

CURTISS WRIGHT CORP

FORM 10-Q (Quarterly Report)

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Industry	Aerospace & Defense
Sector	Capital Goods
Fiscal Year	12/31

SECURITIES and EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2002

Commission File Number 1-134

CURTISS-WRIGHT CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware

13-0612970

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1200 Wall Street West
Lyndhurst, New Jersey

07071

(Address of principal executive offices)

(Zip Code)

(201) 896-8400

(Registrant's telephone number, including area code)

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 and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value \$1.00 per share: 5,785,209 shares (as of April 30, 2002). Class B Common Stock, par value \$1.00 per share: 4,382,102 shares (as of April 30, 2002).

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	(UNAUDITED) March 31, 2002	December 31, 2001(1)
	-----	-----
Assets		
Current Assets:		
Cash and cash equivalents	\$ 30,115	\$ 25,495
Short-term investments	19,260	41,658
Receivables, net	87,842	86,354
Inventories, net	57,042	57,115
Deferred tax assets, net	9,961	9,565
Other current assets	6,018	5,770
	-----	-----
Total current assets	210,238	225,957
	-----	-----
Property, plant and equipment, at cost	233,282	226,435
Less: accumulated depreciation	124,011	121,914
	-----	-----
Property, plant and equipment, net	109,271	104,521
Prepaid pension costs	73,043	70,796
Goodwill and other intangible assets, net	94,977	92,630
Property held for sale	2,460	2,460
Other assets	4,422	4,064
	-----	-----
Total Assets	\$494,411	\$500,428
	=====	=====
Liabilities		
Current Liabilities:		
Dividends payable	\$ 1,511	\$ -
Account payable	19,474	19,362
Accrued expenses	21,650	23,163
Income taxes payable	7,002	17,704
Other current liabilities	11,258	15,867
	-----	-----
Total current liabilities	60,895	76,096
	-----	-----
Long-term debt	20,183	21,361
Deferred income taxes, net	26,484	26,043
Accrued postretirement benefit costs	5,321	5,335
Other liabilities	22,789	21,639
	-----	-----
Total Liabilities	135,672	150,474
	-----	-----
Stockholders' Equity		
Common stock, \$1 par value	10,618	10,618
Class B common stock, \$1 par value	4,382	4,382
Capital surplus	51,098	52,532
Retained earnings	477,108	469,303
Unearned portion of restricted stock	(73)	(78)
Accumulated other comprehensive income	(8,143)	(6,831)
	-----	-----
Total Stockholders' Equity	534,990	529,926
	-----	-----
Less: cost of treasury stock	176,251	179,972
	-----	-----
Total Stockholders' Equity	358,739	349,954
	-----	-----
Total Liabilities and Stockholders' Equity	\$494,411	\$500,428
	=====	=====

(1) Certain prior year information has been reclassified to conform to current presentation.

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

(In thousands except per share data)

	Three Months Ended	
	March 31,	
	2002	2001(1)
Net sales	\$ 97,787	\$ 79,917
Cost of sales	61,632	49,906
	-----	-----
Gross profit	36,155	30,011
Research & development expenses	1,311	897
Selling expenses	5,742	4,593
General and administrative expenses	15,986	13,338
Environmental remediation and administrative expenses (recoveries), net	202	(82)
	-----	-----
Operating income	12,914	11,265
Investment income, net	131	843
Rental income, net	49	1,034
Pension income, net	2,254	2,344
Other expenses, net	(108)	(458)
Interest expense	(193)	(249)
	-----	-----
Earnings before income taxes	15,047	14,779
Provision for income taxes	5,731	5,560
	-----	-----
Net earnings	\$ 9,316	\$ 9,219
	=====	=====
Basic earnings per share	\$0.92	\$0.92
	=====	=====
Diluted earnings per share	\$0.90	\$0.90
	=====	=====
Dividends per share	\$0.15	\$0.13
	=====	=====
Weighted average common and class B shares outstanding:		
Basic	10,123	10,039
Diluted	10,340	10,212

(1) Certain prior year information has been reclassified to conform to current presentation.

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In thousands)

	Three Months Ended March 31,	
	2002	2001(1)
Cash flows from operating activities:		
Net earnings	\$ 9,316	\$ 9,219
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	3,943	3,748
Net gains on short-term investments	(5)	(63)
Net gains on sales of real estate and equipment	(106)	-
Noncash pension income	(2,254)	(2,344)
Deferred income taxes	45	1,254
Changes in operating assets and liabilities, net of businesses acquired:		
Proceeds from sales of short-term investments	59,550	105,293
Purchases of short-term investments	(35,600)	(102,042)
(Increase) decrease in receivables	(9,634)	3,356
(Increase) decrease in inventory	(5,254)	(349)
Increase (decrease) in progress payments	10,157	(648)
(Decrease) in accounts payable and accrued expenses	(2,312)	(3,249)
(Decrease) increase in income taxes payable	(10,732)	236
(Increase) decrease in other assets	(662)	1,584
(Decrease) increase in other liabilities	(3,837)	102
Other, net	5	633
Total adjustments	3,304	7,511
Net cash provided by operating activities	12,620	16,730
Cash flows from investing activities:		
Proceeds from sales of real estate and equipment	142	380
Additions to property, plant and equipment	(7,008)	(3,322)
Acquisition of new businesses, net of cash	(1,272)	(2,325)
Net cash used for investing activities	(8,138)	(5,267)
Cash flows from financing activities:		
Principal payments on long-term debt	(1,291)	(5,089)
Proceeds from exercise of stock options	2,287	-
Net cash provided by (used for) financing activities	996	(5,089)
Effect of foreign currency	(858)	(2,431)
Net increase in cash and cash equivalents	4,620	3,943
Cash and cash equivalents at beginning of period	25,495	8,692
Cash and cash equivalents at end of period	\$ 30,115	\$12,635

(1) Certain prior year information has been reclassified to conform to current presentation.

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

(In thousands)

	Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Unearned Portion of Restricted Stock Awards	Accumulated Other Comprehensive Income	Comprehensive Income	Treasury Stock
December 31, 2000	\$ 15,000	\$ -	\$ 51,506	\$411,866	\$ (22)	\$ (5,626)		\$ 182,500
Comprehensive income:								
Net earnings	-	-	-	62,880	-	-	\$ 62,880	-
Translation adjustments, net	-	-	-	-	-	(1,205)	(1,205)	-
Total comprehensive income	-	-	-	-	-	-	\$ 61,675	-
Dividends paid								
Restricted stock awards	-	-	6	(5,443)	(77)	-	-	(72)
Stock options exercised, net	-	-	(730)	-	-	-	-	(2,456)
Amortization of earned portion of restricted stock awards	-	-	-	-	21	-	-	-
Recapitalization	(4,382)	4,382	1,750	-	-	-	-	-
December 31, 2001	10,618	4,382	52,532	469,303	(78)	(6,831)		179,972
Comprehensive income:								
Net earnings	-	-	-	9,316	-	-	\$ 9,316	-
Translation adjustments, net	-	-	-	-	-	(1,312)	(1,312)	-
Total comprehensive income	-	-	-	-	-	-	\$ 8,004	-
Common dividends								
Stock options exercised, net	-	-	(1,434)	(1,511)	-	-	-	(3,721)
Amortization of earned portion of restricted stock awards	-	-	-	-	5	-	-	-
March 31, 2002	\$ 10,618	\$ 4,382	\$ 51,098	\$477,108	\$ (73)	\$ (8,143)		\$ 176,251

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

NOTES to CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS of PRESENTATION

Curtiss-Wright Corporation and its subsidiaries (the "Corporation") is a diversified multinational manufacturing and service company that designs, manufactures and overhauls precision components and systems and provides highly engineered services to the aerospace, defense, automotive, shipbuilding, processing, oil, petrochemical, agricultural equipment, railroad, power generation, security, and metalworking industries. Operations are conducted through thirteen manufacturing facilities, forty-three metal treatment service facilities and four aerospace component overhaul locations.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and such preparation has required the use of management's best estimates and judgments in presenting the consolidated accounts of the Corporation, after elimination of all significant intercompany transactions and accounts. Management's best estimates include assumptions that affect the reported amount of assets, liabilities, revenue and expenses in the accompanying financial statements. The most significant of these estimates include the estimate of costs to complete long-term contracts under the percentage of completion accounting method and the estimate of future environmental costs. Actual results may differ from these estimates. The unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Corporation's 2001 Annual Report on Form 10-K. The results of operations for these interim periods are not necessarily indicative of the operating results for a full year. Certain prior year information has been reclassified to conform to current presentation.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

2. RECEIVABLES

Receivables at March 31, 2002 and December 31, 2001, include amounts billed to customers and unbilled charges on long-term contracts consisting of amounts recognized as sales but not billed as of the dates presented. Substantially all amounts of unbilled receivables are expected to be billed and collected within a year. The composition of receivables for those periods is as follows:

	(In thousands)	
	March 31, 2002	December 31, 2001
	-----	-----
Billed Receivables:		
Trade and other receivables	\$75,376	\$ 70,562
Less: Progress payments applied	(8,611)	(2,393)
Allowance for doubtful accounts	(2,222)	(2,117)
	-----	-----
Net billed receivables	64,543	66,052
	-----	-----
Unbilled Receivables:		
Recoverable costs and estimated earnings not billed	29,976	24,799
Less: Progress payments applied	(7,681)	(8,015)
	-----	-----
Net unbilled receivables	22,295	16,784
	-----	-----
Notes Receivable	1,004	3,518
	-----	-----
Receivables, net	\$87,842	\$86,354
	=====	=====

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UnAUDITED)

3. INVENTORIES

Inventories are valued at the lower of cost (principally average cost) or market. The composition of inventories at March 31, 2002 and December 31, 2001 is as follows:

	(In thousands)	
	March 31, 2002	December 31, 2001
Raw material	\$ 28,913	\$ 25,761
Work-in-process	19,585	19,079
Finished goods and component parts	36,405	34,853
Inventoried costs related to US government and other long-term contracts	7,377	7,248
<hr/>		
Gross inventories	92,280	86,941
Less: Inventory reserves	(15,524)	(14,384)
Progress payments applied, principally related to long-term contracts	(19,714)	(15,442)
<hr/>		
Inventories, net	\$ 57,042	\$ 57,115
<hr/>		

4. GOODWILL and OTHER INTANGIBLE ASSETS, net

Goodwill consists primarily of the excess purchase price of the acquisitions over the fair value of the net assets acquired. Intangible assets include technical manuals, backlog, trademarks, patents/technology and licensing agreements. The Corporation has not finalized the allocation of the purchase price to goodwill and other intangible assets for the 2001 acquisitions. The results for the first quarter of 2002 include an estimate of this allocation and the resultant intangible amortization expenses. The value and estimated lives of acquired intangibles will be adjusted upon finalization of purchase accounting, which is expected to be completed in the second quarter of 2002. Intangible assets are amortized on a straight-line basis over the estimate period benefited but not exceeding 30 years. Intangible assets and accumulated amortization amounted to \$11,692,000 and \$1,468,000 at March 31, 2002 and \$11,683,000 and \$841,000 at December 31, 2001, respectively. Amortization of intangibles totaled \$627,000 and \$23,000 for the quarter ended March 31, 2002 and 2001, respectively. See Note 10 for Recently Issued Accounting Standards governing the new accounting rules for goodwill and other intangible assets.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UnAUDITED)

5. ENVIRONMENTAL MATTERS

The Corporation establishes a reserve for a potential environmental responsibility when it concludes that a determination of legal liability is probable based upon the advice of counsel. Such amounts reflect the Corporation's estimate of the amount of that liability. If only a range of potential liability can be estimated, a reserve will be established at the low end of that range. Such reserves represent current values of anticipated remediation not reduced by any potential recovery from insurance carriers or through contested third-party legal actions, and are not discounted for the time value of money.

The Corporation is joined with many other corporations and municipalities as potentially responsible parties in a number of environmental cleanup sites, which include but are not limited to the Caldwell Trucking landfill superfund site, Fairfield, New Jersey; Sharkey landfill superfund site, Parsippany, New Jersey; Pfohl Brothers landfill site, Cheektowaga, New York; Amenia landfill site, Amenia, New York; and Chemsol, Inc. superfund site, Piscataway, New Jersey.

The Corporation believes that the outcome of any of these matters would not have a material adverse effect on the Corporation's results of operations or financial condition.

6. SEGMENT INFORMATION

(In thousands)
Three Months Ended March 31, 2002

	Motion Control	Metal Treatment (1)	Flow Control	Segment Totals	Corporate & Other (2)	Consolidated Totals
Revenue from external customers	\$ 42,252	\$25,417	\$ 30,118	\$ 97,787	\$ 0	\$ 97,787
Intersegment revenues	0	109	0	109	(109)	0
Segment operating income	6,782	2,760	3,656	13,198	(284)	12,914
Segment assets	165,014	99,059	110,781	374,854	119,557	494,411

(1) Operating income for Metal Treatment includes non-recurring costs of \$451K associated with the relocation of a shot-peening facility.

(2) Operating income for Corporate includes \$202K of net environmental remediation and administrative expenses.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

(In thousands)
Three Months Ended March 31, 2001

	Motion Control	Metal Treatment	Flow Control	Segment Totals	Corporate & Other	Consolidated Totals
Revenue from external customers	\$29,957	\$27,872	\$22,088	\$ 79,917	\$ 0	\$ 79,917
Intersegment revenues	0	106	0	106	(106)	0
Segment operating income	4,583	5,463	1,219	11,265	0	11,265
Segment assets	94,957	87,116	86,190	268,263	144,534	412,797

Reconciliation:

(In thousands)
Three months ended

	March 31, 2002	March 31, 2001
Consolidated operating income	\$12,914	\$11,265
Investment income, net	131	843
Rental income, net	49	1,034
Pension income, net	2,254	2,344
Other expense, net	(108)	(458)
Interest expense	(193)	(249)
Earnings before income taxes	\$15,047	\$14,779

7. COMPREHENSIVE INCOME

Total comprehensive income for the periods ended March 31, 2002 and 2001 are as follows:

(In thousands)
Three months ended

	March 31, 2002	March 31, 2001
Net earnings	\$ 9,316	\$ 9,219
Equity adjustment from foreign currency translations	(1,312)	(2,226)
Total comprehensive income	\$ 8,004	\$ 6,993

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

8. EARNINGS PER SHARE

Diluted earnings per share were computed based on the weighted average number of shares outstanding plus all potentially dilutive common shares issuable for the periods. Dilutive common shares for the three months ended March 31, 2002 and March 31, 2001 were 217,000 and 173,000, respectively.

9. CONTINGENCIES AND COMMITMENTS

The Corporation's Drive Technology (Drive Technology) subsidiary located in Switzerland entered into sales agreements with two European defense organizations which contained offset obligations to purchase approximately 42.5 million Swiss francs of product from suppliers of two European countries over multi-year periods which expire in 2005 and 2007. The agreements contain a penalty of 5-10% of the unmet obligation at the end of the term of the agreements. As of March 31, 2002, the Corporation has accrued approximately 782,000 Swiss francs (approximately \$465,000) included in noncurrent liabilities as a contingency against not achieving the milestones and/or compliance with the remainder of these agreements.

Consistent with other entities its size, the Corporation is party to several legal actions and claims, none of which individually or in the aggregate, in the opinion of management, are expected to have a material adverse effect on the Corporation's results of operations or financial position.

