared in good faith and in reasonable detail by such Bank or the Agent, as the case may be, and submitted by such Bank or the Agent to the Borrowers, shall be conclusive and binding for all purposes absent manifest error in computation.

3.8 Illegality and Impossibility. In the event that any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to any Bank, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any Bank with any directive of such authority (whether or not having the force of law), including without limitation exchange controls, shall make it unlawful or impossible for any Bank to maintain any Advance under this Agreement or shall make it impracticable, unlawful or impossible for, or shall in any way limit or impair the ability of, any Borrower to make or any Bank to receive any payment under this Agreement at the place specified for payment hereunder, or to freely convert any amount paid into Dollars at market rates of exchange or to transfer any amount paid or so converted to the address of its principal office specified in Section 9.2, the Borrowers shall upon receipt of notice thereof from such Bank, repay in full the then outstanding principal amount of each Loan so affected, together with all accrued interest thereon to the date of payment and all amounts owing to such Bank under Section 3.9, (a) on the last day of the then current Interest Period applicable to such Loan if such Bank may lawfully continue to maintain such Loan to such day, or (b) immediately if such Bank may not continue to maintain such Loan to such day.

3.9 Indemnification. If any Borrower makes any payment of principal with respect to any Loan on any other date than the last day of an Interest Period applicable thereto, (whether pursuant to Section 3.8 or Section 6.2 or otherwise), or if any Borrower fails to borrow or convert any Loan after notice has been given to the Banks in accordance with Section 2.4 or Section 2.7, the Borrowers shall reimburse each Bank on demand for any resulting net loss or expense incurred by each such Bank after giving credit for any earnings or other quantifiable financial benefit to such Bank from such Bank's investment or other amounts prepaid or not reborrowed, including without limitation any loss incurred in obtaining, liquidating or employing deposits from third parties, whether or not such Bank shall have funded or committed to fund such Loan. A statement as to the amount of such loss or expense, prepared in good faith and in reasonable detail by such Bank and submitted by such Bank to the Borrowers, shall be conclusive and binding for all purposes absent manifest error in computation, provided that before delivery of such statement, each Bank shall use reasonable efforts in accordance with its normal practices and

procedures to reduce amounts payable under this Section. Calculation of all amounts payable to such Bank under this Section 3.9 shall be made as though such Bank shall have actually funded or committed to fund the relevant Loan through the purchase of an underlying deposit in an amount equal to the amount of such Loan and having a maturity comparable to the related Interest Period; provided, however, that such Bank may fund any Loan in any manner it sees fit and the foregoing assumption shall be utilized only for the purpose of calculation of amounts payable under this Section 3.9.

3.10 Right of Banks to Fund Through Other Offices. Each Bank may perform its Commitment to fund its pro rata share of any Eurocurrency Rate Loan or, with respect to the Swing Line Bank, any Swing Line Loan to the Borrowers by causing an affiliate of such Bank to provide such funds in accordance with the terms of this Agreement. For all purposes of this Agreement, any amounts so advanced shall be deemed to have been advanced by such Bank, and the obligation of the Borrowers to repay such amounts shall be as provided in this Agreement.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

Each Borrower and each Guarantor represents and warrants to the Agent and the Banks that:

5. Corporate Existence and Power. Each Borrower and each Guarantor is a Person duly organized, validly existing and in good standing under the laws of the state or other political subdivision of its jurisdiction of incorporation or organization, as the case may be, and is duly qualified to do business, and is in good standing, in all additional jurisdictions where such qualification is necessary under applicable law, except where the failure to be so qualified would not have a material adverse effect on the business and financial condition of the Company and its Subsidiaries taken as a whole. Each Borrower and each Guarantor have all requisite corporate power to own or lease the properties used in its business and to carry on its business as now being conducted and as proposed to be conducted, and to execute and deliver the Loan Documents to which it is a party and to engage in the transactions contemplated by the Loan Documents.

5.1 Corporate Authority. The execution, delivery and performance by each Borrower and each Guarantor of the Loan Documents to which it is a party have been duly authorized by all necessary corporate action and are not in contravention of any material law, rule or regulation, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority, or of the terms of such Borrower's or such Guarantor's charter or by-laws, or of any material contract or undertaking to which such Borrower or such Guarantor is a party or by which such Borrower or such Guarantor or any of their property is bound and do not result in the imposition of any Lien except for Permitted Liens.

5.2 Binding Effect. The Loan Documents when delivered hereunder will be, legal, valid and binding obligations of each Borrower and each Guarantor party thereto enforceable against each Borrower and each Guarantor party thereto in accordance with their respective terms; except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights and except that the remedy of specific performance and injunctive and other forms of equitable relief are subject to equitable defenses and to the discretion of the court before which any proceedings may be brought.

5.3 Subsidiaries. Schedule 4.4 hereto correctly sets forth the corporate name, jurisdiction of incorporation and ownership of each Subsidiary of each Borrower. Each Subsidiary and each corporation becoming a Subsidiary of any Borrower after the date hereof is and will be a corporation duly organized, validly existing and in good standing under the laws of its

jurisdiction of incorporation and is and will be duly qualified to do business in each additional jurisdiction where such qualification is or may be necessary under applicable law, except where the failure to be so qualified would not have a Material Adverse Effect.

5.4 Litigation. Except as set forth in Schedule 4.5 hereto, there is no action, suit or proceeding pending or, to the best of each Borrower's and each Guarantor's knowledge, threatened against or affecting any Borrower or any of their respective Subsidiaries before or by any court, governmental authority or arbitrator, which if adversely decided would result, either individually or collectively, in any material adverse change in the business, properties, operations or financial condition of the Company and its Subsidiaries taken as a whole or in any Material Adverse Effect.

5.5 Financial Condition. The consolidated balance sheet of the Company and its Subsidiaries and the related consolidated statements of income, shareholders equity and cash flows of the Company and its Subsidiaries for the fiscal year ended August 31, 1995 and reported on by KPMG Peat Marwick, independent certified public accountants, and the interim consolidated balance sheet, statements of income, and cash flows of the Company and its Subsidiaries as of and for the six-month period ended February 29, 1996, copies of which have been furnished to the Banks, fairly present, and the financial statements of the Company and its Subsidiaries delivered pursuant to Section 5.1(d) will fairly present the consolidated financial position of the Company and its Subsidiaries as at the respective dates thereof, and the consolidated results of operations of the Company and its Subsidiaries for the respective periods indicated, all in accordance with Generally Accepted Accounting Principles consistently applied (subject, in the case of said interim statements, to normal year-end adjustments). There has been no material adverse change in the financial condition of the Company and its Subsidiaries taken as a whole since August 31, 1995. There is no material Contingent Liability of the Company that is not reflected in such financial statements or in the notes thereto.

5.6 Use of Loans. Each Borrower will use the proceeds of the Loans for its general corporate purposes, including repayment of certain existing revolving credits. No Borrower nor any of their respective Subsidiaries extends or maintains, in the ordinary course of business, credit for the purpose, whether immediate, incidental, or ultimate, of buying or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan will be used for the purpose, whether immediate, incidental, or ultimate, of buying or carrying any such margin stock or maintaining or extending credit to others for such purpose. After applying the proceeds of each Loan, such margin stock will not constitute more than 25% of the value of the assets (either of any Borrower alone or of the Borrowers and their respective Subsidiaries on a consolidated basis) that are subject to any provisions of this Agreement that may cause the Loans to be deemed secured, directly or indirectly, by margin stock.

5.7 Consents, Etc. Except for such consents, approvals, authorizations, declarations, registrations or filings delivered by the Borrowers or the Guarantors pursuant to Section 2.5(g), if any, each of which is in full force and effect, no consent, approval or authorization of or declaration, registration or filing with any governmental authority or any nongovernmental person, including without limitation any creditor, lessor or stockholder of any Borrower or any Guarantor, is required on the part of any Borrower or any Guarantor in connection with the execution, delivery and performance of the Loan Documents or the transactions contemplated hereby or as a condition to the legality, validity or enforceability of the Loan Documents.

5.8 Taxes. Each Borrower and each of their respective

Subsidiaries has filed all material tax returns (federal, state and local applicable in the United States or any foreign jurisdiction) required to be filed and have paid all taxes shown thereon to be due, including interest and penalties, or have established adequate financial reserves on their respective books and records for payment thereof except where the failure to file such returns, pay such taxes or establish such reserves would not have a Material Adverse Effect.

5.9 Title to Properties. Except as otherwise disclosed in the latest balance sheet delivered pursuant to this Agreement, a Borrower or one or more of its Subsidiaries have good and marketable fee simple title to all of the real property to the best of such Borrower's knowledge absent manifest error, and a valid and indefeasible ownership interest in all of the other properties and assets reflected in said balance sheet or subsequently acquired by a Borrower or any such Subsidiary material to the business or financial condition of Borrower's and their respective Subsidiaries taken as a whole, except for title defects that do not have a Material Adverse Effect. All of such properties and assets are free and clear of any Lien, except for Permitted Liens.

5.10 Borrowing Base. All trade accounts receivable and inventory of any Borrower represented or reported by such Borrower to be, or are otherwise included in, Eligible Accounts Receivable and Eligible Inventory comply in all respects with the requirements therefor set forth in the definition thereof, and the computations of the Borrowing Base set forth in each Borrowing Base Certificate is true and correct.

5.11 ERISA. The Borrowers, their respective Subsidiaries, their ERISA Affiliates and their respective Plans are in substantial compliance in all material respects with those provisions of ERISA and of the Code which are applicable with respect to any Plan. No Prohibited Transaction and no Reportable Event has occurred with respect to any such Plan which would cause an Event of Default. No Borrower, any of their respective Subsidiaries nor any of their ERISA Affiliates is an employer with respect to any Multiemployer Plan. The Borrowers, their respective Subsidiaries and their ERISA Affiliates have met the minimum funding requirements under ERISA and the Code with respect to each of their respective Plans, if any, and have not incurred any liability to the PBGC, other than premiums which are not yet due and payable. The execution, delivery and performance of the Loan Documents does not constitute a Prohibited Transaction. There is no material unfunded benefit liability, determined in accordance with Section 4001(a)(18) of ERISA, with respect to any Plan of any Borrower, their respective Subsidiaries or their ERISA Affiliates.

5.12 Disclosure. No report or other information furnished in writing or on behalf of any Borrower or any Guarantor to any Bank or the Agent in connection with the negotiation or administration of this Agreement contains any material misstatement of fact or omits to state any material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. Neither this Agreement, the Notes, the Security Documents nor any other document, certificate, or report or statement or other information furnished to any Bank or the Agent by or on behalf of any Borrower or any Guarantor in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact in order to make the statements contained herein and therein not misleading in light of the circumstances in which they were made. There is no fact known to any Borrower or any Guarantor which has or which in the future may have (so far as any Borrower or any Guarantor reasonably can now foresee based on information currently available to such Borrower or any Guarantor) a Material Adverse Effect, which has not been set forth in this Agreement or in the other documents, certificates, statements, reports and other information furnished in writing to the Banks by or on behalf of any Borrower in connection with

the transactions contemplated hereby.

5.13 Environmental and Safety Matters. All representations and warranties made by each Borrower in the Environmental Certificate delivered pursuant to Section 2.5(e)(iv) are true and correct.