10. RECENTLY ISSUED ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 141 requires all business combinations to be accounted for under the purchase method of accounting and is effective for business combinations initiated after June 30, 2001. In addition, it requires that the cost of an acquired entity must be allocated to the assets acquired, including identifiable intangible assets, and liabilities assumed based on their estimated fair values at the date of acquisition. The Corporation has not yet determined the final purchase price allocation to goodwill and other intangible assets for the companies acquired in 2001.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

Under the new rules of SFAS No. 142, goodwill is no longer amortized, but is subject to annual impairment tests in accordance with the statement. Certain other intangible assets will continue to be amortized over their useful lives. Accordingly, the Corporation adopted the new rules on accounting for goodwill and other intangible assets effective January 1, 2002. The Corporation has not yet determined the effect that these impairment tests might have on the earnings and financial position of the Corporation. The Corporation will complete the transitional goodwill impairment test during the third quarter of 2002.

The following table reflects the pro-forma consolidated results adjusted as if SFAS Nos. 141 and 142 were adopted as of January 1, 2001.

	Three Months Ended March 31, (In thousands)	
	2002	2001

Net Earnings:		
As reported	\$9,316	\$9,219

Goodwill amortization	-	442

As adjusted	\$9,316	\$9,661

Diluted Earnings Per Share:		
As reported	\$0.90	\$0.90

Goodwill amortization	-	0.03

As adjusted	\$0.90	\$0.93

In October, 2001, the Financial Accounting Standards Board issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement defines the accounting for long-lived assets to be held and used, assets held for sale and assets to be disposed of by other than sale and is effective for fiscal years beginning after December 15, 2001. The adoption of this standard had no material effect on the Corporation's results of operation or financial condition.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

11. SUBSEQUENT EVENTS

Acquisitions On April 1, 2002, the Corporation acquired all of the outstanding shares of Penny and Giles Controls Ltd., Penny and Giles Controls Inc., Penny and Giles Aerospace Ltd., the assets of Penny & Giles International Plc. devoted to its aerospace component business (collectively "Penny and Giles"), and substantially all of the assets of Autronics Corporation ("Autronics") from Spirent Plc. The purchase price of the acquisition, subject to adjustment as provided for in the Share and Asset Purchase Agreement (the "Agreement"), is \$60 million in cash and the assumption of certain liabilities. Approximately \$40 million of the purchase price was funded from credit available under the Corporation's Revolving Credit facility.

Penny and Giles is a leading designer and manufacturer of proprietary position sensors and control hardware for both military and commercial aerospace applications and industrial markets. Autronics is a leading provider of aerospace fire detection and suppression control systems, power conversion products and control electronics.

The acquired business units, located in Wales, England, Germany and the United States, are intended to operate as part of the motion control segment within Curtiss-Wright Flight Systems, Inc., a wholly-owned subsidiary of the Corporation. Incorporated by reference is the Corporation's Form 8-K filed with the Securities and Exchange Commission on April 1, 2002.

Debt

On May 13, 2002, the Corporation entered into two new credit agreements aggregating \$225 million with a group of eight banks. The Revolving Credit Agreement ("Revolving Credit Agreement") commits a maximum of \$135 million to the Corporation for cash borrowings and letters of credit. The commitments made under the Revolving Credit Agreement expire May 13, 2007, but may be extended annually for successive one-year periods with the consent of the bank group. The Corporation also entered into a Short-Term Credit Agreement ("Short-Term Credit Agreement"), which allows for cash borrowings up to \$90 million. The Short-Term Credit Agreement expires May 12, 2003, but may be extended, with the consent of the bank group, for additional periods not to exceed 364 days. The outstanding borrowings as of May 13, 2002 under the prior Revolving Credit Agreement and Short-Term Credit Agreement were paid in full by funding from the new 2002 agreements.

PART I - ITEM 2
CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS

RESULTS of OPERATIONS

Sales for the first quarter of 2002 totaled \$97.8 million, an increase of 22% from the sales of \$79.9 million for the first quarter of 2001. New orders received for the current quarter of \$96.1 million were up 44% over the orders of \$66.9 million for the first quarter of 2001. Sales for the first quarter of 2002 as compared to the same period last year benefited from the acquisitions completed in 2001, primarily in the fourth quarter. Sales adjusted to exclude those acquisitions were \$81.6 million in the first quarter of 2002, an increase of 2% over the same period last year. For the quarter, higher sales of aerospace OEM military products, flow control products for the nuclear naval and commercial power generation applications slightly more than offset declines in aerospace component overhaul and repair services, commercial aerospace OEM products and metal treatment related services.

Operating income for the first quarter of 2002 totaled \$12.9 million, an increase of 15% from operating income of \$11.3 million for the same period last year. Operating income for the first quarter of 2002 benefited from the 2001 acquisitions. Operating income excluding 2001 acquisitions was \$12.4 million, a 10% increase over the same period last year. Margin improvements in the Flight Systems and Flow Control segments and ongoing cost reduction programs have more than offset the lower margins experienced at the Metal Treatment segment, which is primarily due to lower volume.

Net earnings for the first quarter of 2002 totaled \$9.3 million, or \$0.90 per diluted share, which was essentially flat with the net earnings for the first quarter of 2001 of \$9.2 million, or \$0.90 per diluted share. Net earnings for the first quarter of 2002 included some unusual items, the net effect of which had an unfavorable impact of \$0.3 million. The items included the costs of relocating a Metal Treatment facility, the loss on securities received from the demutualization of an insurance company, and the gain on the sale of real property. Excluding the effect of these items, normalized earnings for the first quarter of 2002 were \$9.6 million, or \$0.93 per diluted share, a 4% increase over 2001.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Operating Performance:

Motion Control

Sales for the Corporation's Motion Control segment improved 41% to \$42.3 million in the first quarter of 2002, from \$30.0 million in the first quarter of 2001, primarily due to the contribution of the 2001 acquisitions. Acquisitions contributed \$9.3 million to the sales improvement. Excluding the 2001 acquisitions, business improved 10% from the first quarter of 2001 mainly due to higher defense sales of aerospace and armored vehicle products, partially offset by the continued softness in the commercial aerospace overhaul and repair services.

Operating income for the first quarter of 2002 was \$6.8 million, an increase of 48% over the same period last year of \$4.6 million. The improvement was due to the higher military sales volumes, stronger margins and improved cost structures, partially offset by the lower margins within the overhaul and repair services. The operating income for the first quarter of 2002 includes \$0.5 million of estimated intangible asset amortization related to the 2001 acquisitions.

New orders received for the Motion Control segment totaled \$29.7 million in the first quarter of 2002, increasing 58% from orders received in the first quarter of 2001. The increase in new orders reflects the contribution from the 2001 acquisitions.

Metal Treatment

Sales for the Corporation's Metal Treatment segment totaled \$25.4 million for the first quarter of 2002, down 9% when compared with \$27.9 million in the first quarter of 2001. Overall industrial market softness, slowdowns in the aerospace markets, power generation and automotive customers and weaknesses in the heat treating markets contributed to the lower volume. In addition, unfavorable foreign currency exchange rate movements adversely impacted sales.

Operating income for the first quarter of 2002 declined 49% to \$2.8 million from \$5.5 million for the same period last year. The reduction in operating income is due to reduced volume, start-up costs for three new facilities and the adverse impact of foreign currency translation. In addition, there were some non-recurring costs associated with the relocation of one of the segment's shot-peening facilities.

New orders received for the Metal Treatment segment totaled \$25.5 million in the first quarter of 2002, decreasing 9% from orders received in the first quarter of 2001.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Flow Control

The Corporation's Flow Control segment posted sales of \$30.1 million for the first quarter of 2002, an increase of 36% when compared with \$22.1 million in the first quarter of 2001. Acquisitions represented \$5.6 million of this increase, while the balance of the segment business increased \$2.4 million, or 11%. Sales benefited from higher shipments of products used for nuclear applications for the Navy and power generation plants, partially offset by lower deliveries to the oil and gas and processing industries and products associated with the automotive and heavy truck markets.

Operating income for the first quarter of 2002 was \$3.7 million compared to \$1.2 million for the same period last year. The 2001 acquisitions generated operating profits of \$0.4 million, while the balance of the segment business improved \$2.0 million, or 157%. The increase was driven by improved operating margins on flow control products for nuclear applications and overall cost reduction programs.

New orders received for the Flow Control segment totaled \$41.0 million in the first quarter of 2002, increasing 104% from orders received in the first quarter of 2001. The increase in new orders reflects the contribution from the 2001 acquisitions.

Corporate and Other Expenses

The Corporation had a non-segment operating loss of \$0.3 million in the first quarter of 2002 compared with none in the same period of the prior year. In the first quarter of 2002, the Corporation recorded \$0.2 million of net environmental remediation and administrative expenses.

Non-Operating Revenues and Costs

For the first quarter of 2002, the Corporation recorded other non-operating net revenue totaling \$2.1 million, compared with \$3.5 million for the first quarter of 2001. The decrease was primarily caused by lower rental income due to the sale of our Wood-Ridge property and lower investment income due to lower short-term investment balances, lower interest rates and losses on the sales of securities received relative to the demutualization of an insurance company.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

CHANGES IN FINANCIAL CONDITION:

Liquidity and Capital Resources:

The Corporation's working capital was \$149.3 million at March 31, 2002, a slight reduction from the working capital at December 31, 2001 of \$149.9 million. The ratio of current assets to current liabilities was 3.5 to 1 at March 31, 2002, compared with a ratio of 3.0 to 1 at December 31, 2001.

Cash, cash equivalents and short-term investments totaled \$49.4 million in the aggregate at March 31, 2002, down 26% from \$67.2 million at the prior year-end. During the first quarter of 2002, the Corporation made a tax payment of approximately \$13 million related to the gain on the sale of our Wood-Ridge facility. Cash flow for the first quarter of 2002 also benefited from the proceeds from the sale of short-term investments. Days sales outstanding at March 31, 2002 decreased to 63 days from 74 at December 31, 2001.

As of March 31, 2002, the Corporation had two credit agreements, a Revolving Credit Agreement and a Short-Term Credit Agreement, aggregating \$100.0 million with a group of five banks. The credit agreements allowed for borrowings to take place in U.S. or certain foreign currencies. The Revolving Credit Agreement committed a maximum of \$60.0 million to the Corporation for cash borrowings and letters of credit. The unused credit available under this facility at March 31, 2002 was \$34.6 million. The commitments made under the Revolving Credit Agreement expire December 17, 2004, but may be extended annually for successive one-year periods with the consent of the bank group. The Corporation also had in effect a Short-Term Credit Agreement, which allowed for cash borrowings of \$40.0 million, all of which was available at March 31, 2002. The Short-Term Credit Agreement expires on December 13, 2002 and may be extended, with the consent of the bank group, for additional periods not to exceed 364 days. Cash borrowings (excluding letters of credit) under the two credit agreements at March 31, 2002 were at a US Dollar equivalent of \$6.5 million, compared with cash borrowings of \$9.4 million at March 31, 2001. Borrowings under these agreements were used to finance the acquisition of Drive Technology in 1998 and have a remaining balance of 11.0 million Swiss francs. The loans outstanding under the Revolving Credit Agreement and Industrial Revenue Bonds totaling \$13,400,000 at March 31, 2002 and \$18,747,000 at March 31, 2001 had variable interest rates averaging 1.80% for the first quarter of 2002 and variable interest rates averaging 3.75% for the first quarter of 2001. See Recent Developments for discussion of the new credit agreements and the status of current borrowings under the old agreements resulting from the Corporation's recent acquisition on April 1, 2002.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

During the first quarter of 2002, internally available funds were adequate to meet capital expenditures of \$7.0 million. Expenditures incurred during the first quarter were primarily for new and replacement machinery and equipment within the operating segments. The Corporation is expected to make additional capital expenditures of approximately \$20 million during the balance of the year, primarily for machinery and equipment for the business segments. The Corporation also incurred \$1.3 million related to the acquisition of new businesses, primarily the finalization of purchase price adjustments on the 2001 acquisitions. Funds from internal sources are expected to be adequate to meet planned capital expenditures, environmental and other obligations for the remainder of the year.

Critical Accounting Policies

Revenue recognition. The Corporation uses the percentage-of-completion method for recognizing revenue for many of its long-term contracts. This method recognizes revenue as the contracts progress as opposed to the completed contract method which recognizes revenue when the contract is completed. The percentage-of-completion method requires the use of estimates as to the future costs that will be incurred. These costs include material, labor and overhead. Factors influencing these future costs include the availability of materials and skilled laborers.

Inventory. The Corporation purchases materials for the manufacture of components for use in its contracts and for use by its repair and overhaul businesses. The decision to purchase a set quantity of a particular item is influenced by several factors including: current and projected cost; future estimated availability; existing and projected contracts to produce certain items; and the estimated needs for its repair and overhaul business. The Corporation estimates the net realizable value of its inventories and establishes reserves to reduce the carrying amount of these inventories as necessary.

Pension assets. The Corporation, in consultation with its actuary, determines the appropriate assumptions for use in determining the liability for future pensions and other postemployment benefits. In the first quarter of 2002, the Corporation recognized pension income of \$2.3 million as amounts funded for the pension plan in prior years together with earnings on those assets, exceeded the calculated liability. As of March 31, 2002, the pension trust was in an overfunded position of approximately \$73 million, which will be recognized in income in future years. The timing and amount to be recognized each year is dependent on the demographics and earnings of the plan participants, the interest rates in effect in future years, and the actual investment returns of the assets in the pension trust.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Environmental reserves. The Corporation provides for environmental reserves when, in conjunction with its internal and external counsel, it determines that a liability is both probable and estimable. In many cases, the liability is not fixed or capped when the Corporation first records a liability for a particular site. Factors that affect the recorded amount of the liability in future years include: the Corporation's participation percentage due to the settlement by or bankruptcy of other Potentially Responsible Parties; a change in the environmental laws requiring more stringent requirements; a change in the estimate of future costs that will be incurred to remediate the site; and changes in technology related to environmental remediation.

Goodwill and other intangible assets. At March 31, 2002, the Corporation has \$95 million in goodwill and other intangible assets related to acquisitions made in 2001 and prior years. The recoverability of these assets is subject to an impairment test based on the estimated fair value of the underlying businesses. These estimated fair values are based on estimates of the future cash flows of the businesses. Factors affecting these future cash flows include: the continued market acceptance of the products and services offered by the businesses; the development of new products and services by the businesses and the underlying cost of development; the future cost structure of the businesses; and future technological changes.

Recent Developments

Acquisition

As discussed in Note 11 to the Consolidated Financial Statements, on April 1, 2002 the Corporation acquired all of the outstanding shares of Penny and Giles Controls Ltd., Penny and Giles Controls Inc., Penny and Giles Aerospace Ltd. and the assets of Penny & Giles International Plc. devoted to its aerospace component business (collectively "Penny and Giles"), and substantially all of the assets of Autronics Corporation ("Autronics") from Spirent Plc. The purchase price of the acquisition, subject to adjustment as provided for in the Share and Asset Purchase Agreement was \$60 million in cash and the assumption of certain liabilities. Approximately \$40 million of the purchase price was funded from credit available under the Corporation's Revolving Credit facility. See Note 11 to the Consolidated Financial Statements for further information.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Debt

On May 13, 2002, the Corporation entered into two new credit agreements aggregating \$225 million with a group of eight banks. The Revolving Credit Agreement ("Revolving Credit Agreement") commits a maximum of \$135 million to the Corporation for cash borrowings and letters of credit. The commitments made under the Revolving Credit Agreement expire May 13, 2007, but may be extended annually for successive one-year periods with the consent of the bank group. The Corporation also entered into a Short-Term Credit Agreement ("Short-Term Credit Agreement"), which allows for cash borrowings of \$90 million. The Short-Term Credit Agreement expires May 12, 2003, but may be extended, with the consent of the bank group, for additional periods not to exceed 364 days. The outstanding borrowings as of May 13, 2002 under the prior Revolving Credit Agreement and Short-Term Credit Agreement were paid in full by funding from the new 2002 agreements.