5.14 No Material Adverse Change. Neither any Borrower nor any of its Subsidiaries has received any notice, citation or communication of the nature referred to in Section 5.1(d)(i), except in respect of such matters as have been or are being remediated in all material respects or are being contested or remediated in good faith, and, in the case of any such matter being so contested or remediated, and as of the date of this Agreement, adequate provision for all material costs of any remediation is reflected in the financial statements referred to in Section 4.6 of this Agreement, and in respect of any such notice, citation or communication received after the date of this Agreement, will be reflected in the subsequent financial statements furnished to the Agent and the Banks pursuant to Sections 5.1(d)(ii), 5.1(d)(iii) and 5.1(d)(iv).

5.15 No Default. Neither any Borrower nor any Subsidiary is in default or has received any written notice of default under or with respect to any of its Contractual Obligations in any respect which could have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

5.16 No Burdensome Restrictions. No Requirement of Law or Contractual Obligation applicable to any Borrower or any Subsidiary could have a Material Adverse Effect.

ARTICLE V.

COVENANTS

6. Affirmative Covenants. Each Borrower covenants and agrees that, until the Termination Date and thereafter until irrevocable payment in full of the principal of and accrued interest on the Notes and the performance of all other obligations of the Borrowers under this Agreement, unless the Required Banks shall otherwise consent in writing, it shall, and shall cause each of its Subsidiaries to:

(a) Preservation of Corporate Existence, Etc. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except to the extent permitted by Section 5.2(g), and its qualification as a foreign corporation in good standing in each jurisdiction in which such qualification is necessary under applicable law.

(b) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority, whether federal, state, local or foreign (including without limitation ERISA, the Code and Environmental Laws), in effect from time to time; and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income, revenues or property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, would give rise to Liens upon such properties or any portion thereof, except to the extent that payment of any of the foregoing is then being contested in good faith by appropriate legal proceedings and with respect to which adequate financial reserves have been established on the books and records of any such Borrower.

(c) Maintenance of Properties; Insurance. Maintain, preserve and protect all property that is material to the conduct of the business of any Borrower or any of their respective Subsidiaries and keep such property in good repair, working order and condition and from time to time make, or cause to be made all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that

the business carried on in connection therewith may be properly conducted at all times in accordance with customary and prudent business practices for similar businesses; and, maintain in full force and effect insurance with responsible and reputable insurance companies or associations in such amounts, on such terms and covering such risks, as is usually carried by companies engaged in similar businesses and owning similar properties similarly situated and maintain in full force and effect public liability insurance, insurance against claims for personal injury or death or property damage occurring in connection with any of its activities or any properties owned, occupied or controlled by it, in such amount as it shall reasonably deem necessary.

(d) Reporting Requirements. Furnish to the Banks and the Agent the following:

(i) Promptly and in any event within seven calendar days after becoming aware of the occurrence of (A) any Event of Default or Default, or (B) the commencement of any material litigation against, by or affecting any Borrower or any of their respective Subsidiaries or (C) entering into any material contract or undertaking that is not entered into in the ordinary course of business or (D) any development in the business or affairs of any Borrower or any of their respective Subsidiaries which has resulted in or which is likely in the reasonable judgment of such Borrower, to result in a Material Adverse Effect, a statement of the chief financial officer of such Borrower setting forth details of each such Default or Event of Default or such litigation, material contract or undertaking or development and the action which such Borrower or such Subsidiary, as the case may be, has taken and proposes to take with respect thereto;

(ii) As soon as available and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company, the consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter, and the related consolidated statements of income and cash flow for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding date or period of the preceding fiscal year, all in reasonable detail and duly certified (subject to normal year-end adjustments) by the treasurer of the Company as having been prepared in accordance with Generally Accepted Accounting Principles, together with a certificate of the treasurer of the Company stating (A) that no Event of Default or Default has occurred and is continuing or, if an Event of Default or Default has occurred and is continuing, a statement setting forth the details thereof and the action which the Company has taken and proposes to take with respect thereto, and (B) that a computation (which computation shall accompany such certificate and shall be in reasonable detail) showing compliance with Section 5.2(a), (b), (c) and (d) hereof is in conformity with the terms of this Agreement;

(iii) As soon as available and in any event within 90 days after the end of each fiscal year of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, shareholders equity and cash flows of the Company and its Subsidiaries for such fiscal year, with a customary audit report of KPMG Peat Marwick, or other independent certified public accountants selected by the Company and acceptable to the Required Banks, without qualifications unacceptable to the Required Banks, together with (A) either (I) a written statement of the accountants that in making the examination necessary for their report or opinion they obtained no knowledge of the occurrence of any Default or Event of Default under this Agreement or (II) if they know of any Default or Event of Default, their written disclosure of its nature and status, provided that, the accountants shall not be liable directly or indirectly to anyone for any failure to obtain knowledge of any Default or Event of Default under this

Agreement, and (B) a certificate of the treasurer of the Company stating (I) that no Event of Default or Default has occurred and is continuing or, if an Event of Default or Default has occurred and is continuing, a statement setting forth the details thereof and the action which the Company has taken and proposes to take with respect thereto, and (II) that a computation (which computation shall accompany such certificate and shall be in reasonable detail) showing compliance with Section 5.2(a), (b), (c) and (d) hereof is in conformity with the terms of this Agreement;

(iv) No later than the following Business Day, a Borrowing Base Certificate prepared for each Borrower as of the close of business on the last day of each month, together with supporting schedules, in form and detail satisfactory to the Agent, setting forth such information as the Agent may request with respect to the aging, value, location and other information relating to the computation of the Borrowing Base for each Borrower and the eligibility of any property or assets included in such computation, including interim updates to the accounts payable reports delivered pursuant to Section 5.1(d)(vi) with respect to accounts receivable of any Borrower subject to offset, certified as true and correct by the controller of each such Borrower;

(v) As soon as available and in any event within 30 calendar days after the end of each calendar quarter, a report with respect to each Borrower setting forth a summary, as of the end of such quarter, of (A) inventory, indicating the types of inventory, amounts, locations and values of the types of inventory, and (B) accounts payable, containing an aging of such accounts payable and consolidated totals, all in form and detail satisfactory to the Banks and certified as correct by the controller of each Borrower;

(vi) As soon as available and in any event within 15 calendar days after the end of each calendar month, a report with respect to each Borrower setting forth a summary, as of the end of such month, of (A) accounts receivable, indicating the total of accounts receivable by type, by account debtor, by terms and by age, describing any returns, defenses, setoffs or other pertinent information in connection therewith, and (B) inventory, all in form and detail satisfactory to the Banks and certified as correct by the controller of each Borrower;

(vii) Promptly after the sending or filing thereof, copies of all reports, proxy statements and financial statements which any Borrower sends to or files with any of their respective security holders or any securities exchange or the Securities and Exchange Commission or any successor agency thereof;

(viii) Promptly and in any event within 10 calendar days after receiving or becoming aware thereof (A) a copy of any notice of intent to terminate any Plan of any Borrower, their respective Subsidiaries or any ERISA Affiliate filed with the PBGC, (B) a statement of the chief financial officer of such Borrower setting forth the details of the occurrence of any Reportable Event with respect to any such Plan, (C) a copy of any notice that any Borrower, any of their respective Subsidiaries or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any such Plan or to appoint a trustee to administer any such Plan, or (D) a copy of any notice of failure to make a required installment or other payment within the meaning of Section 412(n) of the Code or Section 302(f) of ERISA with respect to any such Plan; and

(ix) Promptly, such other information respecting the business, properties, operations or condition, financial or otherwise, of any Borrower or any of their respective Subsidiaries as any Bank or the Agent may from time to time reasonably request.

(e) Accounting; Access to Records, Books, Etc.

Maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles and to comply with the requirements of this Agreement and, at any reasonable time during normal business hours and from time to time, (i) permit any Bank or the Agent or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrowers and their respective Subsidiaries, and to discuss the affairs, finances and accounts of the Borrowers and their respective Subsidiaries with their respective directors, officers, employees and independent auditors, provided that representatives of the Company selected by the Company are present during any such visit or discussion, and by this provision the Company does hereby authorize such persons to discuss such affairs, finances and accounts with any Bank or the Agent subject to the above terms and conditions and (ii) permit the Agent and any of its agents or representative to conduct a comprehensive field audit of its books, records, property and assets, which audits shall be performed once per year (unless an Event of Default has occurred in which case audits may be performed more frequently) and which audits shall be at the expense of the Borrowers. In connection with any activities of the Agent or any Bank pursuant to this Section 5.1(e), prior to any Default or Event of Default hereunder, the Agent and each of the Banks: (i) shall endeavor to give the Company three Business Days notice of any audit or visit, (ii) shall follow the Company's standard security procedures, and (iii) agree that inventory will not be audited unless the Company has relied on inventory in the Borrowing Base during the twelve months prior to any such audit.

(f) Stamp Taxes. The Borrowers will pay all stamp taxes and similar taxes, if any, including interest and penalties, if any, payable in respect of the Notes. The efficacy of this subsection shall survive the payment in full of the Notes.

(g) Additional Security and Collateral. Promptly cause each person becoming a Domestic Subsidiary of any Borrower from time to time to execute and deliver to the Banks and the Agent, within 30 days after such person becomes a Domestic Subsidiary, a Guaranty, together with other related documents described in Section 2.5, and, the Company shall pledge 66% of the stock of each person becoming a Foreign Subsidiary of the Borrower if such Foreign Subsidiary is not financed outside of this Agreement, within 30 days after such person becomes a Foreign Subsidiary, in each case sufficient to pledge such stock to the Collateral Agent for the benefit of the Lenders pursuant to the Intercreditor Agreement. Each Borrower shall notify the Banks and the Agent, within 10 days after the occurrence thereof, any person's becoming a Subsidiary.

(h) Further Assurances. Will execute and deliver within 30 days after request therefor by the Required Banks or the Agent, all further instruments and documents and take all further action that may be necessary, in order to give effect to, and to aid in the exercise and enforcement of the rights and remedies of the Banks and the Agent under, this Agreement and the Notes. In addition, the Company agrees to promptly deliver to the Agent and the Banks supplements to Schedule 4.4 listing any Subsidiary not listed in Schedule 4.4 hereto.

6.1 Negative Covenants. Until the Termination Date and thereafter until irrevocable payment in full of the principal of and accrued interest on the Notes and the performance of all other obligations of each Borrower under this Agreement, each Borrower agrees that, unless the Required Banks shall otherwise consent in writing it shall not:

(a) Current Ratio. Permit or suffer the Consolidated Current Ratio to be less than 1.40 to 1.00 at any time.

(b) Fixed Charge Coverage Ratio. Permit or

suffer the Consolidated Fixed Charge Coverage Ratio to be less than, at any time, 3.0 to 1.0; calculated as of the end of each fiscal quarter for the four immediately preceding fiscal quarters.

(c) Tangible Net Worth. Permit or suffer Consolidated Tangible Net Worth at any time to be less than the sum of (i) $85,000,000 plus (ii) 75% of the Net Cash Proceeds of Capital Stock of the Company offered or otherwise sold after the Effective Date, plus (iii) an aggregate amount equal to 60% of Consolidated Net Income (but, in each case, only if a positive number) for each completed fiscal year of the Company commencing with the fiscal year ending August 31, 1996.

(d) Funded Indebtedness to Total Capitalization. Permit or suffer the ratio of Consolidated Funded Indebtedness to Consolidated Total Capitalization at any time to exceed 0.60 to 1.0.

(e) Indebtedness. Create, incur, assume or in any manner become liable in respect of, or suffer to exist, any Indebtedness other than:

(i) The Advances;

(ii) The Indebtedness described in Schedule 5.2(e) hereto, having the same terms as those existing on the date of this Agreement, but no extension or renewal thereof shall be permitted;

(iii) Indebtedness of any Subsidiary of a Borrower owing to a Borrower or to any other Subsidiary of a Borrower;

(iv) Interest rate or currency swaps, rate caps or other similar transactions with any Bank (valued in an amount equal to the highest termination payment, if any, that would be payable by such person upon termination for any reason on the date of determination) not exceeding the aggregate amount of the Commitments;

(v) The Private Placement Debt in an aggregate principal amount not exceeding $50,000,000, together with guaranties of such Indebtedness by Domestic Subsidiaries;

(vi) Unsecured Indebtedness of Jabil Malaysia in an aggregate amount not exceeding $30,000,000 and a guaranty by the Company of such Indebtedness; provided, however, the aggregate amount of Indebtedness of Jabil Malaysia shall not exceed the book value of its accounts receivable, inventory and fixed assets as reported in the books of Jabil Malaysia and the terms and conditions of such Indebtedness, including the form of guaranty to be executed by the Company, shall be satisfactory to the Banks.

(f) Liens. Create, incur or suffer to exist any Lien on any of the assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired, of any Borrower or any of its Subsidiaries, other than:

(i) Liens for taxes not delinquent or for taxes being contested in good faith by appropriate proceedings and as to which adequate financial reserves have been established on its books and records;

(ii) Liens (other than any Lien imposed by ERISA) created and maintained in the ordinary course of business which are not material in the aggregate and which constitute (A) pledges or deposits under worker's compensation laws, unemployment insurance laws or similar legislation, (B) good faith deposits in connection with bids, tenders, contracts or leases to which a Borrower or any of its Subsidiaries is a party for a purpose other than borrowing money or obtaining credit, including rent security deposits, (C) liens imposed by law, such

as those of carriers, warehousemen and mechanics, if payment of the obligation secured thereby is not yet due, (D) Liens securing taxes, assessments or other governmental charges or levies not yet subject to penalties for nonpayment, and (E) pledges or deposits to secure public or statutory obligations of a Borrower or any of its Subsidiaries, or surety, customs or appeal bonds to which a Borrower or any of its Subsidiaries is a party;

(iii) Liens affecting real property which constitute minor survey exceptions or defects or irregularities in title, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of such real property, provided that all of the foregoing, in the aggregate, do not at any time materially detract from the value of said properties or materially impair their use in the operation of the businesses of a Borrower or any of its Subsidiaries;

(iv) Liens existing on the date hereof upon the same terms as the date hereof, but no extensions, renewals and replacements thereof shall be permitted, with each existing Lien described in Schedule 5.2(f) hereto;

(v) Liens granted by any Subsidiary in favor of a Borrower or any other Subsidiary which are subordinated to the Liens of the Agent and the Banks under the Security Documents on terms and pursuant to agreements satisfactory to the Banks;

(vi) The interest or title of a lessor under any lease otherwise permitted under this Agreement with respect to the property subject to such lease to the extent performance of the obligations of a Borrower or its Subsidiary thereunder is not delinquent; and

(vii) Liens in favor of the Collateral Agent for the benefit of the Banks and the Note Purchasers contemplated by the Intercreditor Agreement.

(g) Merger; Acquisitions; Etc. Subject to Section 5.2(j), purchase or otherwise acquire, whether in one or a series of transactions, all or a substantial portion of the business assets, rights, revenues or property, real, personal or mixed, tangible or intangible, of any person, or all or a substantial portion of the capital stock of or other ownership interest in any other person; nor merge or consolidate or amalgamate with any other person or take any other action having a similar effect, nor enter into any joint venture or similar arrangement with any other person, provided, however, that this Section 5.2(g) shall not prohibit any merger, acquisition or joint venture if (i) a Borrower shall be the surviving or continuing corporation thereof, (ii) immediately before and after such merger or acquisition, no Default or Event of Default shall exist or shall have occurred and be continuing and the representations and warranties contained in Article IV shall be true and correct on and as of the date thereof (both before and after such merger or acquisition is consummated) as if made on the date such merger or acquisition is consummated, (iii) the aggregate amount paid or payable in cash for all such mergers, acquisitions or joint ventures by the Borrowers after the Effective Date does not exceed $10,000,000, and (iv) prior to the consummation of such merger or acquisition, the Company shall have provided to the Banks an opinion of counsel and a certificate of the chief financial officer of the Company (attaching computations and pro forma financial statements to demonstrate compliance with all financial covenants hereunder both before and after such merger, acquisition or joint venture has been completed), each stating that such merger or acquisition complies with this Section 5.2(g) and that any other conditions under this Agreement relating to such transaction have been satisfied.

(h) Disposition of Assets; Etc. Sell, lease,

license, transfer, assign or otherwise dispose of all or a substantial portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one or a series of transactions, other than inventory sold in the ordinary course of business upon customary credit terms and sales of scrap or obsolete material or equipment, provided, however, that this Section 5.2(h) shall not prohibit any such sale, lease, license, transfer, assignment or other disposition if the aggregate book value (disregarding any write-downs of such book value other than ordinary depreciation and amortization) of all of the business, assets, rights, revenues and property disposed of after the date of this Agreement shall be less than $5,000,000 in the aggregate and if, immediately before and after such transaction, no Default or Event of Default shall exist or shall have occurred and be continuing.

(i) Nature of Business. Make any substantial change in the nature of its business from that engaged in on the date of this Agreement or engage in any other businesses other than the design, development and manufacturing of computer-grade electronic products.

(j) Investments, Loans and Advances. Subject to Section 5.2(g), purchase or otherwise acquire any capital stock of or other ownership interest in, or debt securities of or other evidences of Indebtedness of, any other person; nor make any loan or advance of any of its funds or property or make any other extension of credit to, or make any investment or acquire any interest whatsoever in, any other person; nor incur any Contingent Liability; other than (i) extensions of trade credit made in the ordinary course of business on customary credit terms and commission, travel and similar advances made to officers and employees in the ordinary course of business, and (ii) commercial paper of any United States issuer having the highest rating then given by Moody's Investors Service, Inc., or Standard & Poor's Corporation, direct obligations of and obligations fully guaranteed by the United States of America or any agency or instrumentality thereof, or certificates of deposit of any commercial bank which is a member of the Federal Reserve System and which has capital, surplus and undivided profit (as shown on its most recently published statement of condition) aggregating not less than $100,000,000, provided, however, that each of the foregoing investments has a maturity date not later than 365 days after the acquisition thereof by the Company or any of its Subsidiaries, (iii) those investments, loans, advances and other transactions described in Schedule 5.2(j) hereto, having the same terms as existing on the date of this Agreement, but no extension or renewal thereof shall be permitted and (iv) investments, loans and advances to any Subsidiary; provided, that, the aggregate amount of such investments, loans and advances outstanding at any time to Subsidiaries who are not a Guarantor shall not exceed $30,000,000 and the aggregate amount of such investments, loans and advances to Jabil Ltd. shall not exceed $15,000,000.

(k) Transactions with Affiliates. Enter into, become a party to, or become liable in respect of, any contract or undertaking with any Affiliate except in the ordinary course of business and on terms not less favorable to a Borrower or any Subsidiary than those which could be obtained if such contract or undertaking were an arms length transaction with a person other than an Affiliate.

(l) Sale and Leaseback Transactions. Become or remain liable in any way, whether directly or by assignment or as a guarantor or other contingent obligor, for the obligations of the lessee or user under any lease or contract for the use of any real or personal property if such property is owned on the date of this Agreement or thereafter acquired by a Borrower or any of its Subsidiaries and has been or is to be sold or transferred to any other person and was, is or will be used by a Borrower or any such Subsidiary for substantially the same purpose as such property was used by a Borrower or such Subsidiary prior to such sale or transfer.

(m) Lease Rentals and Use Payments. Become or remain liable in any way, whether directly or by assignment or as a guarantor or other contingent obligor, for the obligations of any lessee or user under any lease (other than a Capital Lease) of real or personal property if the highest annual rent and other amounts (exclusive of property taxes, property and liability insurance premiums and maintenance costs), which may be payable by the lessee or user thereunder in any fiscal year of the Company during the term thereof when added to the aggregate of all such rents and other amounts in respect of which the Borrowers and its Subsidiaries are liable which may be payable in such fiscal year, shall exceed $10,000,000.

(n) Negative Pledge Limitation. Enter into any Agreement, with any person, other than the Banks pursuant hereto or the Note Purchasers pursuant to the Note Purchase Agreement, which prohibits or limits the ability of any Borrower or any Subsidiary (other than Jabil Malaysia) to create, incur, assume or suffer to exist any Lien upon any of its assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired.

(o) Inconsistent Agreements. Enter into any agreement containing any provision which would be violated or breached by this Agreement or any of the transactions contemplated hereby or by performance by any Borrower or any of its Subsidiaries of its obligations in connection therewith.

(p) Accounting Changes. A Borrower shall not change its fiscal year or make any significant changes (i) in accounting treatment and reporting practices except as permitted by Generally Accepted Accounting Principles and disclosed to the Banks, or (ii) in tax reporting treatment except as permitted by law and disclosed to the Banks.

(q) Additional Covenants. If at any time any Borrower shall enter into or be a party to any instrument or agreement, including all such instruments or agreements in existence as of the date hereof and all such instruments or agreements entered into after the date hereof, relating to or amending any terms or conditions applicable to any of its Indebtedness which includes covenants, terms, conditions or defaults not substantially provided for in this Agreement or more favorable to the lender or lenders thereunder than those provided for in this Agreement, then the Borrowers shall promptly so advise the Agent and the Banks. Thereupon, if the Agent shall request, upon notice to the Borrowers, the Agent and the Banks shall enter into an amendment to this Agreement or an additional agreement (as the Agent may request), providing for substantially the same covenants, terms, conditions and defaults as those provided for in such instrument or agreement to the extent required and as may be selected by the Agent. In addition to the foregoing, any covenants, terms, conditions or defaults in the Private Placement Documents not substantially provided for in this Agreement or more favorable to the holders of the Private Placement Debt issued in connection therewith, are hereby incorporated by reference into this Agreement to the same extent as if set forth fully herein, and no subsequent amendment, waiver or modification thereof shall effect any such covenants, terms, conditions or defaults as incorporated herein.

ARTICLE VI.