PART I - ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the Corporation's market risk during the three months ended March 31, 2002. Information regarding market risk and market risk management policies is more fully described in item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2001.

FORWARD-LOOKING INFORMATION

Except for historical information contained herein, this Quarterly Report on Form 10-Q does contain "forward-looking" information within the meaning of

Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934. Examples of forward-looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, earnings or loss per share, investment mix and quality, growth prospects, capital structure and other financial terms, (b) statements of plans and objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which are outside our control that could cause actual results to differ materially from future results expressed or implied by such forward-looking information. Readers are cautioned not to put undue reliance on such forward-looking information. Such statements in this Report include, without limitation, those contained in Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to the Consolidated Financial Statements including, without limitation, the Environmental Matters Note. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, (i) a reduction in anticipated orders; (ii) an economic downturn; (iii) unanticipated environmental remediation expenses or claims; (iv) changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; (v) changes in the competitive marketplace and/or customer requirements; (vi) an inability to perform customer contracts at anticipated cost levels and (vii) other factors that generally affect the business of companies operating in the Corporation's Segments.

PART II - OTHER INFORMATION

Item 4. SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

On April 26, 2002, the Registrant held its annual meeting of stockholders. The matters submitted to a vote by the stockholders were the election of directors, the amendment of the 1995 Long-Term Incentive Plan and the retention of independent accountants for the Registrant.

The vote received by the director nominees was as follows:

	For	Withheld
Class B common: -----		
Martin R. Benante	3,749,219	40,522
James B. Busey IV	3,749,155	40,586
Dave Lasky	3,748,631	41,110
William B. Mitchell	3,748,898	40,843
John Myers	3,748,699	41,042
William W. Sihler	3,748,698	41,043
J. McLain Stewart	3,748,449	41,292
Common: -----		
S. Marce Fuller	4,468,121	354,016

There were no votes against or broker non-votes.

The stockholders voting as a single class approved the amendment to the 1995 Long-Term Incentive Plan to increase the number of shares reserved for issuance by 500,000 shares. The holders of 5,646,836 shares voted in favor; 2,053,016 voted against and 912,019 abstained. There were no broker non-votes.

The stockholders approved the retention of PricewaterhouseCoopers LLP, independent accountants for the Registrant. The holders of 8,542,553 shares voted in favor; 52,992 voted against and 16,327 abstained. There were no broker non-votes.

Item 6. EXHIBITS and REPORTS on FORM 8-K

(a) Exhibits

- Exhibit 4.1 Revolving Credit Agreement dated May 13, 2002, between Registrant, the Lender parties thereto from time to time, the Issuing Banks referred to therein, and The Bank of Nova Scotia, as Agent.

- Exhibit 4.2 Short-Term Credit Agreement dated May 13, 2002, between Registrant, the Lender parties thereto from time to time, the Issuing Banks referred to therein, and The Bank of Nova Scotia, as Agent.

(b) Reports on Form 8-K

1. On January 4, 2002, the Company filed a report on Form 8-K reporting under Item 2, the December 20, 2001 sale of the Registrant's Wood-Ridge Industrial Complex located in Wood-Ridge, New Jersey.

2. On April 15, 2002, the Company filed a report on Form 8-K reporting under Item 2, the April 1, 2002 purchase of certain assets and stock from Spirent Plc.

SIGNATURES

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

CURTISS-WRIGHT CORPORATION
(Registrant)

By: /s/ Glenn E. Tynan

Glenn E. Tynan
Corporate Controller
(Chief Accounting and Financial Officer)

Dated: May 15, 2002

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STATEMENT OF DIFFERENCES

The less-than-or-equal-to sign shall be expressed as..... <=

CREDIT AGREEMENT

dated as of May __, 2002

among

CURTISS-WRIGHT CORPORATION

and

THE SUBSIDIARY BORROWERS PARTIES HERETO FROM TIME TO TIME,

as Borrowers,

THE LENDERS PARTIES HERETO FROM TIME TO TIME,

THE ISSUING BANKS REFERRED TO HEREIN,

and

**THE BANK OF NOVA SCOTIA,
as Agent**

**FLEET NATIONAL BANK,
as Syndication Agent**

**SUN TRUST BANK,
as Documentation Agent**

and

**THE BANK OF NOVA SCOTIA,
as Lead Arranger.**

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "Agreement"), dated as of May 13, 2002, by and among CURTISS-WRIGHT CORPORATION, a Delaware corporation ("Curtiss-Wright"), the Subsidiary Borrowers (as defined below) party hereto from time to time (collectively with Curtiss-Wright, the "Borrowers", and each individually a "Borrower"), the lenders party hereto from time to time (the "Lenders", as defined further below), FLEET NATIONAL BANK, as syndication agent for the Lenders (in such capacity, the "Syndication Agent"), SUN TRUST COMPANY, as documentation agent for the Lenders (in such capacity, the "Documentation Agent"), the Issuing Banks referred to herein (the "Issuing Banks") and THE BANK OF NOVA SCOTIA, as agent for the Lenders and the Issuing Banks hereunder (in such capacity, together with its successors in such capacity, the "Agent").

WHEREAS, the Borrowers have requested the Agent, the Lenders and the Issuing Banks to enter into this Agreement and extend credit as herein provided;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; CONSTRUCTION

1.01. Certain Definitions. In addition to other words and terms defined elsewhere in this Agreement, as used herein the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

"Account Party" or "Account Parties" shall have the meaning set forth in Section 3.01(b) hereof.

"Additional Indebtedness" is defined in Section 7.03(e) hereof.

"Affected Lender" shall have the meaning set forth in Section 2.04(e) hereof.

"Affiliate" of Curtiss-Wright or any of its Subsidiaries shall mean any Person which directly or indirectly controls or is controlled by or is under common control with Curtiss-Wright or such Subsidiary, as the case may be. For purposes of this definition "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management policies, whether through ownership of voting securities or by contract or otherwise.

"Anniversary Date" shall mean each May 12 during the term of this Agreement.

"Applicable Funding Rate" shall have the meaning set forth in Section 2.10(b) hereof.

"Applicable Location" shall mean (i) except as provided in clause (ii), the Federal Reserve Bank of New York, ABA# 026002532 for further credit to The Bank of Nova Scotia, New York Agency, Account #2835-17, Attention: Doina Levarda, Reference: Curtiss-Wright, and (ii) in the case of payments denominated in an Other Currency, the appropriate account and location set

forth on Schedule I hereto, or in either case, such other location or account designated from time to time by notice from the Agent to the Borrowers and the Lenders.

"Applicable Margin" shall have the meaning set forth in Section 2.04(b) hereof.

"Assured Obligation" shall have the meaning set forth in the definition of "Guaranty Equivalent" in this Section 1.01.

"Available" means, in respect of any Other Currency and any Lender, that such Other Currency is, at the relevant time, (a) readily available to such Lender as deposits in the London or other applicable interbank market in the relevant amount and for the relevant term, (b) is freely convertible into Dollars and (c) is freely transferable for the purposes of this Agreement, but if, notwithstanding that each of the foregoing tests is satisfied:

(a) such Other Currency is, under the then current legislation or regulations of the country issuing such Other Currency (or under the policy of the central bank of such country) or of the Bank of England or the F.R.S. Board, not permitted to be used for the purposes of this Agreement; or

(b) there is no, or only insignificant, investor demand for the making of advances having an interest period equivalent to that for the LIBO Rate Portion denominated in an Other Currency which a Borrower has requested be made; or

(c) there are policy or other reasons which make it undesirable or impractical for a Lender to make a Revolving Credit Loan denominated in such Other Currency available as determined by such Lender in its reasonable discretion;

then such Other Currency may be treated by any Lender as not being Available.

"Base Rate" shall have the meaning set forth in Section 2.04(a)(i) hereof.

"Base Rate Option" shall have the meaning set forth in Section 2.04(a) hereof.

"Base Rate Portion" of any Loan or Loans shall mean at any time the portion, including the whole, of such Loan or Loans bearing interest at such time (i) under the Base Rate Option or (ii) in accordance with Section 2.09(c)(ii) hereof. If no Loan or Loans is specified, "Base Rate Portion" shall refer to the Base Rate Portion of all Loans outstanding at such time.

"Borrower" or "Borrowers" shall have the meaning set forth in the preamble.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday under the laws of the State of New York or other day on which banking institutions are authorized or obligated to close in the city in which the Agent's Office is located.

"Capital Securities" means, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued after the date on which all conditions set forth in Article V have been satisfied.

"Change of Control" shall mean that any Person or group of Persons (as used in Sections 13 and 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder) shall have become the beneficial owner, directly or indirectly (as defined in Rules 13d-3 and 13d-5 promulgated by the Securities and Exchange Commission (the "SEC") under the Exchange Act), of either (i) 50% or more of the combined voting power of all the outstanding voting securities of Curtiss-Wright or (ii) the voting power to elect a majority of the board of directors of Curtiss-Wright.

"Closing Date" shall mean the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to sections of the Code shall be construed also to refer to any successor sections.

"Commitment" of a Lender shall mean, as the context may require, the Revolving Credit Commitment or the Swing Line Commitment of such Lender.

"Commitment Percentage" of a Lender at any time shall mean the Commitment Percentage for such Lender set forth below its name on the signature page hereof, as such percentage may be adjusted pursuant to Section 2.01(g) and (h) hereof, and subject to transfer to another Lender as provided in Section 10.14 hereof.

"Consolidated EBIT" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries, calculated for each fiscal quarter then ending, and the immediately preceding three fiscal quarters (determined on a consolidated basis and in accordance with GAAP), the sum of (a) Consolidated Net Income, plus (b) Consolidated Interest Expense, plus (c) consolidated foreign, federal and state income tax expenses for such period, plus (d) extraordinary losses for such period, minus (e) extraordinary gains for such period.

"Consolidated EBITDA" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries, calculated for each fiscal quarter then ending, and the immediately preceding three fiscal quarters (determined on a consolidated basis and in accordance with GAAP), the sum of (a) Consolidated EBIT, plus (b) depreciation and amortization of assets for such period (if subtracted from earnings in calculating the same).

"Consolidated Interest Expense" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries calculated for each fiscal quarter then ending, and the immediately preceding three fiscal quarters, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ended on such date, including, in any event, interest expense with respect to Indebtedness of Curtiss-Wright and its consolidated Subsidiaries, interest expense for the relevant period that has been capitalized on the balance sheet and interest expense with respect to any Deemed Debt.

"Consolidated Net Income" shall mean, for any period, the consolidated net income (or deficit) of Curtiss-Wright and its consolidated Subsidiaries for such period, determined in accordance with GAAP.

"Consolidated Net Worth" of Curtiss-Wright and its consolidated Subsidiaries, shall mean total shareholder's equity which would appear as such on the consolidated balance sheet of Curtiss-Wright, determined in accordance with GAAP.

"Controlled Group" means all members of a group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with Curtiss-Wright or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Corresponding Source of Funds" shall mean, in the case of any Funding Segment of the LIBO Rate Portion, the proceeds of hypothetical receipts by a Notional LIBO Rate Funding Office or by a Lender through a Notional LIBO Rate Funding Office of one or more Dollar deposits in the interbank eurodollar market at the beginning of the LIBO Rate Funding Period corresponding to such Funding Segment having maturities approximately equal to such LIBO Rate Funding Period and in an aggregate amount approximately equal to such Lender's Pro Rata share of such Funding Segment.

"Curtiss-Wright Guaranty" shall have the meaning set forth in Section 5.01(n) hereof.

"Debt Instrument" shall have the meaning set forth in Section 8.01(e) hereof.

"Deemed Debt" shall mean the amount of indebtedness incurred by Curtiss-Wright and its consolidated Subsidiaries and any special purpose corporation or trust which is an Affiliate of Curtiss-Wright or any of its Subsidiaries in connection with any accounts receivable or inventory financing facility, whether or not shown on the balance sheet of Curtiss-Wright or such Subsidiary in accordance with GAAP to the extent not included in the definition of Indebtedness. For purposes of determining the amount of Deemed Debt incurred by any Person in connection with any off-balance sheet financing transaction, the amount of all contingent obligations of such Person shall be included as well as non-recourse indebtedness incurred in connection with such transaction. Deemed Debt shall not include operating leases.

"Deemed Guarantor" shall have the meaning set forth in the definition of "Guaranty Equivalent" in this Section 1.01.

"Deemed Obligor" shall have the meaning set forth in the definition of "Guaranty Equivalent" in this Section 1.01.

"Documentation Agent" shall have the meaning set forth in the preamble.

"Dollar," "Dollars" and the symbol "\$" shall mean lawful money of the United States of America.

"Dollar Equivalent Amount" of any Revolving Credit Loan shall mean (a) with respect to a Revolving Credit Loan denominated in an Other Currency, an amount equal to the amount of Dollars that the amount of such Other Currency (equal to the principal amount of such Revolving Credit Loan) could purchase at 12:00 p.m., noon, New York time, on the date of determination, based upon the quoted spot rates of the Agent, at which its applicable branch or office offers to exchange Dollars for such currency in the foreign exchange market and (b) with respect to a

Loan denominated in US Currency, an amount in Dollars equal to the principal amount of such Loan.

"Environmental Claim" shall have the meaning set forth in Section 4.09 hereof.

"Environmental Laws" shall have the meaning set forth in Section 4.09 hereof.

"Environmental Permits" shall have the meaning set forth in Section 4.09 hereof.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"Euro" and "Euros" shall mean the lawful currency of the participating member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

"Event of Default" shall mean any of the Events of Default described in Section 8.01 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Existing Lenders" shall have the meaning set forth in the definition of the Original Credit Agreements.

"Extension Request" shall have the meaning set forth in Section 2.01(g) hereof.

"Facility Fee" shall have the meaning set forth in Section 2.02(a) hereof.

"Fairfield Property" shall mean the real property located at 300 Fairfield Road, Fairfield, New Jersey 07004.

"Federal Funds Effective Rate" for any day shall mean the rate per annum (rounded upward to the nearest 1/100 of 1%) determined by the Agent (which determination shall be conclusive absent manifest error) to be the rate per annum announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight Federal funds transactions arranged by Federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; provided, that if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

"F.R.S. Board" means the Board of Governors of the Federal Reserve System or any successor thereto.

"Funding Breakage Date" shall have the meaning set forth in Section 2.10(b) hereof.

"Funding Breakage Indemnity" shall have the meaning set forth in Section 2.10(b) hereof.

"Funding Periods" shall have the meaning set forth in Section 2.04(c) hereof.

"Funding Segment" of the LIBO Rate Portion of the Revolving Credit Loans at any time shall mean the entire principal amount of such Portion to which at the time in question there is applicable a particular Funding Period beginning on a particular day and ending on a particular day. (By definition, each such Portion is at all times composed of an integral number of discrete Funding Segments and the sum of the principal amounts of all Funding Segments of any such Portion at any time equals the principal amount of such Portion at such time.)