DEFAULT

7. Events of Default. The occurrence of any one of the following events or conditions shall be deemed an "Event of Default" hereunder unless waived by the Required Banks pursuant to Section 9.1:

(a) Nonpayment of Principal. Any Borrower shall fail to pay when due any principal of the Notes; or

(b) Nonpayment of Interest. Any Borrower shall fail to pay when due any interest or any fees or any other

amount payable hereunder and such failure shall remain unremedied for five days; or

(c) Misrepresentation. Any representation or warranty made by any Borrower or any Guarantor in Article IV hereof, any other Loan Document or any other certificate, report, financial statement or other document furnished by or on behalf of any Borrower or any Guarantor in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made; or

(d) Certain Covenants. Any Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.2 hereof; or

(e) Other Defaults. Any Borrower or any Guarantor shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document, and any such failure shall remain unremedied for 15 calendar days (or such longer or shorter period of time as may be specified in any Security Document); or

(f) Cross Default. Any Borrower, any Guarantor or any of their respective Subsidiaries shall fail to pay any part of the principal of, the premium, if any, or the interest on, or any other payment of money due under any of its Indebtedness (other than Indebtedness hereunder), beyond any period of grace provided with respect thereto, which individually or together with other such Indebtedness as to which any such failure exists has an aggregate outstanding principal amount in excess of $500,000; or any Borrower, any Guarantor or any of their respective Subsidiaries shall fail to perform or observe any other term, covenant or agreement contained in any agreement, document or instrument evidencing or securing any such Indebtedness having such aggregate outstanding principal amount, or under which any such Indebtedness was issued or created, beyond any period of grace, if any, provided with respect thereto and such Borrower, such Guarantor or such Subsidiary has been notified by the creditor of such default; and the effect of any such failure is either (i) to cause, or permit the holders of such Indebtedness (or a trustee on behalf of such holders) to cause, any payment of such Indebtedness to become due prior to its due date or (ii) to permit the holders of such Indebtedness (or a trustee on behalf of such holders) to elect a majority of the board of directors of such Borrower, such Guarantor or such Subsidiary; or

(g) Judgments. One or more judgments or orders for the payment of money in an aggregate amount of $5,000,000 shall be rendered against or shall affect any Borrower or any of their respective Subsidiaries, or any other judgment or order (whether or not for the payment of money) shall be rendered against or shall affect any Borrower or any of their respective Subsidiaries which causes or could cause a Material Adverse Effect, and either (i) such judgment or order shall have remained unsatisfied or uninsured for a period of 21 days and such Borrower or such Subsidiary shall not have taken action necessary to stay enforcement thereof by reason of pending appeal or otherwise, prior to the expiration of the applicable period of limitations for taking such action or, if such action shall have been taken, a final order denying such stay shall have been rendered, or (ii) enforcement proceedings shall have been commenced by any creditor upon any such judgment or order; or

(h) ERISA. The occurrence of a Reportable Event that results in or could result in material liability of any Borrower, any Subsidiary of any Borrower or their ERISA Affiliates to the PBGC or to any Plan and such Reportable Event is not corrected within thirty (30) days after the occurrence thereof; or the occurrence of any Reportable Event which could constitute grounds for termination of any Plan of any Borrower, their respective Subsidiaries or their ERISA Affiliates by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer any such Plan and such Reportable Event is not corrected within thirty (30) days after

the occurrence thereof; or the filing by any Borrower, any Subsidiary of any Borrower or any of their ERISA Affiliates of a notice of intent to terminate a Plan or the institution of other proceedings to terminate a Plan; or any Borrower, any Subsidiary of any Borrower or any of their ERISA Affiliates shall fail to pay when due any material liability to the PBGC or to a Plan; or the PBGC shall have instituted proceedings to terminate, or to cause a trustee to be appointed to administer, any Plan of any Borrower, their respective Subsidiaries or their ERISA Affiliates; or any person engages in a Prohibited Transaction with respect to any Plan which results in or could result in material liability of the any Borrower, any Subsidiary of any Borrower, any of their ERISA Affiliates, any Plan of any Borrower, their respective Subsidiaries or their ERISA Affiliates or fiduciary of any such Plan; or failure by any Borrower, any Subsidiary of any Borrower or any of their ERISA Affiliates to make a required installment or other payment to any Plan within the meaning of Section 302(f) of ERISA or Section 412(n) of the Code that results in or could result in liability of any Borrower, any Subsidiary of any Borrower or any of their ERISA Affiliates to the PBGC or any Plan; or the withdrawal of any Borrower, any of their respective Subsidiaries or any of their ERISA Affiliates from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(9a)(2) of ERISA; or any Borrower, any of their respective Subsidiaries or any of their ERISA Affiliates becomes an employer with respect to any Multiemployer Plan without the prior written consent of the Required Banks; or

(i) Insolvency, Etc. Any Borrower or any Guarantor shall be dissolved or liquidated (or any judgment, order or decree therefor shall be entered), or shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or shall institute, or there shall be instituted against any Borrower or any Guarantor, any proceeding or case seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or seeking the entry of an order for relief, or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets, rights, revenues or property, and, if such proceeding is instituted against any Borrower or any Guarantor and is being contested by such Borrower in good faith by appropriate proceedings, such proceeding shall remain undismissed or unstayed for a period of 60 days; or any Borrower or such Guarantor shall take any action (corporate or other) to authorize or further any of the actions described above in this subsection; or

(j) Loan Documents. Any event of default described in any Loan Document shall have occurred and be continuing, or any material provision of Article VIII hereof or of any Loan Document shall at any time for any reason cease to be valid and binding and enforceable against any obligor thereunder, or the validity, binding effect or enforceability thereof shall be contested by any person, or any obligor, shall deny that it has any or further liability or obligation thereunder, or any Loan Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby.

(k) Change of Control. The Company shall experience a Change of Control. For purposes of this Section 6.1(k), a "Change of Control" shall occur if during any twelve-month period (i) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13D-3 promulgated by the Securities and Exchange Commission under said Act) of 50% or more in voting power of the voting shares of the Company that were outstanding

as of the date of this Agreement and (ii) a majority of the board of directors of the Company shall cease for any reason to consist of individuals who as of a date twelve months prior to any date compliance herewith is determined were directors of the Company.

7.1 Remedies. (a) Upon the occurrence and during the continuance of any Event of Default, the Agent may, with the consent of the Required Banks, and, upon being directed to do so by the Required Banks, shall by notice to the Borrowers (i) terminate the Commitments or (ii) declare the outstanding principal of, and accrued interest on, the Notes and all other amounts owing under this Agreement to be immediately due and payable, or (iii) demand immediate delivery of cash collateral, and the Borrowers agree to deliver such cash collateral upon demand, in an amount equal to the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, or any one or more of the foregoing, whereupon the Commitments shall terminate forthwith and all such amounts, including cash collateral, shall become immediately due and payable, provided that in the case of any event or condition described in Section 6.1(i) with respect to any Borrower, the Commitments shall automatically terminate forthwith and all such amounts, including cash collateral, shall automatically become immediately due and payable without notice; in all cases without demand, presentment, protest, diligence, notice of dishonor or other formality, all of which are hereby expressly waived. Such cash collateral delivered in respect of outstanding Letters of Credit shall be deposited in a special cash collateral account to be held by the Agent as collateral security for the payment and performance of the Borrowers' obligations under this Agreement to the Banks and the Agent.

(b) The Agent may, with the consent of the Required Banks, and, upon being directed to do so by the Required Banks, shall, in addition to the remedies provided in Section 6.2(a), exercise and enforce any and all other rights and remedies available to it or the Banks, whether arising under this Agreement, the Notes, any other Loan Document or under applicable law, in any manner deemed appropriate by the Agent, including suit in equity, action at law, or other appropriate proceedings, whether for the specific performance (to the extent permitted by law) of any covenant or agreement contained in this Agreement or any other Loan Document or in aid of the exercise of any power granted in this Agreement or any other Loan Document.

(c) Upon the occurrence and during the continuance of any Event of Default, each Bank may at any time and from time to time, without notice to any Borrower (any requirement for such notice being expressly waived by each Borrower) set off and apply against any and all of the obligations of each Borrower now or hereafter existing under this Agreement, whether owing to such Bank or any other Bank or the Agent, any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of any Borrower and any property of any Borrower from time to time in possession of such Bank, irrespective of whether or not such Bank shall have made any demand hereunder and although such obligations may be contingent and unmatured. Each of the Borrowers hereby grants to the Banks and the Agent a lien on and security interest in all such deposits, indebtedness and property as collateral security for the payment and performance of the obligations of each Borrower under this Agreement. The rights of such Bank under this Section 6.2(c) are in addition to other rights and remedies (including, without limitation, other rights of setoff) which such Bank may have.

7.2 Distribution of Proceeds of Collateral. All proceeds received by the Agent pursuant to the Security Documents for application to the Bank Obligations or any payments on any of the liabilities secured by the Security Documents received by the Agent or any Bank upon and during the continuance of any Event of Default shall be allocated and

distributed as follows:

(a) First, to the payment of all costs and expenses, including without limitation all attorneys' fees, of the Agent in connection with the enforcement of the Security Documents and otherwise administering this Agreement;

(b) Second, to the payment of all costs, expenses and fees, including without limitation, commitment fees and attorneys fees, owing to the Banks pursuant to the Bank Obligations on a pro rata basis in accordance with the Bank Obligations consisting of fees, costs and expenses owing to the Banks under the Bank Obligations, for application to payment of such liabilities;

(c) Third, to the Banks on a pro rata basis in accordance with the Bank Obligations consisting of interest owing to the Banks under the Bank Obligations, for application to payment of such liabilities;

(d) Fourth, to the Banks on a pro rata basis in accordance with the Bank Obligations consisting of principal (including without limitation any cash collateral for any outstanding Letters of Credit) owing to the Banks under the Bank Obligations, for application to payment of such liabilities;

(e) Fifth, to the payment of any and all other amounts owing to the Banks on a pro rata basis in accordance with the total amount of such Indebtedness owing to each of the Banks, for application to payment of such liabilities; and

(f) Sixth, to the Borrowers or such other person as may be legally entitled thereto.

7.3 Letter of Credit Liabilities. For the purposes of payments and distributions under Section 6.3, the full amount of Bank Obligations on account of any Letter of Credit then outstanding but not drawn upon shall be deemed to be then due and owing. Amounts distributable to the Banks on account of such Bank Obligations under such Letter of Credit shall be deposited in a separate interest bearing collateral account in the name of and under the control of the Agent and held by the Agent first as security for such Letter of Credit Bank Obligations and then as security for all other Bank Obligations and the amount so deposited shall be applied to the Letter of Credit Bank Obligations at such times and to the extent that such Letter of Credit Bank Obligations become absolute liabilities and if and to the extent that the Letter of Credit Bank Obligations fail to become absolute Bank Obligations because of the expiration or termination of the underlying letters of credit without being drawn upon then such amounts shall be applied to the remaining Bank Obligations in the order provided in Section 6.3. Each Borrower hereby grants to the Agent, for the benefit of the Banks, a lien and security interest in all such funds deposited in such separate interest bearing collateral account, as security for all the Bank Obligations as set forth above.

ARTICLE VII. THE AGENT AND THE BANKS

8. Appointment and Authorization. Each Bank hereby irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Loan Documents as are delegated to the Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto. The provisions of this Article VII are solely for the benefit of the Agent and the Banks, and the Borrowers shall not have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, the Agent shall act solely as agent of the Banks and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Borrowers. Each of the Banks also authorizes the Agent to execute for and

on its behalf the Intercreditor Agreement dated as of the date hereof in the form of Exhibit M attached hereto.

8.1 Agent and Affiliates. NBD Bank in its capacity as a Bank hereunder shall have the same rights and powers hereunder as any other Bank and may exercise or refrain from exercising the same as though it were not the Agent. NBD Bank and its affiliates may (without having to account therefor to any Bank) accept deposits from, lend money to, and generally engage in any kind of banking, trust, financial advisory or other business with any Borrower or any Subsidiary of any Borrower as if it were not acting as Agent hereunder, and may accept fees and other consideration therefor without having to account for the same to the Banks.

8.2 Scope of Agent's Duties. The Agent shall have no duties or responsibilities except those expressly set forth herein, and shall not, by reason of this Agreement, have a fiduciary relationship with any Bank, and no implied covenants, responsibilities, duties, obligations or liabilities shall be read into this Agreement or shall otherwise exist against the Agent. As to any matters not expressly provided for by this Agreement (including, without limitation, collection and enforcement actions under the Notes), the Agent shall not be required to exercise any discretion or take any action, but the Agent shall take such action or omit to take any action pursuant to the written instructions of the Required Banks and may request instructions from the Required Banks. The Agent shall in all cases be fully protected in acting, or in refraining from acting, pursuant to the written instructions of the Required Banks, which instructions and any action or omission pursuant thereto shall be binding upon all of the Banks; provided, however, that the Agent shall not be required to act or omit to act if, in the judgment of the Agent, such action or omission may expose the Agent to personal liability or is contrary to this Agreement, the Notes or applicable law.

8.3 Reliance by Agent. The Agent shall be entitled to rely upon any certificate, notice, document or other communication (including any cable, telegram, telex, facsimile transmission or oral communication) believed by it to be genuine and correct and to have been sent or given by or on behalf of a proper person. The Agent may treat the payee of any Note as the holder thereof unless and until the Agent receives written notice of the assignment thereof pursuant to the terms of this Agreement signed by such payee and the Agent receives the written agreement of the assignee that such assignee is bound hereby to the same extent as if it had been an original party hereto. The Agent may employ agents (including without limitation collateral agents) and may consult with legal counsel (who may be counsel for the Borrowers), independent public accountants and other experts selected by it and shall not be liable to the Banks, except as to money or property received by it or its authorized agents, for the negligence or misconduct of any such agent selected by it with reasonable care or for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

8.4 Default. The Agent shall not be deemed to have knowledge of the occurrence of any Default or Event of Default, unless the Agent has received written notice from a Bank or a Borrower specifying such Default or Event of Default and stating that such notice is a "Notice of Default". In the event that the Agent receives such a notice, the Agent shall give prompt written notice thereof to the Banks. 8.5 Liability of Agent. Neither the Agent nor any of its directors, officers, agents, or employees shall be liable to the Banks for any action taken or not taken by it or them in connection herewith with the consent or at the request of the Required Banks or in the absence of its or their own gross negligence or willful misconduct. Neither the 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 recital, statement, warranty or representation contained in this

Agreement or any Note or any Guaranty, or in any certificate, report, financial statement or other document furnished in connection with this Agreement, (ii) the performance or observance of any of the covenants or agreements of any Borrower or any Guarantor, (iii) the satisfaction of any condition specified in Article II hereof, or (iv) the validity, effectiveness, legal enforceability, value or genuineness of this Agreement or the Notes or any collateral subject thereto or any other instrument or document furnished in connection herewith.

8.6 Nonreliance on Agent and Other Banks. Each Bank acknowledges and agrees that it has, independently and without reliance on the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrowers and decision to enter into this Agreement and that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decision in taking or not taking action under this Agreement. The Agent shall not be required to keep itself informed as to the performance or observance by any Borrower or any Guarantor of this Agreement, the Notes or any other documents referred to or provided for herein or to inspect the properties or books of any Borrower or any Guarantor and, except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Bank with any information concerning the affairs, financial condition or business of the Borrowers or any of their respective Subsidiaries which may come into the possession of the Agent or any of its affiliates.

8.7 Indemnification. The Banks agree to indemnify the Agent (to the extent not reimbursed by the Borrowers, but without limiting any obligation of the Borrowers to make such reimbursement), ratably according to the respective principal amounts of the Advances then outstanding made by each of them (or if no Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever (including, without limitation, fees and disbursements of counsel) which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or the transactions contemplated hereby or any action taken or omitted by the Agent under this Agreement, provided, however, that no Bank shall be liable for any portion of such claims, damages, losses, liabilities, costs or expenses resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Bank agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including without limitation reasonable fees and expenses of counsel) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrowers, but without limiting the obligation of the Borrowers to make such reimbursement. Each Bank agrees to reimburse the Agent promptly upon demand for its ratable share of any amounts owing to the Agent by the Banks pursuant to this Section. If the indemnity furnished to the Agent under this Section shall, in the judgment of the Agent, be insufficient or become impaired, the Agent may call for additional indemnity from the Banks and cease, or not commence, to take any action until such additional indemnity is furnished.

8.8 Resignation of Agent. The Agent may resign as such at any time upon thirty days' prior written notice to the Borrowers and the Banks. In the event of any such resignation, the Company and the Required Banks shall, by an instrument in writing delivered to the Banks and the Agent, appoint a

successor, which shall be a Bank or any other commercial bank organized under the laws of the United States or any State thereof and having a combined capital and surplus of at least $500,000,000. If a successor is not so appointed or does not accept such appointment before the Agent's resignation becomes effective, the resigning Agent may appoint a temporary successor to act until such appointment by the Company and the Required Banks is made and accepted. Any successor to the Agent shall execute and deliver to the Borrowers and the Banks an instrument accepting such appointment and thereupon such successor Agent, without further act, deed, conveyance or transfer shall become vested with all of the properties, rights, interests, powers, authorities and obligations of its predecessor hereunder with like effect as if originally named as Agent hereunder. Upon request of such successor Agent, the Borrowers and the resigning Agent shall execute and deliver such instruments of conveyance, assignment and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Agent all such properties, rights, interests, powers, authorities and obligations. The provisions of this Article VII shall thereafter remain effective for such resigning Agent with respect to any actions taken or omitted to be taken by such Agent while acting as the Agent hereunder.

8.9 Sharing of Payments. The Banks agree among themselves that, in the event that any Bank shall obtain payment in respect of any Advance or any other obligation owing to the Banks under this Agreement through the exercise of a right of set-off, banker's lien, counterclaim or otherwise in excess of its ratable share of payments received by all of the Banks on account of the Advances and other obligations (or if no Advances are outstanding, ratably according to the respective amounts of the Commitments), such Bank shall promptly notify the Agent and purchase from the other Banks participations in such Advances and other obligations in such amounts, and make such other adjustments from time to time, as shall be equitable to the end that all of the Banks share such payment in accordance with such ratable shares. The Banks further agree among themselves that if payment to a Bank obtained by such Bank through the exercise of a right of set-off, banker's lien, counterclaim or otherwise as aforesaid shall be rescinded or must otherwise be restored, each Bank which shall have shared the benefit of such payment shall, by repurchase of participations theretofore sold, return its share of that benefit to each Bank whose payment shall have been rescinded or otherwise restored. The Borrowers agree that any Bank so purchasing such a participation may, to the fullest extent permitted by law, exercise all rights of payment, including set-off, banker's lien or counterclaim, with respect to such participation as fully as if such Bank were a holder of such Advance or other obligation in the amount of such participation. The Banks further agree among themselves that, in the event that amounts received by the Banks and the Agent hereunder are insufficient to pay all such obligations or insufficient to pay all such obligations when due, the fees and other amounts owing to the Agent in such capacity shall be paid therefrom before payment of obligations owing to the Banks under this Agreement, other than agency fees and arrangement fees payable pursuant to Section 2.3(d) of this Agreement which shall be paid on a pro rata basis with amounts owing to the Banks. Except as otherwise expressly provided in this Agreement, if any Bank or the Agent shall fail to remit to the Agent or any other Bank an amount payable by such Bank or the Agent to the Agent or such other Bank pursuant to this Agreement on the date when such amount is due, such payments shall be made together with interest thereon for each date from the date such amount is due until the date such amount is paid to the Agent or such other Bank at a rate per annum equal to the rate at which borrowings are available to the payee in its overnight federal funds market. It is further understood and agreed among the Banks and the Agent that if the Agent or any Bank shall engage in any other transactions with any Borrower and shall have the benefit of any collateral or security therefor which does not expressly secure the obligations arising under this Agreement except by virtue of a so-called dragnet clause or comparable provision, the Agent or such Bank shall be entitled to apply any proceeds

of such collateral or security first in respect of the obligations arising in connection with such other transaction before application to the obligations arising under this Agreement.

8.10 Local Custom. Notwithstanding anything herein to the contrary, if requested by the Required Banks, all Loans made hereunder shall be made in compliance with applicable local market custom and legal practice as determined solely by the Required Banks, whether or not such custom and legal practices have the force of law; provided, that, the Agent shall consult with the Company regarding compliance with local custom and legal practice if such custom or legal practice does not have the force of law.

ARTICLE VIII.

GUARANTY

As an inducement to the Banks and the Agent to enter into the transactions contemplated by this Agreement, each Guarantor agrees with the Banks and the Agent as follows:

9. Guarantee of Obligations. (a) Each Guarantor hereby (i) guarantees, as principal obligor and not as surety only, to the Banks the prompt payment of the principal of and any and all accrued and unpaid interest (including interest which otherwise may cease to accrue by operation of any insolvency law, rule, regulation or interpretation thereof) on the Advances and all other obligations of each Borrower to the Banks and the Agent under this Agreement when due, whether by scheduled maturity, acceleration or otherwise, all in accordance with the terms of this Agreement and the Notes, including, without limitation, default interest, indemnification payments and all reasonable costs and expenses incurred by the Banks and the Agent in connection with enforcing any obligations of the Borrowers hereunder, including without limitation the reasonable fees and disbursements of counsel, (ii) guarantees the prompt and punctual performance and observance of each and every term, covenant or agreement contained in this Agreement and the Notes to be performed or observed on the part of each Borrower, (iii) guarantees the prompt and complete payment of all obligations and performance of all covenants of any Borrower under any interest rate or currency swap agreements or similar transactions with any Bank, and (iv) agrees to make prompt payment, on demand, of any and all reasonable costs and expenses incurred by the Banks or the Agent in connection with enforcing the obligations of the Guarantor hereunder, including, without limitation, the reasonable fees and disbursements of counsel (all of the foregoing being collectively referred to as the "Guaranteed Obligations").

(b) If for any reason any duty, agreement or obligation of any Borrower contained in this Agreement shall not be performed or observed by any Borrower as provided therein, or if any amount payable under or in connection with this Agreement shall not be paid in full when the same becomes due and payable, each Guarantor undertakes to perform or cause to be performed promptly each of such duties, agreements and obligations and to pay forthwith each such amount to the Agent for the account of the Banks regardless of any defense or setoff or counterclaim which any Borrower may have or assert, and regardless of any other condition or contingency.

9.1 Waivers and Other Agreements. Each Guarantor hereby unconditionally (a) waives any requirement that the Banks or the Agent, upon the occurrence of an Event of Default first make demand upon, or seek to enforce remedies against any Borrower before demanding payment under or seeking to enforce the obligations of any Guarantor hereunder, (b) covenants that the obligations of each Guarantor hereunder will not be discharged except by complete performance of all obligations of the Borrowers contained in this Agreement, the Notes and the other Loan Documents, (c) agrees that the obligations of each Guarantor hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired,

without limitation, by any invalidity, irregularity or unenforceability in whole or in part of this Agreement, the Notes or any other Loan Document, or any limitation on the liability of any Guarantor thereunder, or any limitation on the method or terms of payment thereunder which may or hereafter be caused or imposed in any manner whatsoever (including, without limitation, usury laws), (d) waives diligence, presentment and protest with respect to, and any notice of default or dishonor in the payment of any amount at any time payable by any Borrower under or in connection with this Agreement, the Notes or any other Loan Document, and further waives any requirement of notice of acceptance of, or other formality relating to, the obligations of any Guarantor hereunder and (e) agrees that the Guaranteed Obligations shall include any amounts paid by any Borrower to the Banks or the Agent which may be required to be returned to any Borrower or to its representative or to a trustee, custodian or receiver for any Borrower.

9.2 Nature of Guaranty. The obligations of each Guarantor hereunder constitute an absolute and unconditional and irrevocable guaranty of payment and not a guaranty of collection and are wholly independent of and in addition to other rights and remedies of the Banks and the Agent and are not contingent upon the pursuit by the Banks and the Agent of any such rights and remedies, such pursuit being hereby waived by each Guarantor.