"GAAP" shall have the meaning set forth in Section 1.03 hereof.

"Governmental Action" shall mean any approval, order, consent, authorization, certificate, license, permit or validation of, or exemption or other action by, or filing, recording or registration with, or notice to, any Governmental Authority.

"Governmental Authority" shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"Guaranty Equivalent": A Person (the "Deemed Guarantor") shall be deemed to be subject to a Guaranty Equivalent in respect of any indebtedness, obligation or liability (the "Assured Obligation") of another Person (the "Deemed Obligor") if the Deemed Guarantor directly or indirectly guarantees, becomes surety for, endorses, assumes, agrees to indemnify the Deemed Obligor against, or otherwise agrees, becomes or remains liable (contingently or otherwise) for, such Assured Obligation. Without limitation, a Guaranty Equivalent shall be deemed to exist if a Deemed Guarantor agrees, becomes or remains liable (contingently or otherwise), directly or indirectly: (a) to purchase or assume, or to supply funds for the payment, purchase or satisfaction of, an Assured Obligation, (b) to make any loan, advance, capital contribution or other investment in, or to purchase or lease any property or services from, a Deemed Obligor (i) to maintain the solvency of the Deemed Obligor, (ii) to enable the Deemed Obligor to meet any other financial condition, (iii) to enable the Deemed Obligor to satisfy any Assured Obligation or to make any Stock Payment or any other payment, or (iv) to assure the holder of such Assured Obligation against loss, (c) to purchase or lease property or services from the Deemed Obligor regardless of the nondelivery of or failure to furnish of such property or services, or (d) in respect of any other transaction the effect of which is to assure the payment or performance (or payment of damages or other remedy in the event of nonpayment or nonperformance) of any Assured Obligation.

"Hazardous Materials" shall have the meaning set forth in Section 4.09 hereof.

"HLT Classification" shall have the meaning set forth in Section 2.11 hereof.

"Indebtedness" of a Person, at a particular date, shall mean, without duplication, the following: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property; (b) the face amount of all letters of credit (other than standby letters of credit issued for the account of such Person in connection with bids on proposed contracts by such

Person) issued for the account of such Person and, without duplication, all drafts drawn under all letters of credit (including standby letters of credit); (c) all liabilities secured by any Lien (other than Permitted Liens permitted under clause (h) of the definition thereof) on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though it has not assumed or become liable for the payment thereof; (d) all Assured Obligations of others as to which such Person is the Deemed Guarantor under a Guaranty Equivalent; and (e) lease obligations of such Person which have been, or which in accordance with GAAP should be, capitalized.

"Indemnified Parties" shall mean the Agent, the Lenders, their respective affiliates, and the directors, officers, employees, attorneys and agents of each of the foregoing.

"Interest Coverage Ratio" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries for any period, the ratio of (a) Consolidated EBIT to (b) Consolidated Interest Expense for the immediately preceding four quarter period ending on the date of determination.

"Investment" means, relative to any Person, (a) any loan, advance or extension of credit made by such Person to any other Person, including the purchase by such Person of any bonds, notes, debentures or other debt securities of any other Person; (b) contingent liabilities in favor of any other Person; and (c) any Capital Securities held by such Person in any other Person. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such Investment.

"Issuing Bank" or "Issuing Banks" shall have the meaning set forth in Section 3.01(b) hereof.

"Judgment Amount" shall have the meaning set forth in Section 8.03 hereof.

"Law" shall mean any law (including common law), constitution, statute, treaty, convention, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

"Lender" shall mean any of the Lenders listed on the signature pages hereof, subject to the provisions of Section 10.14 hereof pertaining to Persons becoming or ceasing to be Lenders.

"Letter of Credit" shall have the meaning set forth in Section 3.01(b) hereof.

"Letter of Credit Application" shall have the meaning set forth in Section 3.03(a)(ii) hereof.

"Letter of Credit Collateral Account" shall have the meaning set forth in Section 3.10(b) hereof.

"Letter of Credit Exposure" shall mean the aggregate Letter of Credit Undrawn Availability for all outstanding Letters of Credit.

"Letter of Credit Facing Fee" shall have the meaning assigned to that term in Section 3.02(b) hereof.

"Letter of Credit Fee" shall have the meaning set forth in Section 3.02(a) hereof.

"Letter of Credit Obligations" shall mean at any particular time all liabilities of the Borrowers with respect to Letters of Credit, whether or not such liability is contingent, including (without duplication) the sum of (a) the aggregate Letter of Credit Undrawn Availability of all Letters of Credit then outstanding plus (b) the aggregate amount of all unpaid Letter of Credit Reimbursement Obligations.

"Letter of Credit Participating Interest" shall have the meaning set forth in Section 3.04(a) hereof.

"Letter of Credit Reimbursement Obligations" shall mean, collectively, (a) the obligations of the Borrowers to reimburse the Issuing Banks in accordance with the terms of this Agreement and the related Letter of Credit Applications for any payments made by the Issuing Banks under any Letters of Credit, and (b) all fees and expenses payable to the Agent for the account of the Lenders in respect of any Letters of Credit.

"Letter of Credit Undrawn Availability" shall mean for each Letter of Credit, the undrawn face amount of such Letter of Credit.

"Leverage Ratio" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries for any fiscal period, the ratio of (a) Indebtedness of Curtiss-Wright and its consolidated Subsidiaries plus any Deemed Debt plus any Synthetic Lease Obligations equal to the aggregate amount of Notes and equity outstanding as of the date of determination, to (b) Consolidated EBITDA plus, in the event of any acquisition by Curtiss-Wright, with respect to the acquired company and without duplication, the sum of (i) the net earnings (or loss), plus (ii) interest expense for such period, plus (iii) consolidated federal and state income tax expenses for such period, plus (iv) depreciation and amortization of assets for such period (if subtracted from earnings in calculating the same), plus (v) extraordinary losses for such period, minus (vi) extraordinary gains for such period, with all of the foregoing amounts to be calculated for the fiscal period then ending, and the immediately preceding three fiscal quarters (determined on a consolidated basis in accordance with GAAP).

"LIBO Rate" shall have the meaning set forth in Section 2.04(a)(iii) hereof.

"LIBO Rate Option" shall have the meaning set forth in Section 2.04(a)(ii) hereof.

"LIBO Rate Portion" of any Revolving Credit Loan or Revolving Credit Loans shall mean at any time the portion, including the whole, of such Revolving Credit Loan or Revolving Credit Loans bearing interest at any time under the LIBO Rate Option or at a rate calculated by reference to the LIBO Rate under

Section 2.09(c)(i) hereof. If no Revolving Credit Loan or Revolving Credit Loans is specified, "LIBO Rate Portion" shall refer to the LIBO Rate Portion of all Revolving Credit Loans outstanding at such time.

"LIBO Rate Reserve Percentage" shall have the meaning set forth in Section 2.04(a)(iii) hereof.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any additional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loan" shall mean, as the context requires, a Revolving Credit Loan or a Swing Line Loan, and "Loans" shall mean all Loans made by the Lenders under this Agreement.

"Loan Documents" shall mean this Agreement, the Notes, the Curtiss-Wright Guaranty, the Subsidiary Guarantees, the Transfer Supplements and the Rate Protection Agreements, and all other agreements and instruments extending, renewing, refinancing or refunding any indebtedness, obligation or liability arising under any of the foregoing, in each case as the same may be amended, modified or supplemented from time to time hereafter.

"London Business Day" shall mean any day in which dealing in deposits in Dollars is carried on by and among banks in the London interbank market and which is a Business Day.

"Loss" shall have the meaning set forth in Section 8.03 hereof.

"Material Adverse Effect" shall mean (a) a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Curtiss-Wright and its Subsidiaries taken as a whole or (b) a material adverse effect on the ability of Curtiss-Wright and its Subsidiaries to perform or comply with any of the terms and conditions of any Loan Document.

"Maturity Date" shall mean, initially, May __, 2007, as such date may be extended by the Lenders pursuant to Section 2.01(g) hereof.

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement which is subject to Title IV of ERISA to which Curtiss-Wright or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"National Currency Unit" shall have the meaning set forth in Section 2.14(h) hereof.

"Nonextending Lender" shall have the meaning set forth in Section 2.01(g) hereof.

"Non-Participant State" shall have the meaning set forth in Section 2.14(h) hereof.

"Note" or "Notes" shall mean, as the context may require, the Revolving Credit Notes or the Swing Line Notes of the Borrowers executed and delivered under this Agreement, together with all modifications, amendments, extensions, renewals, refinancings or refundings of any thereof in whole or part.

"Notional LIBO Rate Funding Office" shall have the meaning set forth in Section 2.13(a) hereof.

"Obligations" shall mean all indebtedness, obligations and liabilities of any Borrower to any Lender, any Issuing Bank or the Agent from time to time arising under or in connection with or related to or evidenced by this Agreement or any other Loan Document, and all extensions,

renewals or refinancings thereof, whether such indebtedness, obligations or liabilities are direct or indirect, otherwise secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising. Without limitation of the foregoing, such indebtedness, obligations and liabilities include the principal amount of Loans, accrued but unpaid interest, Letter of Credit Obligations, unpaid fees, indemnities or expenses under or in connection with this Agreement or any other Loan Document, and all extensions, renewals and refinancings thereof, whether or not such Loans were made in compliance with the terms and conditions of this Agreement or in excess of the obligation of the Lenders to lend. The Obligations shall remain Obligations notwithstanding any assignment or transfer or any subsequent assignment or transfer of any of the Obligations or any interest therein.

"Office," when used in connection with the Agent, shall mean its office located at One Liberty Plaza, New York, NY 10006, or at such other office or offices of the Agent or any branch, subsidiary or affiliate thereof as may be designated in writing from time to time by the Agent to the Borrowers.

"Option" shall mean the Base Rate Option or the LIBO Rate Option, as the case may be.

"Original Credit Agreements" shall mean (i) that certain Credit Agreement, dated as of December 20, 1999, among Curtiss-Wright, each of the financial institutions party thereto as lenders (the "Existing Lenders"), Mellon Bank, N.A., as agent, The Bank of Nova Scotia, as syndication agent, and PNC Bank, N.A., as documentation agent (collectively, the "Existing Agents") (as amended, supplemented, amended and restated and otherwise modified from time to time) and (ii) that certain Short Term Credit Agreement, dated as of December 20, 1999, among Curtiss-Wright, the Existing Lenders and the Existing Agents (as amended by Amendment No. 1 thereto dated as of December 19, 2000, Amendment No. 2 thereto dated as of December 14, 2001, and as amended, supplemented, amended and restated and otherwise modified from time to time).

"Original Due Date" shall have the meaning set forth in Section 8.03 hereof.

"Other Currency" shall mean Canadian Dollars, British Pounds, Swiss Francs, Danish Krone, Swedish Krona, Euros and any freely available currency that is freely transferable and freely convertible into Dollars and requested by any Borrower and acceptable to all of the Lenders and to the Agent.

"Outstanding Letters of Credit" shall have the meaning set forth in Section 3.01(a) hereof.

"Participants" shall have the meaning set forth in Section 10.14(b) hereof.

"PBGC" means the Pension Benefit Guaranty Corporation established under Title IV of ERISA or any other governmental agency, department or instrumentality succeeding to the functions of said corporation.

"Permitted Liens" shall mean (a) Liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty, for which adequate reserves in accordance with GAAP shall have been set aside on its books, (b) deposits or pledges of cash to

secure workmen's compensation, unemployment insurance, old age benefits or other social security obligations, or in connection with or to secure the performance of bids, tenders, trade contracts or leases, or to secure statutory obligations, or stay, surety or appeal bonds, or other pledges or deposits of cash of like nature and all in the ordinary course of business, (c) Liens permitted by

Section 7.02(b) hereof, (d) Liens in favor of each of the Agent and the Lenders,

(e) Liens to secure Indebtedness existing on the date hereof, (f) with respect to the Fairfield Property, impediments to marketability arising by reason of the New Jersey Industrial Site Recovery Act, (g) easements, rights of way and other exceptions to title which do not materially affect any Borrower's right of enjoyment of its properties, (h) Liens in favor of customers for amounts paid to any Borrower or any Subsidiary of any Borrower as progress payments, (i) Liens to secure non-recourse Indebtedness, (j) Liens to secure Deemed Debt, and (k) Liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business by Curtiss-Wright for sums not overdue or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

"Person" shall mean an individual, corporation, limited liability company, partnership, trust, unincorporated association, joint venture, joint-stock company, Governmental Authority or any other entity.

"Plan" means an employee pension benefit plan as defined in Section 3(2) of ERISA, as to which Curtiss-Wright or any member of the Controlled Group may have any liability.

"Portion" shall mean the Base Rate Portion or the LIBO Rate Portion, as the case may be.

"Potential Default" shall mean any event or condition which with notice or passage of time, or both, would constitute an Event of Default.

"Prime Rate" as used herein, shall mean the interest rate per annum established from time to time by Scotia Capital as its "base rate" for Dollars loaned in the United States, which rate may be greater or less than other interest rates charged by Scotia Capital to other borrowers and is not solely based or dependent upon the interest rate which Scotia Capital may charge any particular borrower or class of borrowers.

"Pro Rata" shall mean from or to each Lender in proportion to its Commitment Percentage.

"Purchase Money Security Interest" shall have the meaning set forth in Section 7.02(b) hereof.

"Purchasing Lender" shall have the meaning set forth in Section 10.14(c) hereof.

"Rate Protection Agreement" means, collectively, any interest rate swap, cap, collar or similar agreement entered into by any Borrower or any of their respective Subsidiaries under which the counterparty of such agreement is (or at the time such agreement was entered into, was) a Lender or an affiliate of a Lender.

"Refunded Swing Line Loans" shall have the meaning set forth in Section 2.03(b).

"Register" shall have the meaning set forth in Section 10.14(d) hereof.

"Regular Payment Date" shall mean the last day of each June, September, December and March after the date hereof.

"Regulation T" means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and shall include any successor or other regulation or official interpretation of such Board of Governors relating to the extension of credit by securities brokers and dealers for the purpose of purchasing or carrying margin stocks applicable to such Persons.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and shall include any successor or other regulation or official interpretation of such Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to such Persons.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and shall include any successor or other regulation or official interpretation of such Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to such Persons.

"Replacement Lender" shall have the meaning set forth in Section 2.01(g) hereof.

"Reportable Event" means a reportable event as defined in Section 4043(c) of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation unconditionally or conditionally waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Lenders" shall mean, as of any date, Lenders which have Revolving Credit Commitments constituting, in the aggregate, at least 51% of the total Revolving Credit Commitments of all the Lenders.

"Responsible Officer" shall mean the Chairman, President, any Vice President, the Controller or the Treasurer of any Borrower.

"Revolving Credit Commitment" shall have the meaning set forth in Section 2.01(a) hereof.

"Revolving Credit Committed Amount" shall mean, with respect to any Lender, an amount equal to the amount set forth as such Lender's "Initial Revolving Credit Committed Amount" below its name on the signature pages hereof, as either such amount may have been reduced under Section 2.02 hereof at such time, increased under Section 2.01(h), and subject to transfer to another Lender as provided in Section 10.14 hereof.

"Revolving Credit Extensions of Credit" shall mean, at any particular time, the sum of (i) the aggregate unpaid principal amount of Revolving Credit Loans then outstanding and (ii) the aggregate Letter of Credit Obligations then outstanding.

"Revolving Credit Loans" shall have the meaning set forth in Section 2.01(a) hereof.

"Revolving Credit Notes" shall mean the promissory notes of the Borrowers executed and delivered under Section 2.01(e) hereof and any promissory note issued in substitution therefor pursuant to Sections 10.14(c) and 2.01(h) or any other provisions hereof, together with all amendments, modifications, extensions, renewals, refinancings or refundings thereof in whole or part.

"Scotia Capital" means The Bank of Nova Scotia in its individual capacity.

"SEC" means the Securities and Exchange Commission.

"Short Term Commitments" shall mean the aggregate "Revolving Credit Commitments" of the "Lenders" (each as defined in the Short Term Credit Agreement) under the Short Term Credit Agreement.

"Short Term Credit Agreement" shall mean that certain Short Term Credit Agreement dated the date hereof, by and among the Borrowers, the Lenders named therein and Scotia Capital, as the Agent, as amended.

"Significant Subsidiary" shall mean (a) the following Subsidiaries of Curtiss-Wright: Curtiss-Wright Flight Systems, Inc., Curtiss-Wright Flow Control Corporation, Metal Improvement Company, Inc., and (b) any other Subsidiary of Curtiss-Wright (i) which, together with its Subsidiaries (determined on a consolidated basis), has assets with a book value greater than or equal to 20% of the total assets of Curtiss-Wright and its Subsidiaries (determined on a consolidated basis) as of the end of the most recently completed fiscal quarter for which financial information is available, (ii) which, together with its Subsidiaries (determined on a consolidated basis), has greater than 20% of the net revenues of Curtiss-Wright and its Subsidiaries (determined on a consolidated basis) for the most recent four fiscal quarters for which financial information is available, all determined in accordance with GAAP or (iii) designated as a Significant Subsidiary pursuant to Section 7.13.

"Single Employer Plan" means a Plan subject to Title IV of ERISA maintained by any member of the Controlled Group for employees of any member of the Controlled Group, other than a Multiemployer Plan.

"Standard Notice" shall mean an irrevocable notice provided to the Agent on a Business Day which is

(a) provided at least one Business Day in advance in the case of selection of, conversion to or renewal of the Base Rate Option or prepayment of any Base Rate Portion; and

(b) provided at least three London Business Days in advance in the case of selection of, conversion to or renewal of the LIBO Rate Option or prepayment of any LIBO Rate Portion.

Standard Notice must be provided no later than 10:00 a.m., New York time, on the last day permitted for such notice.

"Stock Payments" shall mean any dividend, distribution or payment of any nature (whether in cash, securities, or other property) on account of or in respect of any shares of the capital stock or other equity interests (or warrants, options or rights therefor) of such Person, including but not limited to any payment on account of the purchase, redemption, retirement, defeasance or acquisition of any shares of the capital stock or other equity interests (or warrants, options or rights therefor) of such Person, in each case regardless of whether required by the terms of such capital stock or other equity interest (or warrants, options or rights) or any other agreement or instrument.

"Subsidiary" of a Person means (a) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or (b) any partnership, limited liability company, limited liability partnership, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

"Subsidiary Borrower" shall mean any of the following Subsidiaries of Curtiss-Wright that (a) is a party to this Agreement, or (b) has executed and delivered to the Agent (i) a Revolving Credit Note, and (ii) a joinder to this Agreement, in form and substance satisfactory to the Agent: Curtiss-Wright Flight Systems, Inc., a Delaware corporation; Metal Improvement Company, Inc., a Delaware corporation; Curtiss-Wright Flow Control Corporation, a New York corporation; Curtiss-Wright Flow Control Service Corporation, a Delaware corporation; Curtiss-Wright Flight Systems Europe A/S, a Danish corporation and Curtiss-Wright Antriebstechnik GmbH, a Swiss corporation.

"Subsidiary Guarantees" shall have the meaning set forth in Section 5.01(n) hereof.

"Subsidiary Guarantors" shall mean the Subsidiary Borrowers and Significant Subsidiaries.

"Substantial Portion" means, with respect to the properties of Curtiss-Wright and its consolidated Subsidiaries, property which (a) represents more than 20% of the consolidated assets of Curtiss-Wright and its Subsidiaries, as would be shown in the consolidated financial statements of Curtiss-Wright and its Subsidiaries as at the end of the fiscal quarter next preceding the date on which such determination is made, or (b) is responsible for more than 10% of the consolidated net revenues or of the Consolidated Net Income of Curtiss-Wright and its Subsidiaries for the 12-month period ending as of the end of the fiscal quarter next preceding the date of determination. For purposes of the calculation of Consolidated Net Income for purposes of the definition of Substantial Portion only, there shall be excluded therefrom any extraordinary gains during such period and there shall be included therein any extraordinary losses during such period.

"Swing Line Commitment" shall have the meaning set forth in Section 2.01(b) hereof.

"Swing Line Committed Amount" shall mean \$15,000,000, as such amount may be reduced from time to time pursuant to Section 2.02.

"Swing Line Extensions of Credit" shall mean, at any particular time, the aggregate unpaid principal amount of the Swing Line Loans then outstanding.

"Swing Line Lender" means Scotia Capital.

"Swing Line Loans" shall have the meaning set forth in Section 2.01(a) hereof.

"Swing Line Notes" shall mean the promissory notes of the Borrowers executed and delivered under Section 2.01(e) hereof and any promissory note issued in substitution therefor pursuant to Section 10.14(c) or any other provisions hereof, together with all extensions, renewals, refinancings or refundings thereof in whole or part.

"Syndication Agent" shall have the meaning set forth in the preamble.

"Synthetic Lease Obligations" shall mean with respect to any Person that is a lessee under a lease of the type referred to as a "synthetic lease" that is characterized as an operating lease in accordance with GAAP.

"Taxes" shall have the meaning set forth in Section 2.12(a) hereof.

"Termination Event" means, with respect to a Plan which is subject to Title IV of ERISA, (a) a Reportable Event, (b) the withdrawal of any member of the Controlled Group from such Plan which is subject to Section 4063 of ERISA during a plan year in which such member of the Controlled Group was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under Section 4068(f) of ERISA, (c) the termination of such Plan, the filing of a notice of intent to terminate such Plan or the treatment of an amendment of such Plan as a termination under Section 4041 or 4041A of ERISA, (d) the institution by the PBGC of proceedings to terminate such Plan (e) the complete or partial withdrawal of any member of the Controlled Group from a Multiemployer Plan, (f) any event or condition which could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of or appointment of a trustee to administer, such Plan, or (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due (but less than 60 days overdue) under Section 4007 of ERISA, upon any modification of the Controlled Group.

"Transfer Effective Date" shall have the meaning set forth in the applicable Transfer Supplement.

"Transfer Lender Notes" shall have the meaning set forth in Section 10.14(c) hereof.

"Transfer Supplement" shall have the meaning set forth in Section 10.14(c) hereof.

"Unfunded Liabilities" means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Single Employer Plans exceeds the fair market value of

all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using PBGC actuarial assumptions for single employer plan terminations.

"US Currency" shall mean Dollars.

1.02. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular the plural and the part the whole; "or" has the inclusive meaning represented by the phrase "and/or"; and "property" includes all properties and assets of any kind or nature, tangible or intangible, real, personal or mixed. References in this Agreement to "determination" (and similar terms) by the Agent or by any Lender include good faith estimates by the Agent or by any Lender (in the case of quantitative determinations) and good faith beliefs by the Agent or by any Lender (in the case of qualitative determinations). The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The section and other headings contained in this Agreement and the Table of Contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

1.03. Accounting Principles.

(a) As used herein, "GAAP" shall mean generally accepted accounting principles in the United States, applied on a basis consistent with the principles used in preparing Curtiss-Wright's consolidated financial statements as of December 31, 2001 and for the fiscal year then ended, as referred to in

Section 4.05 hereof, together with such changes in GAAP as may be adopted from time to time which, in the good faith judgment of the Agent, do not have a material adverse effect on Curtiss-Wright's compliance with the covenants contained in this Agreement.

(b) Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters shall be made, and all financial statements to be delivered pursuant to this Agreement shall be prepared, in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP.

(c) If and to the extent that the financial statements generally prepared by Curtiss-Wright apply accounting principles other than GAAP, all financial statements referred to in this Agreement or any other Loan Document shall be delivered in duplicate, one set based on the accounting principles then generally applied by Curtiss-Wright and one set based on GAAP. To the extent this Agreement or such other Loan Document requires financial statements to be accompanied by an opinion of independent accountants, each set of financial statements shall be accompanied by such an opinion.

ARTICLE II THE CREDITS

2.01. Revolving Credit Loans and Swing Line Loans.

(a) Revolving Credit Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender, severally and not jointly, agrees (such agreement being herein called such Lender's "Revolving Credit Commitment") to make loans in either US Currency or in an Other Currency (the "Revolving Credit Loans") to one or more Borrowers at any time or from time to time on or after the date hereof and to but not including the Maturity Date.

(b) Swing Line Commitment. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, the Swing Line Lender agrees (such agreement being herein called such Lender's "Swing Line Commitment") to make loans in US Currency (the "Swing Line Loans") to one or more Borrowers at any time or from time to time on or after the date hereof and to but not including the Maturity Date.

(c) Lenders Not Permitted or Required to Make Loans. A Lender shall not be permitted or required to make

(i) any Revolving Credit Loan to the extent that the sum of the aggregate principal amount of such Lender's Pro Rata share of the total Revolving Credit Extensions of Credit and, if applicable, Swing Line Extensions of Credit at any time outstanding would exceed such Lender's Revolving Credit Committed Amount at such time; or

(ii) Swing Line Loans if, after giving effect thereto, (x) the aggregate outstanding principal amount of all Swing Line Loans would exceed the then existing Swing Line Committed Amount or (y) unless otherwise agreed to by the Swing Line Lender, in its sole discretion, the sum of all Swing Line Loans and Revolving Credit Loans made by the Swing Line Lender plus the Swing Line Lender's Commitment Percentage of the aggregate amount of Letter of Credit Obligations would exceed the Swing Line Lender's Revolving Credit Committed Amount at such time.

(d) Nature of Credit. Within the limits of time and amount set forth in this Section 2.01, and subject to the provisions of this Agreement, the Borrowers may borrow, repay and reborrow the Loans hereunder.

(e) Notes. The obligations of each Borrower to repay the unpaid principal amount of the Loans made to them by each Lender and to pay interest thereon shall be evidenced in part by promissory notes of each such Borrower, one to each Lender, dated the Closing Date in substantially the form attached hereto as Exhibit A-1 with respect to Revolving Credit Loans (the "Revolving Credit Notes") and Exhibit A-2 with respect to Swing Line Loans (the "Swing Line Notes"), in each case with the blanks appropriately filled, payable to the order of such Lender in a face amount equal to such Lender's "Initial Revolving Credit Committed Amount" (as set forth below its name on the signature pages hereof) or the Swing Line Committed Amount, as the case may be.

(f) Maturity. To the extent not due and payable earlier, the Loans shall be due and payable on the Maturity Date.

(g) Extension of Maturity Date. The Maturity Date may be extended for successive one year periods at the request of Curtiss-Wright with the express consent of each Lender. Not later than the date 90 days prior to each Anniversary Date, Curtiss-Wright shall, at its option, in a written notice to the Agent request (an "Extension Request") that the Maturity Date be extended for a period of one year. The Agent shall promptly inform the Lenders of such Extension Request. Each Lender may consent to such Extension Request by delivering to the Agent its express written consent thereto no later than 60 days prior to such Anniversary Date. Each Borrower acknowledges that each Lender's decision to consent to or reject an Extension Request shall be a new credit determination by each such Lender and as such each Lender may withhold its consent, or condition its consent upon additional or different terms, in each case in its sole and absolute discretion. If (i) any Lender notifies the Agent in writing on or before the 60th day prior to such Anniversary Date that it will not consent to such Extension Request or (ii) all of the Lenders have not in writing expressly consented to any such Extension Request on or before the 60th day prior to such Anniversary Date, then the Agent shall immediately notify Curtiss-Wright and Curtiss-Wright, at its option, may (x) withdraw such Extension Request at any time prior to the date 10 days prior to such Anniversary Date, or (y) replace each Lender which has not agreed to such Extension Request (a "Nonextending Lender") with another commercial lending institution reasonably satisfactory to the Agent (a "Replacement Lender") by giving notice (not later than the date 20 days prior to such Anniversary Date) of the name of such Replacement Lender to the Agent; provided, that unless the Required Lenders (including Replacement Lenders) have agreed to such Extension Request on or before the 20th day prior to such Anniversary Date, such Extension Request shall be automatically withdrawn. Unless the Agent shall object to the identity of such proposed Replacement Lender prior to the date 10 days prior to such Anniversary Date, upon notice from the Agent, each Nonextending Lender shall promptly (but in no event later than such Anniversary Date) assign all of its interests hereunder to such Replacement Lender in consideration for an amount equal to such Nonextending Lender's Pro Rata share of the outstanding principal amount of the Loans and Letter of Credit Reimbursement Obligations, plus accrued but unpaid interest thereon, plus accrued but unpaid fees and all other amounts owing to such Nonextending Lender under the Loan Documents, all in accordance with the provisions of Section 10.14(c) hereof. If the Required Lenders agree to such Extension Request in accordance with this Section 2.01(g), the Maturity Date shall be extended in accordance with such Extension Request; provided, however, that with respect to each Nonextending Lender that has not been replaced by Curtiss-Wright in accordance with the terms of this Section 2.01(g), the Commitment of each such Nonextending Lender shall terminate on the original Maturity Date (as such date may have been previously extended), and the Borrowers shall pay to the Agent for the account of each such Nonextending Lender such Nonextending Lender's Pro Rata share of the principal of and interest on all outstanding Loans and Letter of Credit Reimbursement Obligations, plus accrued but unpaid fees and all other amounts owing to such Nonextending Lender under the Loan Documents, and the sum of the aggregate Revolving Credit Committed Amounts shall be irrevocably reduced by an amount equal to the sum of the aggregate Revolving Credit Committed Amounts of all Nonextending Lenders. If all Lenders consent to any such Extension Request (or if all Nonextending Lenders are replaced in accordance with this Section 2.01(g)), then as of 5:00 p.m. New York time on the Maturity Date, the Maturity Date shall be deemed to have been extended for, and shall be the date, one year after the then effective Maturity Date (as such date may have been previously extended pursuant to this Section 2.01(g)).

(h) Increase in Revolving Credit Commitments. Upon the written request of Curtiss-Wright, if approved in writing by the Required Lenders (which must include the Agent), the Revolving Credit Commitments may be increased by an aggregate amount of \$15,000,000 less the amount, if any, by which the Short Term Commitments may have been increased pursuant to Section 2.01(e) of the Short Term Credit Agreement; provided, that no Lender's Revolving Credit Committed Amount shall be increased without such Lender's approval. The Lenders' Revolving Credit Committed Amounts shall be increased on a Pro Rata basis among the Lenders approving the increase in Revolving Credit Commitments. The increase in Revolving Credit Commitments shall be subject to the Agent's receipt, for each Lender, of substitute Revolving Credit Notes, duly executed by each Borrower, reflecting the amount of such Lender's Revolving Credit Committed Amount after such increase in the Revolving Credit Commitments.