9.3 Obligations Absolute. The obligations, covenants, agreements and duties of each Guarantor under this Agreement shall not be released, affected or impaired by any of the following whether or not undertaken with notice to or consent of such Guarantor: (a) an assignment or transfer, in whole or in part, of the Advances made to any Borrower or of this Agreement or any Note although made without notice to or consent of such Guarantor, or (b) any waiver by any Bank or the Agent or by any other person, of the performance or observance by any Borrower of any of the agreements, covenants, terms or conditions contained in this Agreement or in the other Loan Documents, or (c) any indulgence in or the extension of the time for payment by any Borrower of any amounts payable under or in connection with this Agreement or any other Loan Document, or of the time for performance by any Borrower of any other obligations under or arising out of this Agreement or any other Loan Document, or the extension or renewal thereof, or (d) the modification, amendment or waiver (whether material or otherwise) of any duty, agreement or obligation of any Borrower set forth in this Agreement or any other Loan Document (the modification, amendment or waiver from time to time of this Agreement and the other Loan Documents being expressly authorized without further notice to or consent of any Guarantor), or (e) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of any Borrower or any receivership, insolvency, bankruptcy, reorganization, or other similar proceedings, affecting any Borrower or any of its assets, or (f) the merger or consolidation of any Borrower or the Guarantors with any other person, or (g) the release of discharge of any Borrower or any Guarantor from the performance or observance of any agreement, covenant, term or condition contained in this Agreement or any other Loan Document, by operation of law, or (h) any other cause whether similar or dissimilar to the foregoing which would release, affect or impair the obligations, covenants, agreements or duties of any Guarantor hereunder.

9.4 No Investigation by Banks or Agent. Each Guarantor hereby waives unconditionally any obligation which, in the absence of such provision, the Banks or the Agent might otherwise have to investigate or to assure that there has been compliance with the law of any jurisdiction with respect to the Guaranteed Obligations recognizing that, to save both time and expense, each Guarantor has requested that the Banks and the Agent not undertake such investigation. Each Guarantor hereby expressly confirms that the obligations of such Guarantor hereunder shall remain in full force and effect without regard to compliance or noncompliance with any such law and irrespective of any investigation or knowledge of any Bank or

the Agent of any such law.

9.5 Indemnity. As a separate, additional and continuing obligation, each Guarantor unconditionally and irrevocably undertakes and agrees with the Banks and the Agent that, should the Guaranteed Obligations not be recoverable from such Guarantor under Section 8.1 for any reason whatsoever (including, without limitation, by reason of any provision of this Agreement or the Notes or any other agreement or instrument executed in connection herewith being or becoming void, unenforceable, or otherwise invalid under any applicable law) then, notwithstanding any knowledge thereof by any Bank or the Agent at any time, each Guarantor as sole, original and independent obligor, upon demand by the Agent, will make payment to the Agent for the account of the Banks and the Agent of the Guaranteed Obligations by way of a full indemnity in such currency and otherwise in such manner as is provided in this Agreement and the Notes.

9.6 Subordination, Subrogation, Etc. Each Guarantor agrees that any present or future indebtedness, obligations or liabilities of any Borrower to such Guarantor shall be fully subordinate and junior in right and priority of payment to any present or future indebtedness, obligations or liabilities of the Borrower to the Banks and the Agent. Each Guarantor waives any right of subrogation to the rights of any Bank or the Agent against any Borrower or any other person obligated for payment of the Guaranteed Obligations and any right of reimbursement or indemnity whatsoever arising or accruing out of any payment which the Guarantor may make pursuant to this Agreement and the Notes, and any right of recourse to security for the debts and obligations of any Borrower, unless and until the entire principal balance of and interest on the Guaranteed Obligations shall have been paid in full.

9.7 Waiver. To the extent that it lawfully may, each Guarantor agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law, which may affect observance or performance of the provisions of this Agreement or the Notes; nor will it claim, take or insist upon any benefit or advantage of any present or future law providing for the evaluation or appraisal of any security for its obligations hereunder or any Borrower under this Agreement and under the Notes prior to any sale or sales thereof which may be made under or by virtue of any instrument governing the same; nor will it, after any such sale or sales claim or exercise any right, under any applicable law, to redeem any portion of such security so sold.

9.8 Joint and Several Obligations; Contribution Rights. (a) Notwithstanding anything to the contrary set forth herein or in any Note or in any other Loan Document, the obligations of the Guarantors hereunder are joint and several.

(b) If any Guarantor makes a payment in respect of the Guaranteed Obligations it shall have the rights of contribution set forth below against the other Guarantors; provided that such Guarantor shall not exercise its right of contribution until all the Guaranteed Obligations shall have been finally paid in full in cash. If any Guarantor makes a payment in respect of the Guaranteed Obligations that is smaller in proportion to its Payment Share (as hereinafter defined) than such payments made by the other Guarantors are in proportion to the amounts of their respective Payment Shares, the Guarantor making such proportionately smaller payment shall, when permitted by the preceding sentence, pay to the other Guarantors an amount such that the net payments made by the Guarantor in respect of the Bank Obligations shall be shared among the Guarantors pro rata in proportion to their respective Payment Shares. If any Guarantor receives any payment that is greater in proportion to the amount of its Payment Shares than the payments received by the other Guarantors are in proportion to the amounts of their respective Payment Shares, the Guarantor receiving such proportionately greater payment shall, when

permitted by the second preceding sentence, pay to the other Guarantors an amount such that the payments received by the Guarantors shall be shared among the Guarantors pro rata in proportion to their respective Payment Shares. Notwithstanding anything to the contrary contained in this paragraph or in this Agreement, no liability or obligation of any Guarantor that shall accrue pursuant to this paragraph shall be paid nor shall it be deemed owed pursuant to this paragraph until all of the Bank Obligations shall be finally paid in full in cash.

For purposes hereof, the "Payment Share" of each Guarantor shall be the sum of (a) the aggregate proceeds of the Guaranteed Obligations received by such Guarantor plus (b) the product of (i) the aggregate Guaranteed Obligations remaining unpaid on the date such Guaranteed Obligations become due and payable in full, whether by stated maturity, acceleration, or otherwise (the "Determination Date") reduced by the amount of such Guaranteed Obligations attributed to such Guarantors pursuant to clause (a) above, times (ii) a fraction, the numerator of which is such Guarantor's net worth on the effective date of this Agreement (determined as of the end of the immediately preceding fiscal reporting period of such Guarantor), and the denominator of which is the aggregate net worth of all Guarantors on such effective date.

(c) It is the intent of each Guarantor, the Agent and the Banks that each Guarantor's maximum Guaranteed Obligations shall be in, but not in excess of:

(i) in a case or proceeding commenced by or against such Guarantor under the Bankruptcy Code on or within one year from the date on which any of the Guaranteed Obligations are incurred, the maximum amount that would not otherwise cause the Guaranteed Obligations (or any other obligations of such Guarantor to the Agent and the Banks) to be avoidable or unenforceable against such Guarantor under (A) Section 548 of the Bankruptcy Code or (B) any state fraudulent transfer or fraudulent conveyance act or statute applied in such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii) in a case or proceeding commenced by or against such Guarantor under the Bankruptcy Code subsequent to one year from the date on which any of the Guaranteed Obligations are incurred, the maximum amount that would not otherwise cause the Guaranteed Obligations (or any other obligations of such Guarantor to the Agent and the Banks) to be avoidable or unenforceable against such Guarantor under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code;

(iii) in a case or proceeding commenced by or against such Guarantor under any law, statute or regulation other than the Bankruptcy Code (including, without limitation, any other bankruptcy, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar debtor relief laws), the maximum amount that would not otherwise cause the Guaranteed Obligations (or any other obligations of such Guarantor to the Agent and the Banks) to be avoidable or unenforceable against such Guarantor under such law, statute or regulation including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding.

(d) The Guarantors acknowledge and agree that they have requested that the Banks make credit available to the Borrowers with each Guarantor expecting to derive benefit, directly and indirectly, from the loans and other credit extended by the Banks to the Borrowers.

ARTICLE IX.

MISCELLANEOUS

10. Amendments, Etc. (a) No amendment, modification,

termination or waiver of any provision of this Agreement nor any consent to any departure therefrom shall be effective unless the same shall be in writing and signed by the Borrowers and the Required Banks and, to the extent any rights or duties of the Agent may be affected thereby, the Agent, provided, however, that no such amendment, modification, termination, waiver or consent shall, without the consent of the Agent and all of the Banks, (i) authorize or permit the extension of time for, or any reduction of the amount of, any payment of the principal of, or interest on or the rate at which interest accrues on, the Notes or any installment thereof or any Letter of Credit reimbursement obligation, or any fees or other amount payable hereunder, (ii) amend or terminate the respective Commitment of any Bank set forth on the signature pages hereof or modify the provisions of this Section regarding the taking of any action under this Section or the provisions of Section 7.10 or the definitions of Required Banks or Majority Banks, (iii) amend or modify the Guaranty (other than any amendment solely for the purpose of adding or deleting a Borrowing Subsidiary) or provide for the release or discharge of any Guarantor's obligations under the Guaranty, (iv) provide for the release of any material portion of the collateral subject to any Security Document, (v) amend or modify the definitions of Borrowing Base, Eligible Accounts Receivable (other than any modification to Schedule 1.1(b) referenced therein which may be effected upon consent of Required Banks) or Eligible Inventory, (vi) amend, modify or waive any other provision hereof requiring consent of all of the Banks or (vii) increase the principal amount of the Swing Line Facility.

(b) Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. (c) Notwithstanding anything herein to the contrary, no Bank that is in default of any of its obligations, covenants or agreements under this Agreement shall be entitled to vote (whether to consent or to withhold its consent) with respect to any amendment, modification, termination or waiver of any provision of this Agreement or any departure therefrom or any direction from the Banks to the Agent, and, for purposes of determining the Required Banks at any time when any Bank is in default under this Agreement, the Commitments and Advances of such defaulting Banks shall be disregarded.

10.1 Notices. (a) Except as otherwise provided in Section 9.2(c) hereof, all notices and other communications hereunder shall be in writing and shall be delivered or sent to the Borrowers in care of the Company at 10800 Roosevelt Blvd., St. Petersburg, Florida 33716, Attention: Chief Financial Officer, Facsimile No. (813) 579-8529, and to the Agent and the Banks at the respective addresses and numbers for notices set forth on the signatures pages hereof, or to such other address as may be designated by any Borrower, the Agent or any Bank by notice to the other parties hereto. All notices and other communications shall be deemed to have been given at the time of actual delivery thereof to such address, or if sent by certified or registered mail, postage prepaid, to such address, on the third day after the date of mailing, or if deposited prepaid with Federal Express or other nationally recognized overnight delivery service prior to the deadline for next day delivery, on the Business Day next following such deposit, provided, however, that notices to the Agent shall not be effective until received.

(b) Notices by a Borrower to the Agent with respect to terminations or reductions of the Commitments pursuant to Section 2.2, requests for Advances pursuant to Section 2.4, requests for continuations or conversions of Loans pursuant to Section 2.7 and notices of prepayment pursuant to Section 3.1 shall be irrevocable and binding on the Borrowers.

(c) Any notice to be given by a Borrower to the Agent pursuant to Sections 2.4 or 2.7 and any notice to be given by the Agent or any Bank hereunder, may be given by telephone, and all such notices given by a Borrower must be immediately confirmed in writing in the manner provided in Section 9.2(a).

Any such notice given by telephone shall be deemed effective upon receipt thereof by the party to whom such notice is to be given.