2.02. Facility Fee; Reduction of the Commitments.

(a) Facility Fee. Curtiss-Wright shall pay to the Agent for the account of each Lender a non-refundable facility fee (the "Facility Fee") for each day from and including the date hereof to but not including the Maturity Date, whether or not all or any portion of the aggregate Revolving Credit Committed Amounts is then available, in an amount equal to the product of (i) the amount (not less than zero) of such Lender's Revolving Credit Committed Amount on such day, multiplied by (ii) the facility fee percentage determined from the chart set forth below based on the Leverage Ratio, as determined quarterly based upon the financial statements delivered by Curtiss-Wright pursuant to Sections 5.01(f) and 6.01, with such Facility Fee to be effective, with respect to calculations based upon the quarterly unaudited financial statements delivered pursuant to Section 6.01(b) hereof (or if no such quarterly unaudited financial statements are timely delivered in accordance with Section 6.01(b), the Facility Fee percentage shall be 0.35% until the delivery of such financial statements in form satisfactory to the Agent), as of the first day of the quarter immediately following the quarter for which such financial statements are delivered:

Leverage Ratio -----	Facility Fee Percentage -----
>2.5	0.35%
>1.5 and <-2.5	0.30%
<-1.5	0.20%

Such Facility Fee shall be due and payable for the preceding period for which such fee has not been paid (x) on each Regular Payment Date, (y) on the date of each reduction of the Revolving Credit Committed Amounts (whether optional or mandatory) on the amount so reduced and (z) on the Maturity Date.

(b) Reduction of the Revolving Credit Commitments. Curtiss-Wright may at any time or from time to time reduce Pro Rata the Revolving Credit Committed Amounts of the Lenders to an aggregate amount (which may be zero) not less than the Dollar Equivalent Amount of the unpaid principal amount of the Loans then outstanding plus the principal amount of all Loans not yet made as to which notice has been given by any Borrower under Section 2.03 hereof. Any reduction of the Revolving Credit Committed Amounts shall be in an aggregate amount which is a minimum amount of \$5,000,000 and integral multiples of \$500,000 thereof.

Reduction of the Revolving Credit Committed Amounts shall be made by providing not less than 30 days' notice (which notice shall be irrevocable) to such effect to the Agent. After the date specified in such notice the Facility Fee shall be calculated based upon the Revolving Credit Committed Amounts as so reduced. Any optional or mandatory reduction of the Revolving Credit Committed Amounts pursuant to the terms of this Agreement which reduces the Revolving Credit Committed Amounts below the sum of (i) the Swing Line Committed Amount and (ii) the then aggregate Letter of Credit Obligations shall result in an automatic and corresponding reduction of the Swing Line Committed Amount and/or permitted aggregate amount of Letter of Credit Obligations (as directed by the Borrower in a notice to the Administrative Agent delivered together with the notice of such voluntary reduction in the Revolving Credit Committed Amounts) to an aggregate amount not in excess of the Revolving Credit Committed Amounts, as so reduced, without any further action on the part of the Swing Line Lender or any Issuing Bank. Upon reduction of the Revolving Credit Committed Amounts to zero, payment in full of all Obligations and expiration or termination of all outstanding Letters of Credit, this Agreement shall be terminated.

2.03. Making of Loans. (a) Revolving Credit Loans. Whenever a Borrower desires that the Lenders make Revolving Credit Loans, such Borrower shall provide Standard Notice to the Agent setting forth the following information:

- (i) The currency, which shall be either US Currency or an Other Currency, in which such Revolving Credit Loans are to be made;
- (ii) The party making the borrowing thereunder;
- (iii) The date, which shall be a Business Day (in the case of a Base Rate Portion) or London Business Day (in the case of a LIBO Rate Portion), on which such proposed Revolving Credit Loans are to be made;
- (iv) The aggregate principal amount of such proposed Revolving Credit Loans, which shall be the sum of the principal amounts selected pursuant to clause (a)(v) of this Section 2.03;
- (v) The interest rate Option or Options selected in accordance with Section 2.04(a) hereof and the principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion, as the case may be, of such proposed Revolving Credit Loans; and
- (vi) With respect to each such Funding Segment of such proposed Revolving Credit Loans, the Funding Period to apply to such Funding Segment, selected in accordance with Section 2.04(c) hereof.

Standard Notice having been so provided, the Agent shall promptly notify each Lender of the information contained therein and of the amount of such Lender's Revolving Credit Loan. Unless any applicable condition specified in Article V hereof has not been satisfied, on the date specified in such Standard Notice each Lender shall make the proceeds of its Revolving Credit Loan available to the Agent (A) with respect to a Revolving Credit Loan denominated in US Currency, at the Applicable Location no later than 12:00 noon, New York time, in funds

immediately available at the Applicable Location, and (B) with respect to a Revolving Credit Loan denominated in an Other Currency, at the Applicable Location, no later than 12:00 noon, London time, in funds immediately available at the Applicable Location. The Agent will make the funds so received available to the applicable Borrower in funds immediately available at the Applicable Location.

(b) Swing Line Loans. By telephonic notice to the Swing Line Lender on or before 12:00 noon, New York time, on a Business Day (followed (within one Business Day) by the delivery of written confirmation of such request, which request shall be in a form satisfactory to the Agent and shall include (i) the party making the borrowing thereunder, including necessary account information, and (ii) the aggregate principal amount of such proposed Swing Line Loan), any Borrower may from time to time irrevocably request that Swing Line Loans be made by the Swing Line Lender in an aggregate minimum principal amount of \$500,000 and an integral multiple of \$500,000. All Swing Line Loans shall be made in U.S. Currency pursuant to the Base Rate Option and shall not be entitled to be converted into Loans under the LIBO Rate Option. The proceeds of each Swing Line Loan shall be made available by the Swing Line Lender to such Borrower by wire transfer to the account such Borrower shall have specified in its notice therefor by the close of business on the Business Day telephonic notice is received by the Swing Line Lender, if such notice is received by the Swing Line Lender on or before 12:00 noon, New York time on such date.

If (i) any Swing Line Loan shall be outstanding for more than four Business Days, (ii) any Swing Line Loan is or will be outstanding on a date when the applicable Borrower requests that a Revolving Credit Loan be made, or (iii) any Potential Default shall occur and be continuing, then each Lender (other than the Swing Line Lender) irrevocably agrees that it will make a Revolving Credit Loan (which shall initially be funded under the Base Rate Option) in an amount equal to such Lender's percentage of the aggregate principal amount of all such Swing Line Loans then outstanding (such outstanding Swing Line Loans hereinafter referred to as the "Refunded Swing Line Loans"). On or before 11:00 a.m. on the first Business Day following receipt by each Lender of a request to make Revolving Credit Loans as provided in the preceding sentence, each Lender shall deposit in an account specified by the Swing Line Lender the amount so requested in same day funds and such funds shall be applied by the Swing Line Lender to repay the Refunded Swing Line Loans. At the time the Lenders make the above referenced Revolving Credit Loans the Swing Line Lender shall be deemed to have made, in consideration of the making of the Refunded Swing Line Loans, Revolving Credit Loans in an amount equal to the Swing Line Lender's percentage of the aggregate principal amount of the Refunded Swing Line Loans. Upon the making (or deemed making, in the case of the Swing Line Lender) of any Revolving Credit Loans pursuant to this clause, the amount so funded shall become outstanding under such Lender's Revolving Credit Note and shall no longer be owed under the Swing Line Note. All interest payable with respect to any Revolving Credit Loans made (or deemed made, in the case of the Swing Line Lender) pursuant to this clause shall be appropriately adjusted to reflect the period of time during which the Swing Line Lender had outstanding Swing Line Loans in respect of which such Revolving Credit Loans were made. Each Lender's obligation to make the Revolving Credit Loans referred to in this clause shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, Curtiss-Wright, any of its Subsidiaries, or any other Person for any reason whatsoever; (ii) the

occurrence or continuance of any Potential Default or Event of Default; (iii) any adverse change in the condition (financial or otherwise) of any Borrower or any Subsidiary of Curtiss-Wright; (iv) the acceleration or maturity of any Obligations or the termination of any Commitment after the making of any Swing Line Loan; (v) any breach of any Loan Document by any Person; or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.04. Interest Rates.

(a) Optional Bases of Borrowing. The unpaid principal amount of the Loans shall bear interest for each day until due on one or more bases selected by the applicable Borrower from among the interest rate Options set forth below (except in the case of Swing Line Loans, which shall bear interest only at the Base Rate Option, as set forth in Section 2.03(b)). Subject to the provisions of this Agreement the Borrowers may select different options to apply simultaneously to different Portions of the Revolving Credit Loans and may select different Funding Segments to apply simultaneously to different parts of the LIBO Rate Portion of the Revolving Credit Loans. The aggregate number of Funding Segments applicable to the LIBO Rate Portion of the Revolving Credit Loans at any time shall not exceed ten without the approval of the Agent.

(i) Base Rate Option: The Base Rate Option shall be a rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) for each day equal to the Base Rate for such day. The "Base Rate" for any day shall mean the greater of (A) the Prime Rate for such day or (B) 0.50% plus the Federal Funds Effective Rate for such day, such interest rate to change automatically from time to time effective as of the effective date of each change in the Prime Rate or the Federal Funds Effective Rate.

(ii) LIBO Rate Option: The LIBO Rate Option shall be a rate per annum (based on a year of 360 days and actual days elapsed) for each day equal to the LIBO Rate for such day plus the Applicable Margin for such day. "LIBO Rate" for any day, as used herein, shall mean for each Funding Segment of the LIBO Rate Portion corresponding to a proposed or existing LIBO Rate Funding Period the rate per annum determined by the Agent by dividing (the resulting quotient to be rounded upward to the nearest 1/100 of 1%) (A) the rate of interest (which shall be the same for each day in such LIBO Rate Funding Period) that is the applicable British Bankers' Association "Interest Settlement Rate" for deposits in Dollars as it appears on the Dow Jones Market Service (formerly known as the Dow Jones Telerate Service) page 3750 (or such other page as may replace page 3750 on that service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying the applicable London interbank offered rate) at approximately 11:00 a.m., London time, two London Business Days prior to the first day of such LIBO Rate Funding Period for delivery on the first day of such LIBO Rate Funding Period in amounts comparable to such Funding Segment and having maturities comparable to such LIBO Rate Funding Period by (B) a number equal to 1.00 minus the LIBO Rate Reserve Percentage.

(iii) "LIBO Rate Reserve Percentage" for any day shall mean the percentage (expressed as a decimal, rounded upward to the nearest 1/100 of 1%), as determined in

good faith by the Agent (which determination shall be conclusive absent manifest error), which is in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) representing the maximum reserve requirement (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities") of a member bank in such system. The LIBO Rate shall be adjusted automatically as of the effective date of each change in the LIBO Rate Reserve Percentage. The LIBO Rate Option shall be calculated in accordance with the foregoing whether or not any Lender is actually required to hold reserves in connection with its eurocurrency funding or, if required to hold such reserves, is required to hold reserves at the "LIBO Rate Reserve Percentage" as herein defined.

The Agent shall give prompt notice to the applicable Borrower and to the Lenders of the LIBO Rate determined or adjusted in accordance with the definition of the LIBO Rate, which determination or adjustment shall be conclusive absent manifest error.

(b) **Applicable Margin.** The "Applicable Margin" for the LIBO Rate Option for any day shall be determined by reference to the Leverage Ratio as determined on such day and shall mean the applicable percentage set forth below:

Leverage Ratio	Applicable Margin
> 2.5	1.45%
> 2.0 and [] 2.5	1.20%
> 1.5 and [] 2.0	0.95%
[] 1.5	0.80%

The Leverage Ratio used to compute the Applicable Margin shall be the Leverage Ratio set forth in the quarterly compliance certificate most recently delivered by Curtiss-Wright to the Agent. Changes in the Applicable Margin resulting from a change in the Leverage Ratio shall become effective upon delivery by Curtiss-Wright to the Agent of a new quarterly compliance certificate pursuant to Section 6.01(c). If Curtiss-Wright shall fail to deliver a quarterly compliance certificate within 60 days after the end of any of its fiscal quarters (or within 90 days, in the case of the last fiscal quarter of its fiscal year), the Applicable Margin from and including the 61st (or 91st, as the case may be) day after the end of such fiscal quarter to but not including the date Curtiss-Wright delivers to the Agent a quarterly compliance certificate shall conclusively equal the highest Applicable Margin set forth above.

(c) **Funding Periods.** At any time when a Borrower shall select, convert to or renew the LIBO Rate Option to apply to any part of the Revolving Credit Loans, the applicable Borrower shall specify one of the following periods (the "Funding Periods") during which the LIBO Rate Option shall apply: One, two, three, six months or twelve months if offered by all of the Lenders in their sole discretion; provided, that:

(i) Each Funding Period shall begin on a London Business Day, and the term "month", when used in connection with a Funding Period, shall be construed in accordance with prevailing practices in the interbank eurodollar market at the

commencement of such Funding Period, as determined in good faith by the Agent (which determination shall be conclusive);

(ii) A Borrower may not select a Funding Period that would end after the Maturity Date; and

(iii) A Borrower shall, in selecting any Funding Period, allow for scheduled mandatory payments and foreseeable mandatory prepayments of the Revolving Credit Loans.

(d) Transactional Amounts. Every selection of, conversion from, conversion to or renewal of an interest rate Option and every payment or prepayment of any Loans shall be in a principal amount such that after giving effect thereto the aggregate principal amount of the Base Rate Portion of the Loans, or the aggregate principal amount of each Funding Segment of the LIBO Rate Portion of the Revolving Credit Loans, shall be as set forth below:

Portion or Funding Segment	Allowable Aggregate Principal Amounts
Base Rate Portion	an integral multiple of 500,000 of US Currency (or, in the case of a prepayment and if less, the then outstanding principal amount of Revolving Credit Loans)
Each Funding Segment of the LIBO Rate Portion	an integral multiple of 1,000,000 of US Currency or the Dollar Equivalent Amount of Other Currency denominated by the applicable Borrower (or, in the case of a prepayment and if less, the then outstanding principal amount of Revolving Credit Loans)

(e) LIBO Rate Unascertainable; Impracticability. If

(i) on any date on which a LIBO Rate would otherwise be set the Agent (in the case of clauses (A) or (B) below) or any Lender (in the case of clause (C) below) shall have determined in good faith (which determination shall be conclusive absent manifest error) that:

(A) adequate and reasonable means do not exist for ascertaining such LIBO Rate,

(B) a contingency has occurred which materially and adversely affects the secondary market for the interbank eurodollar market, or

(C) the effective cost to such Lender of funding a proposed Funding Segment of the LIBO Rate Portion from a Corresponding Source of Funds shall exceed the LIBO Rate applicable to such Funding Segment, or

(ii) at any time any Lender shall have determined in good faith (which determination shall be conclusive absent manifest error) that the making, maintenance or funding of any part of the LIBO Rate Portion has been made impracticable or unlawful by compliance by such Lender or a Notional LIBO Rate Funding Office in good faith with any Law or guideline or interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof or with any request or directive of any such Governmental Authority (whether or not having the force of law);

then, and in any such event, the Agent or such Lender, as the case may be, may notify the Borrowers of such determination (and any Lender giving such notice shall notify the Agent). Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of each of the Lenders to allow the Borrowers to select, convert to or renew the LIBO Rate Option, shall be suspended until the Agent or such Lender, as the case may be, shall have later notified the Borrowers (and any Lender giving such notice shall notify the Agent) of the Agent's or such Lender's determination in good faith (which determination shall be conclusive absent manifest error) that the circumstance giving rise to such previous determination no longer exist.

If any Lender notifies Curtiss-Wright (either in its capacity as Borrower or as recipient of notice on behalf of any Subsidiary Borrower pursuant to Section 10.05) of a determination under subsection (ii) of this Section 2.04(e), the LIBO Rate Portion of the Revolving Credit Loans of such Lender (the "Affected Lender") shall automatically be converted to the Base Rate Option as of the date specified in such notice (and accrued interest thereon shall be due and payable on such date).

If at the time the Agent or any Lender makes a determination under subsection (i) or (ii) of this Section 2.04(e) any Borrower previously has notified the Agent that it wishes to select, convert to or renew the LIBO Rate Option, with respect to any proposed Revolving Credit Loans but such Revolving Credit Loans have not yet been made, such notification shall be deemed to provide for selection of, conversion to or renewal of the Base Rate Option instead of the LIBO Rate Option with respect to such Revolving Credit Loans or, in the case of a determination by any Lender, such Revolving Credit Loans of such Lender.

(f) Availability of Funds. If at any time any Lender cannot access funds through traditional sources, as determined by such Lender in good faith (which determination shall be conclusive absent manifest error), then the interest rate applicable to such Lender's Pro Rata share of the Loans shall be equal to (i) the Federal Funds Effective Rate then in effect, plus (ii) 1.50%, plus (iii) in the case of a LIBO Rate Portion, the Applicable Margin determined by reference to the Leverage Ratio on such date.

2.05. Conversion or Renewal of Interest Rate Options.

(a) Conversion or Renewal. Subject to the provisions of Sections 2.04(e) and 2.04(f) hereof, unless an Event of Default shall have occurred and be continuing, any Borrower may convert any part of its Revolving Credit Loans from any interest rate Option or Options to

one or more different interest rate Options and may renew the LIBO Rate Option as to any Funding Segment of the LIBO Rate Portion:

- (i) At any time with respect to conversion from the Base Rate Option; or
- (ii) At the expiration of any Funding Period with respect to conversions from or renewals of the LIBO Rate Option, as to the Funding Segment corresponding to such expiring Funding Period.

Whenever a Borrower desires to convert or renew any interest rate Option or Options, such Borrower shall provide to the Agent Standard Notice setting forth the following information:

- (w) The date, which shall be a Business Day, on which the proposed conversion or renewal is to be made;
- (x) The principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion to be converted from or renewed;
- (y) The interest rate Option or Options selected in accordance with Section 2.04(a) hereof and the principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion to be converted; and
- (z) With respect to each Funding Segment to be converted to or renewed, the Funding Period selected in accordance with Section 2.04(c) hereof to apply to such Funding Segment.

Standard Notice having been so provided, after the date specified in such Standard Notice, interest shall be calculated upon the principal amount of the Revolving Credit Loans as so converted or renewed. Interest on the principal amount of any part of the Revolving Credit Loans converted or renewed (automatically or otherwise) shall be due and payable on the conversion or renewal date.

(b) Failure to Convert or Renew. Absent due notice from any Borrower of conversion or renewal in the circumstances described in Section 2.05 (a)(ii) hereof, any part of the LIBO Rate Portion for which such notice is not received shall be converted automatically to the Base Rate Option on the last day of the expiring Funding Period; provided, however, that if any LIBO Rate Portion is in an Other Currency, such portion shall be renewed automatically for one month on the last day of the expiring Funding Period.

2.06. Prepayments Generally. Whenever a Borrower desires or is required to prepay any part of its Loans, it shall provide Standard Notice to the Agent setting forth the following information:

- (a) In the case of a LIBO Rate Portion, subject to Section 2.09(b), the currency in which such prepayment is to be made;

(b) The date, which shall be a Business Day, on which the proposed prepayment is to be made;

(c) The total principal amount of such prepayment, which shall be the sum of the principal amounts selected pursuant to clause (d) of this Section 2.06; and

(d) The principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each part of each Funding Segment of the LIBO Rate Portion to be prepaid.

Standard Notice having been so provided, on the date specified in such Standard Notice, the principal amounts of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion specified in such notice, together with interest on each such principal amount to such date, shall be due and payable.

2.07. **Optional Prepayments.** The Borrowers shall have the right at their option from time to time to prepay their Loans in whole or part without premium or penalty (subject, however, to Section 2.10(b) hereof):

(a) At any time with respect to any part of the Base Rate Portion; or

(b) At the expiration of any Funding Period with respect to prepayment of the LIBO Rate Portion with respect to any part of the Funding Segment corresponding to such expiring Funding Period.

Any such prepayment shall be made in accordance with Section 2.06 hereof.

2.08. **Interest Payment Dates.** Interest on the Base Rate Portion shall be due and payable in arrears on the last day of each month. Interest on each Funding Segment of the LIBO Rate Portion shall be due and payable on the last day of the corresponding LIBO Rate Funding Period and, if such LIBO Rate Funding Period is longer than three months, on each Regular Payment Date. After maturity of any part of the Loans (by acceleration or otherwise), interest on such part of the Loans shall be due and payable on demand.

2.09. **Pro Rata Treatment; Payments Generally.**

(a) **Pro Rata Treatment.** Each borrowing and conversion and renewal of interest rate Options hereunder shall be made, and all payments made in respect of principal, interest and Facility Fees due from the Borrowers hereunder or under the Notes shall be applied, Pro Rata from and to each Lender, except for payments of interest involving an Affected Lender as provided in Section 2.04(e) hereof, payments to a Lender under Sections 2.10, 2.12 or 3.07 hereof and payments to any Issuing Bank pursuant to Section 3.02(b) hereof. The failure of any Lender to make a Loan shall not relieve any other Lender of its obligation to lend hereunder, but neither the Agent nor any Lender shall be responsible for the failure of any other Lender to make a Loan.

(b) **Payments Generally.** The parties agree that (i) all payments and prepayments of principal, interest and other amounts in connection with Loans denominated in US Currency and

all fees shall be made in US Currency and (ii) all payments of principal, interest and other amounts (other than fees) in connection with Revolving Credit Loans denominated in any Other Currency shall be made in such Other Currency. All payments and prepayments to be made in respect of principal, interest, fees or other amounts due from the Borrowers in US Currency shall be payable by 12:00 noon, New York time, on the day when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue. Except for payments under Sections 2.10 and 10.06, such payments shall be made to the Agent at the Applicable Location in US Currency in funds immediately available at the Applicable Location without setoff, counterclaim or other deduction of any nature. All payments and prepayments to be made in respect of principal, interest, fees or other amounts due from the Borrowers in any Other Currency shall be payable by 12:00 noon, London time, on the day when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue. Except for payments under Sections 2.10 and 10.06, such payments shall be made to the Agent at the Applicable Location in such Other Currency in funds immediately available at the Applicable Location without setoff, counterclaim or other deduction of any nature. Any payment or prepayment received (i) in US Currency by the Agent or such Lender after 12:00 noon, New York time, on any day shall be deemed to have been received on the next succeeding Business Day and (ii) in any Other Currency by the Agent or such Lender after 12:00 noon, London time, on any day shall be deemed to have been received on the next succeeding London Business Day. The Agent shall distribute to the Lenders all such payments received by it from the Borrowers as promptly as practicable after receipt by the Agent.

(c) Default Interest. To the extent permitted by law, from and after the date on which an Event of Default shall have occurred hereunder, and so long as such Event of Default continues to exist, principal, interest, fees, indemnity, expenses or any other amounts due from the Borrowers hereunder or under any other Loan Document, shall bear interest for each day (before and after judgment), payable on demand, at a rate per annum (in each case based on a year of 360 days and actual days elapsed) which for each day shall be equal to the following:

(i) In the case of any part of LIBO Rate Portion of any Revolving Credit Loans, (A) until the end of the applicable then-current Funding Period at a rate per annum 2% above the rate otherwise applicable to such part, and (B) thereafter in accordance with the following clause (ii); and

(ii) In the case of any other amount due from the Borrowers hereunder or under any Loan Document, 2% above the then-current Base Rate Option.

To the extent permitted by law, interest accrued under this Section 2.09 on any amount shall compound on a day-by-day basis, and hence shall be added daily to the overdue amount to which such interest relates.

2.10. Additional Compensation in Certain Circumstances.

(a) Increased Costs or Reduced Return Resulting From Taxes, Reserves, Capital Adequacy Requirements, Expenses, etc. If any Law or guideline or interpretation or application thereof by any Governmental Authority charged with the interpretation or administration thereof

or compliance with any request or directive of any Governmental Authority (whether or not having the force of law) now existing or hereafter adopted:

(i) subjects any Lender or any Notional LIBO Rate Funding Office to any tax or changes the basis of taxation with respect to this Agreement, the Notes, the Loans or payments by the Borrowers of principal, interest, commitment fees or other amounts due from the Borrowers hereunder or under the Notes (except for taxes on the overall net income or overall gross receipts of such Lender or such Notional LIBO Rate Funding Office imposed by the jurisdictions (federal, state and local) in which the Lender's principal office or Notional LIBO Rate Funding Office is located),

(ii) imposes, modifies or deems applicable any reserve, special deposit or similar requirement against credits or commitments to extend credit extended by, assets (funded or contingent) of, deposits with or for the account of, other acquisitions of funds by, such Lender or any Notional LIBO Rate Funding Office (other than requirements expressly included herein in the determination of the LIBO Rate hereunder),

(iii) imposes, modifies or deems applicable any capital adequacy or similar requirement (A) against assets (funded or contingent) of, or credits or commitments to extend credit extended by, any Lender or any Notional LIBO Rate Funding Office, or (B) otherwise applicable to the obligations of any Lender or any Notional LIBO Rate Funding Office under this Agreement, or

(iv) imposes upon any Lender or any Notional LIBO Rate Funding Office any other condition or expense with respect to this Agreement, the Notes or its making, maintenance or funding of any Loan or any security therefor,

and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon any Lender, any Notional LIBO Rate Funding Office or, in the case of clause (iii) hereof, any Person controlling a Lender, with respect to this Agreement, the Notes or the making, maintenance or funding of any Loan (or, in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on such Lender's or controlling Person's capital, taking into consideration such Lender's or controlling Person's policies with respect to capital adequacy) by an amount which such Lender deems in good faith to be material (such Lender being deemed for this purpose to have made, maintained or funded each Funding Segment of the LIBO Rate Portion from a Corresponding Source of Funds), such Lender may from time to time notify the Borrowers of the amount determined in good faith (using any averaging and attribution methods) by such Lender (which determination shall be conclusive) to be necessary to compensate such Lender or such Notional LIBO Rate Funding Office for such increase, reduction or imposition. Such amount shall be due and payable by the Borrowers to such Lender five Business Days after such notice is given, together with an amount equal to interest on such amount from the date two Business Days after the date demanded until such due date at the Base Rate Option. A certificate by such Lender as to the amount due and payable under this Section 2.10(a) from time to time and the method of calculating such amount shall be conclusive absent manifest error.

(b) Funding Breakage. In addition to all other amounts payable hereunder, if and to the extent for any reason any part of any Funding Segment of any LIBO Rate Portion of the Revolving Credit Loans becomes due (by acceleration or otherwise), or is paid, prepaid or converted to another interest rate Option (whether or not such payment, prepayment or conversion is mandatory or automatic and whether or not such payment or prepayment is then due), on a day other than the last day of the corresponding Funding Period (the date such amount so becomes due, or is so paid, prepaid or converted, being referred to as the "Funding Breakage Date"), the Borrowers shall pay each Lender an amount ("Funding Breakage Indemnity") determined by such Lender as follows:

(i) first, calculate the following amount: (A) the principal amount of such Funding Segment of the Revolving Credit Loans owing to such Lender which so became due, or which was so paid, prepaid or converted, times (B) the greater of (x) zero or (y) the rate of interest applicable to such principal amount on the Funding Breakage Date minus the Applicable Funding Rate as of the Funding Breakage Date, times (C) the number of days from and including the Funding Breakage Date to but not including the last day of such Funding Period, times (D) 1/360;

(ii) the Funding Breakage Indemnity to be paid by the Borrowers to such Lender shall be the amount equal to the present value as of the Funding Breakage Date (discounted at the Applicable Funding Rate as of such Funding Breakage Date, and calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) of the amount described in the preceding clause (i) (which amount described in the preceding clause

(i) is assumed for purposes of such present value calculation to be payable on the last day of the corresponding Funding Period).

For purposes of this Section, the term "Applicable Funding Rate" shall mean

(i) in the case of any calculation of a Funding Breakage Indemnity payment with respect to a particular Funding Segment for which the corresponding Funding Period was originally one year or longer, the Federal Funds Effective Rate, and

(ii) in the case of any calculation of a Funding Breakage Indemnity payment with respect to a Funding Segment for which the corresponding Funding Period was originally less than one year, the LIBO Rate.

Such Funding Breakage Indemnity shall be due and payable on demand, and each Lender shall, upon making such demand, notify the Agent of the amount so demanded. In addition, the Borrowers shall, on the due date for payment of any Funding Breakage Indemnity, pay to such Lender an additional amount equal to interest on such Funding Breakage Indemnity from the Funding Breakage Date to but not including such due date at the Base Rate Option applicable to the Loans (calculated on the basis of a year of 360 days and actual days elapsed).

The amount payable to each Lender under this Section 2.10(b) shall be determined in good faith by such Lender, and such determination shall be conclusive absent manifest error.

2.11. HLT Classification. In the event that after the date hereof the Loans hereunder are classified as a "highly leveraged transaction" (an "HLT Classification") by any Governmental Authority having jurisdiction over any Lender, such Lender may in its discretion from time to time so notify the Agent, and upon receiving such notice the Agent shall promptly give notice of

such event to the Borrowers, the Issuing Banks and the Lenders. In such event the parties hereto shall commence negotiations to agree on revised Facility Fees, interest rates and Applicable Margins hereunder. If the parties hereto fail to agree on such matters in their respective absolute discretion within 60 days of the notice given by the Agent referred to above, then the Required Lenders may at any time or from time to time thereafter direct the Agent to (a) by ten Business Days' notice to the Borrowers, terminate any or all of the Commitments, and any such Commitments shall thereupon terminate, or (b) by ten Business Days' notice to the Borrowers, declare the Obligations, together with (without duplication) accrued interest thereon, to be, and the Obligations shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue. The Lenders acknowledge that an HLT Classification is not an Event of Default or Potential Default hereunder.

2.12. Taxes.

(a) Payments Net of Taxes. All payments made by the Borrowers under this Agreement or any other Loan Document shall be made free and clear of, and without reduction or withholding, unless required by Law, for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all liabilities with respect thereto, excluding

(i) in the case of the Agent and each Lender, income or franchise taxes imposed on the Agent or such Lender by the jurisdiction under the laws of which the Agent or such Lender is organized or any political subdivision or taxing authority thereof or therein or as a result of a connection between such Lender and any jurisdiction other than a connection resulting solely from this Agreement and the transactions contemplated hereby, and

(ii) in the case of each Lender, income or franchise taxes imposed by any jurisdiction in which such Lender's lending offices which make or book Loans are located or any political subdivision or taxing authority thereof or therein

(all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being hereinafter called "Taxes"). If any Taxes are required to be withheld or deducted from any amounts payable to the Agent or any Lender under this Agreement or any other Loan Document, the Borrowers shall pay the relevant amount of such Taxes and the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the other Loan Documents. Whenever any Taxes are paid by the Borrowers with respect to payments made in connection with this Agreement or any other Loan Document, as promptly as possible thereafter, the Borrowers shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrowers showing payment thereof.