10.2 No Waiver By Conduct; Remedies Cumulative. No course of dealing on the part of the Agent or any Bank, nor any delay or failure on the part of the Agent or any Bank in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege or otherwise prejudice the Agent's or such Bank's rights and remedies hereunder; nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power or privilege. No right or remedy conferred upon or reserved to the Agent or any Bank under this Agreement or any other Loan Document is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative, except as limited by this Agreement, and in addition to every other right or remedy granted thereunder or now or hereafter existing under any applicable law. Every right and remedy granted by this Agreement or the Notes or any Guaranty or by applicable law to the Agent or any Bank may be exercised from time to time and as often as may be deemed expedient by the Agent or any Bank and, unless contrary to the express provisions of this Agreement or the Notes or such Guaranty, irrespective of the occurrence or continuance of any Default or Event of Default.

10.3 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of any Borrower or any Guarantor made herein, in any Guaranty or in any certificate, report, financial statement or other document furnished by or on behalf of any Borrower or any Guarantor in connection with this Agreement shall be deemed to be material and to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Borrowers set forth in Sections 3.7, 3.9 and 9.5 hereof shall survive the repayment in full of the Advances and the termination of the Commitments for a period of one year from such repayment or termination.

10.4 Expenses. (a) Each of the Borrowers agrees to pay, or reimburse the Agent for the payment of, on demand, (i) the reasonable fees, without premium, and expenses of counsel to the Agent, including without limitation the reasonable fees and expenses of Dickinson, Wright, Moon, Van Dusen & Freeman in connection with the preparation, execution, delivery and administration of the Loan Documents and the consummation of the transactions contemplated hereby, and in connection with advising the Agent as to its rights and responsibilities with respect thereto, and in connection with any amendments, waivers or consents in connection therewith, and (ii) all stamp and other taxes and fees payable or determined to be payable by the Agent or any Bank in connection with the execution, delivery, filing or recording of this Agreement, the Notes and the consummation of the transactions contemplated hereby, and any and all liabilities of the Agent and the Banks with respect to or resulting from any delay in paying or omitting to pay such taxes or fees, and (iii) all reasonable costs and expenses of the Agent and the Banks (including without limitation reasonable fees and expenses of counsel, which counsel shall be acceptable to the Required Banks, including without limitation counsel who are employees of the Agent or the Banks, and whether incurred through negotiations, legal proceedings or otherwise) in connection with any Default or Event of Default or the enforcement of, or the exercise or preservation of any rights under the Loan Documents or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement and (iv) all reasonable costs and expenses of the Agent and the Banks (including reasonable fees and expenses of counsel) in connection with any action or proceeding relating to a court order, injunction or other process or decree restraining or seeking to restrain the Agent from paying any amount under, or otherwise relating in any way to, any Letter of Credit and any and all costs and expenses which any of them may incur

relative to any payment under any Letter of Credit.

(b) Each of the Borrowers hereby indemnifies and agrees to hold harmless the Banks, the Issuing Bank and the Agent, their affiliates and their respective officers, directors, employees and agents, harmless from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever which the Banks, the Issuing Bank or the Agent or any such person may incur or which may be claimed against any of them by reason of or in connection with any Letter of Credit, and neither any Bank, the Issuing Bank nor the Agent, their affiliates or any of their respective officers, directors, employees or agents shall be liable or responsible for: (i) the use which may be made of any Letter of Credit or for any acts or omissions of any beneficiary in connection therewith; (ii) the validity, sufficiency or genuineness of documents or of any endorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by the Issuing Bank to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of any Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; (iv) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit; or (v) any other event or circumstance whatsoever arising in connection with any Letter of Credit; provided, however, that the Borrowers shall not be required to indemnify the Banks, the Issuing Bank and the Agent and such other persons, and the Issuing Bank shall be liable to the Borrowers to the extent, but only to the extent, of any direct, as opposed to consequential or incidental, damages suffered by any Borrower which were caused by (A) the Issuing Bank's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit, or (B) payment by the Issuing Bank to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of the Letter of Credit to the extent, but only to the extent, that such payment constitutes gross negligence of wilful misconduct of the Issuing Bank. It is understood that in making any payment under a Letter of Credit, the Issuing Bank will rely on documents presented to it under such Letter of Credit as to any and all matters set forth therein without further investigation and regardless of any notice or information to the contrary, and such reliance and payment against documents presented under a Letter of Credit substantially complying with the terms thereof shall not be deemed gross negligence or wilful misconduct of the Issuing Bank in connection with such payment. It is further acknowledged and agreed that a Borrower may have rights against the beneficiary or others in connection with any Letter of Credit with respect to which the Issuing Bank is alleged to be liable and it shall be a precondition of the assertion of any liability of the Issuing Bank under this Section that such Borrower shall first have exhausted all remedies in respect of the alleged loss against such beneficiary and any other parties obligated or liable in connection with such Letter of Credit and any related transactions.

(c) Each of the Borrowers hereby indemnifies and agrees to hold harmless the Banks and the Agent, their affiliates and their respective officers, directors, employees and agents, from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever (including reasonable attorneys fees and disbursements incurred in connection with any investigative, administrative or judicial proceeding whether or not such person shall be designated as a party thereto) which the Banks or the Agent or any such person may incur or which may be claimed against any of them by reason of or in connection with entering into this Agreement or the transactions contemplated hereby, including without limitation those arising under Environmental Laws; provided, however, that the Borrowers shall not be

required to indemnify any such Bank and the Agent or such other person, to the extent, but only to the extent, that such claim, damage, loss, liability, cost or expense is attributable to the gross negligence or willful misconduct of such Bank or the Agent, as the case may be.

(d) In consideration of the execution and delivery of this Agreement by each Bank and the extension of the Commitments, each of the Borrowers hereby indemnifies, exonerates and holds the Agent, each Bank, their affiliates and each of their respective officers, directors, employees and agents (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to:

(i) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Advance;

(ii) the entering into and performance of this Agreement and any other agreement or instrument executed in connection herewith by any of the Indemnified Parties (including without limitation any action brought by or on behalf of any Borrower as the result of any determination by the Required Banks not to fund any Advance);

(iii) any investigation, litigation or proceeding related to any acquisition or proposed acquisition by any Borrower or any of its Subsidiaries of any portion of the stock or assets of any person, whether or not the Agent or such Bank is party thereto;

(iv) any investigation, litigation or proceeding related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the release by any Borrower or any of its Subsidiaries of any Hazardous Material; or

(v) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releasing from, any real property owned or operated by any Borrower or any of its Subsidiaries of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of, such Borrower or such Subsidiary, except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the activities of the Indemnified Party on the property of any Borrower conducted subsequent to a foreclosure on such property solely by reason of the relevant Indemnified Party's gross negligence or willful misconduct, and if and to the extent that the foregoing undertaking may be unenforceable for any reason, each of the Borrowers hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. Each of the Borrowers shall be obligated to indemnify the Indemnified Parties for all Indemnified Liabilities subject to and pursuant to the foregoing provisions, regardless of whether the Company or any of its Subsidiaries had knowledge of the facts and circumstances giving rise to such Indemnified Liability.

10.5 Successors and Assigns. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no Borrower may, without the prior consent of the Banks, assign its rights or obligations hereunder or under the Notes and the Banks shall not be obligated to make any Loan hereunder to any entity other than the Borrowers.

(b) Any Bank may, without the prior consent of the Company or the Agent sell to any financial institution or institutions, and such financial institution or institutions may further sell, a participation interest (undivided or divided) in, the Advances and such Bank's Commitment and rights and benefits under this Agreement and the other Loan Documents, and to the extent of that participation interest such participant or participants shall have the same rights and benefits against the Borrowers under Section 3.7, 3.9 and 6.2(c) as it or they would have had if such participant or participants were the Bank making the Loans to the Borrowers hereunder, provided, however, that (i) such Bank's obligations under this Agreement shall remain unmodified and fully effective and enforceable against such Bank, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Bank shall remain the holder of its Notes for all purposes of this Agreement, (iv) the Borrowers, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, and (v) such Bank shall not grant to its participant any rights to consent or withhold consent to any action taken by such Bank or the Agent under this Agreement other than action requiring the consent of all of the Banks hereunder.

(c) The Agent from time to time in its sole discretion may appoint agents for the purpose of servicing and administering this Agreement and the transactions contemplated hereby and enforcing or exercising any rights or remedies of the Agent provided under this Agreement, the Notes or otherwise. In furtherance of such agency, the Agent may from time to time direct that the Borrowers provide notices, reports and other documents contemplated by this Agreement (or duplicates thereof) to such agent. Each Borrower hereby consents to the appointment of such agent and agrees to provide all such notices, reports and other documents and to otherwise deal with such agent acting on behalf of the Agent in the same manner as would be required if dealing with the Agent itself.

(d) Each Bank may, with the prior consent of the Company and the Agent, (in both cases, which consents shall not be unreasonably withheld) assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations, (ii) except in the case of an assignment of all of a Bank's rights and obligations under this Agreement, (A) the amount of the Commitment of the assigning Bank being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000, and in integral multiples of $1,000,000 thereafter, or such lesser amount as the Company and the Agent may consent to and (B) after giving effect to each such assignment, the amount of the Commitment of the assigning Bank shall in no event be less than $3,000,000, (iii) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance in the form of Exhibit L hereto (an "Assignment and Acceptance"), together with any Note or Notes subject to such assignment and a processing and recordation fee of $3,000, and (iv) any Bank may without the consent of the Company or the Agent, and without paying any fee, assign to any Affiliate of such Bank that is a bank or financial institution or to another Bank all or a portion of its rights and obligations under this Agreement. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Bank hereunder and (y) the Bank assignor thereunder shall, to the extent that rights and

obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto).

(e) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Bank makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.6 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Bank.

(f) The Agent shall maintain at its address designated on the signature pages hereof a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Banks and the Commitment of, and principal amount of the Advances owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Company, the Borrowing Subsidiaries, the Agent and the Banks may treat each person whose name is recorded in the Register as a Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company or any Bank at any reasonable time and from time to time upon reasonable prior notice.

(g) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an assignee, together with any Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Company. Within five Business Days after its receipt of such notice, the Borrowers, at their own expense, shall execute and deliver to the Agent in exchange for the surrendered Note or Notes a new Note to the order of such assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance and, if the assigning Bank has retained a Commitment hereunder, a new Note to the order of the assigning Bank in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit L hereto.

(h) No Borrower shall be liable for any costs or expenses of any Bank in effectuating any participation or assignment under this Section 9.6.

(i) The Banks may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.6, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrowers.

(j) Notwithstanding any other provision set forth in this Agreement, any Bank may at any time create a security interest in, or assign, all or any portion of its rights under this Agreement (including, without limitation, the Loans owing to it and the Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System; provided that such creation of a security interest or assignment shall not release such Bank from its obligations under this Agreement.

10.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

10.7 Governing Law; Consent to Jurisdiction. This Agreement is a contract made under, and shall be governed by and construed in accordance with, the law of the State of Michigan applicable to contracts made and to be performed entirely within such State and without giving effect to choice of law principles of such State. Each Borrower further agrees that any legal action or proceeding with respect to this Agreement or the Notes or the transactions contemplated hereby shall be brought in any court of the State of Michigan, or in any court of the United States of America sitting in Michigan, and each Borrower hereby irrevocably submits to and accepts generally and unconditionally the jurisdiction of those courts with respect to its person and property, and irrevocably appoints _____, whose address is _____, as its agent for service of process and irrevocably consents to the service of process in connection with any such action or proceeding by personal delivery to such agent or to the Borrowers or by the mailing thereof by registered or certified mail, postage prepaid to the Borrowers at the address set forth in Section 9.2. Nothing in this paragraph shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the Agent to bring any such action or proceeding against the Borrowers or property in the courts of any other jurisdiction. Each Borrower hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

10.8 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for the convenience of reference only and shall in no way modify any of the terms or provisions hereof.

10.9 Construction of Certain Provisions. If any provision of this Agreement refers to any action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person, whether or not expressly specified in such provision.

10.10 Integration and Severability. This Agreement and the Notes embody the entire agreement and understanding between the Borrowers and the Agent and the Banks, and supersede all prior agreements and understandings, relating to the subject matter hereof. In case any one or more of the obligations of any Borrower under this Agreement or the Notes shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of such Borrower and the other Borrowers shall not in any way be

affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Borrowers under this Agreement or the Notes in any other jurisdiction.

10.11 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any such covenant, the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

10.12 Interest Rate Limitation. Notwithstanding any provisions of this Agreement or the Notes, in no event shall the amount of interest paid or agreed to be paid by any Borrower exceed an amount computed at the highest rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of this Agreement or the Notes at the time performance of such provision shall be due, shall involve exceeding the interest rate limitation validly prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligations to be fulfilled shall be reduced to an amount computed at the highest rate of interest permissible under applicable law, and if for any reason whatsoever any Bank shall ever receive as interest an amount which would be deemed unlawful under such applicable law such interest shall be automatically applied to the payment of principal of such Bank's Advances outstanding hereunder (whether or not then due and payable) and not to the payment of interest, or shall be refunded to the Borrowers if such principal and all other obligations of the Borrowers to such Bank have been paid in full.

10.13 Joint and Several Obligations; Contribution Rights; Savings Clause. (a) Notwithstanding anything to the contrary set forth herein or in any Note or in any other Loan Document, the obligations of the Domestic Borrowers hereunder and under the Notes and the other Loan Documents are joint and several.

(b) If any Borrower makes a payment in respect of the Bank Obligations it shall have the rights of contribution set forth below against the other Borrowers; provided that no Borrower shall exercise its right of contribution until all the Bank Obligations shall have been finally paid in full in cash. If any Borrower makes a payment in respect of the Bank Obligations that is smaller in proportion to its Payment Share (as hereinafter defined) than such payments made by the other Borrowers are in proportion to the amounts of their respective Payment Shares, the Borrower making such proportionately smaller payment shall, when permitted by the preceding sentence, pay to the other Borrowers an amount such that the net payments made by the Borrower in respect of the Bank Obligations shall be shared among the Borrowers pro rata in proportion to their respective Payment Shares. If any Borrower receives any payment that is greater in proportion to the amount of its Payment Shares than the payments received by the other Borrowers are in proportion to the amounts of their respective Payment Shares, the Borrower receiving such proportionately greater payment shall, when permitted by the second preceding sentence, pay to the other Borrowers an amount such that the payments received by the Borrowers shall be shared among the Borrowers pro rata in proportion to their respective Payment Shares. Notwithstanding anything to the contrary contained in this paragraph or in this Agreement, no liability or obligation of any Borrower that shall accrue pursuant to this paragraph shall be paid nor shall it be deemed owed pursuant to this paragraph until all of the Bank Obligations shall be finally paid in full in cash.

For purposes hereof, the "Payment Share" of each Borrower shall be the sum of (a) the aggregate proceeds of the Bank Obligations received by such Borrower plus (b) the product of (i) the aggregate Bank Obligations remaining unpaid on the

date such Bank Obligations become due and payable in full, whether by stated maturity, acceleration, or otherwise (the "Determination Date") reduced by the amount of such Bank Obligations attributed to such Borrower pursuant to clause (a) above, times (ii) a fraction, the numerator of which is such Borrower's net worth on the effective date of this Agreement (determined as of the end of the immediately preceding fiscal reporting period of such Borrower), and the denominator of which is the aggregate net worth of all Borrowers on such effective date.

(c) It is the intent of each Borrower, the Agent and the Banks that each Borrower's maximum Bank Obligations shall be, but not in excess of:

(i) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code on or within one year from the date on which any of the Bank Obligations are incurred, the maximum amount that would not otherwise cause the Bank Obligations (or any other obligations of such Borrower to the Agent and the Banks) to be avoidable or unenforceable against such Borrower under (A) Section 548 of the Bankruptcy Code or (B) any state fraudulent transfer or fraudulent conveyance act or statute applied in such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code subsequent to one year from the date on which any of the Bank Obligations are incurred, the maximum amount that would not otherwise cause the Bank Obligations (or any other obligations of such Borrower to the Agent and the Banks) to be avoidable or unenforceable against such Borrower under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code;

(iii) in a case or proceeding commenced by or against such Borrower under any law, statute or regulation other than the Bankruptcy Code (including, without limitation, any other bankruptcy, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar debtor relief laws), the maximum amount that would not otherwise cause the Bank Obligations (or any other obligations of such Borrower to the Agent and the Banks) to be avoidable or unenforceable against such Borrower under such law, statute or regulation including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding.

(d) The Domestic Borrowers acknowledge and agree that they have requested that the Banks make credit available to the Borrowers with each Domestic Borrower expecting to derive benefit, directly and indirectly, from the loans and other credit extended by the Banks to the Borrowers.

(e) The joint and several obligations of the Domestic Borrowers described in this Section 9.14 shall remain in full force and effect without regard to and shall not be released, affected or impaired by: (i) any amendment, assignment, transfer, modification of or addition or supplement to the Bank Obligations, this Agreement, any Note or any other Loan Document, except to the extent any such amendment, assignment, transfer or modification specifically relates to the matters set forth in Section 9.14; (ii) any extension, indulgence, increase in the Bank Obligations or other action or inaction in respect of any of the Loan Documents or otherwise with respect to the Bank Obligations, or any acceptance of security for, or guaranties of, any of the Bank Obligations or Loan Documents, or any surrender, release, exchange, impairment or alteration of any such security or guaranties including without limitation the failing to perfect a security interest in any such security or abstaining from taking advantage or of realizing upon any guaranties or upon any security interest in any such security; (iii) any default by any Borrower under, or any lack of due execution, invalidity or unenforceability of, or

any irregularity or other defect in, any of the Loan Documents; (iv) any waiver by the Banks or any other person of any required performance or otherwise of any condition precedent or waiver of any requirement imposed by any of the Loan Documents, any guaranties or otherwise with respect to the Bank Obligations; (v) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Loan Documents; (vi) any sale, lease, transfer or other disposition of the assets of any Borrower or any consolidation or merger of any Borrower with or into any other person, corporation, or entity, or any transfer or other disposition by any Borrower or any other holder of any shares of capital stock of any Borrower; (vii) any bankruptcy, insolvency, reorganization or similar proceedings involving or affecting any Borrower; (viii) the release or discharge of any Borrower from the performance or observance of any agreement, covenant, term or condition under any of the Bank Obligations or contained in any of the Loan Documents by operation of law; or (ix) any other cause whether similar or dissimilar to the foregoing which, in the absence of this provision, would release, affect or impair the obligations, covenants, agreements and duties of any Borrower hereunder, including without limitation any act or omission by the Agent, or the Bank or any other any person which increases the scope of such Borrower's risk; and in each case described in this paragraph whether or not any Borrower shall have notice or knowledge of any of the foregoing, each of which is specifically waived by each Borrower. Each Borrower warrants to the Banks that it has adequate means to obtain from each other Borrower on a continuing basis information concerning the financial condition and other matters with respect to the Borrowers and that it is not relying on the Agent or the Banks to provide such information either now or in the future.

10.14 Waivers, Etc. Each Borrower unconditionally waives: (a) notice of any of the matters referred to in Section 9.14(e) above; (b) all notices which may be required by statute, rule or law or otherwise to preserve any rights of the Agent, or the Bank, including, without limitation, presentment to and demand of payment or performance from the other Borrowers and protect for non-payment or dishonor; (c) any right to the exercise by the Agent, or the Bank of any right, remedy, power or privilege in connection with any of the Loan Documents; (d) any requirement that the Agent, or the Bank, in the event of any default by any Borrower, first make demand upon or seek to enforce remedies against, such Borrower or any other Borrower before demanding payment under or seeking to enforce this Agreement against any other Borrower; (f) any right to notice of the disposition of any security which the Agent, or the Bank may hold from any Borrower or otherwise and any right to object to the commercial reasonableness of the disposition of any such security; and (g) all errors and omissions in connection with the Agent, or the Bank's administration of any of the Bank Obligations, any of the Loan Documents', or any other act or omission of the Agent, or the Bank which changes the scope of the Borrower's risk, except as a result of the gross negligence or willful misconduct of the Agent, or the Bank. The obligations of each Borrower hereunder shall be complete and binding forthwith upon the execution of this Agreement and subject to no condition whatsoever, precedent or otherwise, and notice of acceptance hereof or action in reliance hereon shall not be required.

10.15 Waiver of Jury Trial. The Borrowers, the Banks and the Agent, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this Agreement or any other Loan Document or any of the transactions contemplated by this Agreement or any course of conduct, dealing, statements (whether oral or written) or actions of any of them. Neither any Borrower, any Bank nor the Agent shall seek to consolidate, by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in

any respect or relinquished by any party hereto except by a written instrument executed by such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above, but to be effective as of on the _____ day of May, 1996, which shall be the Effective Date of this Agreement, notwithstanding the day and year first above written.

JABIL CIRCUIT, INC.

By:
Its:

JABIL CIRCUIT LTD.

By:
Its:

JABIL CIRCUIT OF MICHIGAN, INC.

By:
Its:

Address for Notices: NBD BANK, as a Bank and as Agent

611 Woodward Avenue By:
Detroit, Michigan 48226 Attention: National Banking Division
Its: Facsimile No.: (313) 225-2649
Telephone No.: (313) 225-3743

Commitment Amount: $20,000,000

Initial Percentage of Total Commitments: 33.34%

Address for Notices: SUN TRUST BANK, TAMPA BAY

3601 34th Street, 77 North By:
St. Petersburg, Florida 33713 Attention: Frank Coe
Its: Corporate Banking
Division Facsimile No.: (813) 892-4810 Telephone No.:
(813) 892-4954

Commitment Amount: $15,000,000

Initial Percentage of Total Commitments: 25%

Address for Notices: BARNETT BANK OF PINELLAS COUNTY

600 Cleveland Street By:
Clearwater, Florida 34615 Attention: M. Phillip Freeman
Its: Senior Vice President
Facsimile No.: (813) 539-9066 Telephone No.: (813) 539-9086

Commitment Amount: $12,500,000

Initial Percentage of Total Commitments: 20.83%

Address for Notices: THE FIRST NATIONAL BANK OF BOSTON

115 Perimeter Center Place NE By:
Suite 500 Atlanta, Georgia 30346 Its:
Facsimile No.: (404) 393-4166 Telephone No.:
(404) 390-6533

Commitment Amount: $12,500,000

Initial Percentage of Total Commitments: 20.83%

EXHIBIT 11.1

JABIL CIRCUIT INC.
STATEMENTS OF COMPUTATION OF EARNINGS PER SHARE
(in thousands, except for per share amounts)
(Unaudited)

	Three months ended		Nine months ended	
	May 31, 1995	May 31, 1996	May 31, 1995	May 31, 1996
Net income	$1,234	$6,237	$2,294	$17,790
Computation of weighted average common and common equivalent shares outstanding:				
Common stock	14,634	17,750	14,536	17,044
Options	899	1,143	927	1,182
Total number of shares used in computing per share amounts	15,533	18,893	15,463	18,226
Net income per share	$0.08	$0.33	$0.15	$0.98