(b) Indemnity. The Borrowers hereby indemnify the Agent and each of the Lenders for the full amount of such Taxes and any present or future claims, liabilities or losses with

respect to or resulting from any omission to pay or delay in paying such Taxes (including any incremental Taxes, interest or penalties that may become payable by the Agent or such Lender as a result of any failure to pay such Taxes but excluding any claims, liabilities or losses with respect to or arising from omissions to pay or delays in payment attributable to the act or omission of the Agent or any Lender), whether or not such Taxes were correctly or legally asserted. Such indemnification shall be made within 30 days from the date such Lender or the Agent, as the case may be, makes written demand therefor.

(c) Withholding and Backup Withholding. Each Lender that is incorporated or organized under the laws of any jurisdiction other than the United States or any state thereof agrees that, on or prior to the date any payment is due to be made to it hereunder or under any other Loan Document, it will furnish to the Borrowers and the Agent

(i) two valid, duly completed copies of United States Internal Revenue Service Form W-8ECI or United States Internal Revenue Form W-8BEN or successor applicable form, as the case may be, certifying in each case that such Lender is entitled to receive payments under this Agreement and the other Loan Documents without deduction or withholding of any United States federal income taxes and

(ii) a valid, duly completed Internal Revenue Service Form W-8 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax.

Each Lender which so delivers to the Borrowers and the Agent a Form W-8BEN and Form W-8, or successor applicable forms agrees to deliver to the Borrowers and the Agent two further copies of the said Form W-8ECI or W-8BEN and Form W-8, or successor applicable forms, or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding tax, or after the occurrence of any event requiring a change in the most recent form previously delivered by it, and such extensions or renewals thereof as may reasonably be requested by the Borrowers and the Agent, certifying in the case of a Form W-8ECI or Form W-8BEN that such Lender is entitled to receive payments under this Agreement or any other Loan Document without deduction or withholding of any United States federal income taxes, unless in any such cases an event (including any changes in Law) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises the Borrowers and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8, establishing an exemption from United States backup withholding tax.

2.13. Funding by Branch, Subsidiary or Affiliate.

(a) Notional Funding. Each Lender of Revolving Credit Loans shall have the right from time to time, prospectively or retrospectively, without notice to the Borrowers, to deem any branch, subsidiary or affiliate of such Lender to have made, maintained or funded any part of the LIBO Rate Portion at any time. Any branch, subsidiary or affiliate so deemed shall be known as

a "Notional LIBO Rate Funding Office". Such Lender shall deem any part of the LIBO Rate Portion of the Revolving Credit Loans or the funding therefor to have been transferred to a different Notional LIBO Rate Funding Office if such transfer would avoid or cure an event or condition described in Section 2.04(e)(ii) hereof or would lessen compensation payable by the Borrowers under Section 2.10(a) hereof, or if such Lender determines in its sole discretion that such transfer would be practicable and would not have a Material Adverse Effect on such part of the Revolving Credit Loans, such Lender or any Notional LIBO Rate Funding Office (it being assumed for purposes of such determination that each part of the LIBO Rate Portion is actually made or maintained by or funded through the corresponding Notional LIBO Rate Funding Office). Notional LIBO Rate Funding Offices may be selected by such Lender without regard to such Lender's actual methods of making, maintaining or funding Revolving Credit Loans or any sources of funding actually used by or available to such Lender.

(b) Actual Funding. Each Lender of Revolving Credit Loans shall have the right from time to time to make or maintain any part of the LIBO Rate Portion by arranging for a branch, subsidiary or affiliate of such Lender to make or maintain such part of the LIBO Rate Portion. Such Lender shall have the right to

(i) hold any applicable Note payable to its order for the benefit and account of such branch, subsidiary or affiliate or (ii) request the Borrowers to issue one or more substitute promissory notes in the principal amount of such LIBO Rate Portion, in substantially the form attached hereto as Exhibit A-1, with the blanks appropriately filled, payable to such branch, subsidiary or affiliate and with appropriate changes reflecting that the holder thereof is not obligated to make any additional Loans to the Borrowers; provided, that if a Lender requests the Borrowers to issue one or more substitute promissory notes in accordance with clause (ii) above, the amount of the Note payable to such Lender shall automatically be reduced accordingly. The Borrowers agree to comply promptly with any request under subsection (ii) of this Section 2.13(b). If any applicable Lender causes a branch, subsidiary or affiliate to make or maintain any part of the LIBO Rate Portion hereunder, all terms and conditions of this Agreement shall, except where the context clearly requires otherwise, be applicable to such part of the LIBO Rate Portion and to any note payable to the order of such branch, subsidiary or affiliate to the same extent as if such part of the LIBO Rate Portion were made or maintained and such note were a Revolving Credit Note payable to such Lender's order.

2.14. Special Provisions for Other Currency Revolving Credit Loans and Letters of Credit.

(a) Dollar Equivalent Amounts.

(i) Calculation of Dollar Equivalent Amounts. Upon each making and upon each payment with respect to a Revolving Credit Loan or Letter of Credit denominated in an Other Currency, the Agent shall calculate the Dollar Equivalent Amount of such Revolving Credit Loan or Letter of Credit, as the case may be, and shall provide written confirmation to the Lenders.

(ii) Recalculation of Dollar Equivalent Amounts. In determining the Dollar Equivalent Amount of the aggregate Revolving Credit Extensions of Credit of the Lenders, the Agent may use the respective Dollar Equivalent Amounts for the Revolving Credit Loans or Letters of Credit pursuant to paragraph (i) of this subsection (a), unless

such Dollar Equivalent Amount so calculated exceeds 90% of the sum of the aggregate Revolving Credit Committed Amounts, in which case the Agent shall recalculate the Dollar Equivalent Amount of the Revolving Credit Loans and Letters of Credit outstanding no less frequently than once each week. The Agent may recalculate the Dollar Equivalent Amounts of each of the Revolving Credit Loans or Letters of Credit as frequently as it determines to do so in its discretion; provided, that such recalculation shall be made for all of the Revolving Credit Loans and Letters of Credit no less frequently than once each week during any period when the aggregate Dollar Equivalent Amount of the aggregate Credit Exposure of the Lenders exceeds 90% of the sum of the aggregate Revolving Credit Committed Amounts. The Dollar Equivalent Amount so determined shall become effective on the first Business Day immediately following the relevant calculation date.

(b) Unavailability.

(i) General. Subject to paragraph (ii) of this subsection (b), if, in the reasonable judgment of the Agent, any Other Currency ceases to be available and freely tradable in the London foreign exchange market, such Other Currency shall cease to be an Other Currency. The Agent shall give prompt notice to the Borrowers, the Lenders and the Issuing Banks of such event. In the event that (A) the Agent has determined that an Other Currency has ceased to be available and freely tradable in the London foreign exchange market and (B) the Agent has determined in good faith that such Other Currency is not otherwise available to the Borrowers, then, on the date any Revolving Credit Loan or Letter of Credit denominated in such Other Currency would become due or expire, respectively, under the terms of this Agreement (other than as a result of an optional prepayment under

Section 2.07 or of the acceleration of such Revolving Credit Loans under

Section 8.02), the Borrowers shall repay such Revolving Credit Loans (and cash collateralize such Letters of Credit) by paying to each Lender (and each Issuing Bank, as applicable) an amount in Dollars equal to the amount determined in good faith by such Lender or Issuing Bank (which determination shall be conclusive absent manifest error) necessary to compensate such Lender (or such Issuing Bank) for the principal of and accrued interest on such Revolving Credit Loans (and the aggregate face amounts of such Letters of Credit) and any additional cost, expense or loss incurred by such Lender (or such Issuing Bank) as a result of such Revolving Credit Loans being repaid (or Letters of Credit being cash collateralized) in Dollars (rather than in the denominated Other Currency).

(c) Notification of Request. If any Borrower requests a Revolving Credit Loan be made in an Other Currency, or if pursuant to any conversion or renewal of a LIBO Rate Portion any Borrower elects to continue any LIBO Rate Portion denominated in an Other Currency, the Agent shall in the notice given to the Lenders pursuant to Section 2.03, give details of such request or election including, as the case may be, the aggregate principal amount of the LIBO Rate Portion in such Other Currency to be made by each Lender pursuant to the terms of this Agreement or the aggregate principal amount of such LIBO Rate Loans to be continued by each Lender pursuant to the terms of this Agreement.

(d) Availability. Each Lender shall be treated as having confirmed that the Other Currency requested, or elected by such Borrower to be continued, is Available to it unless no later than 12:00 noon (New York City time) two Business Days prior to the day such Revolving Credit Loans are proposed to be made, or the proposed continuation, it shall have notified the Agent that such Other Currency is not Available.

(e) Notification of Availability. In the event the Agent has received notification from any of the Lenders that the Other Currency requested or elected by such Borrower to be continued is not Available, then the Agent shall notify Curtiss-Wright and the Lenders thereof no later than 2:00 p.m. (New York City time) two Business Days prior to the day such Revolving Credit Loans are proposed to be made or of such proposed continuation.

(f) Consequences of Unavailability. If the Agent notifies Curtiss Wright pursuant to clause (e) above that any of the Lenders has notified the Agent that the Other Currency requested or elected by a Borrower to be continued is not Available, such notification shall (i) in the case of any request to make Revolving Credit Loans, revoke such request and (ii) in the case of any notice of conversion or renewal, result in the LIBO Rate Portion denominated in such Other Currency being automatically converted into a LIBO Rate Portion denominated in Dollars for a one month interest period on the last day of the then-current interest period with respect to such LIBO Rate Portion denominated in such Other Currency.

(g) Letters of Credit. If a disbursement is made by an Issuing Bank under any Letter of Credit denominated in an Other Currency, the Dollar Equivalent Amount of such disbursement shall be determined by the Issuing Bank on the date of such disbursement. The Issuing Bank shall notify the Agent and Curtiss-Wright promptly of such Dollar Equivalent Amount determined by it, on the date that such determination is required to be made. The Dollar Equivalent Amount so determined shall become effective on the first Business Day immediately following the relevant calculation date.

(h) Adoption of Euro. If and to the extent that, following the Closing Date, any state that is not a participating member state of the European Union that has adopted the Euro as its currency (a "Non-Participant State") adopts the Euro as its currency, the following provisions shall apply in relation to such Non-Participant State (and the currency of such Non-Participant State):

(i) All amounts denominated in the currency of such Non-Participant State prior to its adoption of the Euro (the "National Currency Unit") shall be redenominated into Euros in accordance with applicable legislation and paid by the debtor either in Euros or in that National Currency Unit and all amounts denominated in Euros shall be paid by the debtor in Euros unless applicable legislation provides otherwise, provided, that if and to the extent that applicable legislation provides that an amount denominated either in the Euro or in the National Currency Unit of such Non-Participant State and payable within such Non-Participant State by crediting an account of the creditor can be paid by the debtor either in Euros or in that National Currency Unit, any party to this Agreement shall be entitled to pay or repay any such amount either in Euros or in such National Currency Unit.

(ii) If the basis of accrual of interest or fees expressed in this Agreement with respect to the National Currency Unit of such Non-Participant State shall be inconsistent with any convention or practice in the London, England interbank market for the basis of accrual of interest or fees in respect of the Euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such Non-Participant State adopts the Euro as its currency.

(iii) Without prejudice to the respective liabilities of each Borrower to the Lenders, the Issuing Banks and the Agents under or pursuant to this Agreement, except as expressly provided in this clause (iii), each provision of this Agreement shall be subject to such reasonable changes of construction as the Agent in consultation with Curtiss-Wright may from time to time specify to be necessary or appropriate to reflect the introduction of or changeover to the Euro in such Non-Participant State.

ARTICLE III LETTERS OF CREDIT

3.01. Letters of Credit.

(a) Outstanding Letter of Credit. The Agent or one or more Issuing Banks previously issued irrevocable letters of credit under the Original Credit Agreements, which letters of credit remain outstanding and which are set forth on Schedule 3.01(a) hereto (the "Outstanding Letters of Credit") pursuant to the Original Credit Agreements. The Borrowers, the Lenders, the Agent and the Issuing Banks hereby agree that on the Closing Date, subject to the terms and conditions hereof, the Outstanding Letters of Credit shall be deemed to have been issued hereunder as of the Closing Date.

(b) General. Subject to the terms and conditions of this Agreement, and relying upon the representations and warranties herein set forth and upon the agreements of the Lenders set forth in Sections 3.04 and 3.05 hereof, Scotia Capital, such affiliates of Scotia Capital and such other Lenders as the Agent may in its discretion from time to time elect to cause to issue Letters of Credit (each an "Issuing Bank", and collectively, the "Issuing Banks"), shall issue for the account of any Borrower (each an "Account Party" and collectively, the "Account Parties") letters of credit (each, as amended, modified or supplemented from time to time, a "Letter of Credit") at any time or from time to time on or after the date hereof.

(c) Terms of Letters of Credit. No Account Party shall request any Letter of Credit to be issued, except within the following limitations: (i) no Letter of Credit shall be issued later than ten days before the Maturity Date, (ii) at the time any Letter of Credit is issued, the aggregate Revolving Credit Extensions of Credit (after giving effect to issuance of the requested Letter of Credit) and Swing Line Extensions of Credit shall not exceed the sum of the aggregate Revolving Credit Committed Amounts of the Lenders at such time, (iii) each Letter of Credit shall have an expiration date no later than ten days before the Maturity Date, (iv) no Letter of Credit shall be an evergreen Letter of Credit, other than such Letters of Credit as requested by an Account Party and approved by the Required Lenders and by the Issuing Bank issuing such Letter of Credit, (v) each Letter of Credit shall be denominated in Dollars or in an Other Currency, (vi) each Letter of Credit shall be payable only against sight drafts (and not time

drafts) and such other certificates and documents as may be required by such Letter of Credit, (vii) at any time any Letter of Credit is issued, the aggregate Letter of Credit Obligations (after giving effect to issuance of the requested Letter of Credit) shall not exceed \$50,000,000 (as such amount may be reduced from time to time pursuant to Section 2.02(b)), and (viii) the minimum stated amount of any Letter of Credit shall be \$50,000.

(d) Purposes of Letters of Credit. Each Letter of Credit shall be satisfactory in form, substance and beneficiary to the applicable Issuing Bank in its discretion. Letters of Credit may be used by Account Parties for any proper corporate purpose, including providing credit support for any Indebtedness or other direct or indirect financing arrangements of the Borrowers as permitted by this Agreement. The provisions of this Section 3.01(d) represent only an obligation of any Account Party to the applicable Issuing Bank or Banks and the Lenders; no Issuing Bank shall have any obligation to the Lenders to ascertain the purpose of any Letter of Credit, and the rights and obligations of the Lenders and any such Issuing Bank among themselves shall not be impaired or affected by a breach of this Section 3.01(d).

3.02. Letter of Credit Fees.

(a) Letter of Credit Fee. Curtiss-Wright shall pay to the Agent for the account of each Lender a fee (the "Letter of Credit Fee") in an amount equal to the Applicable Margin determined based on the Leverage Ratio, for each day from and including the date of issuance of each standby Letter of Credit to and including the date of expiration or termination of such Letter of Credit, on the Letter of Credit Undrawn Availability on such day. Such Letter of Credit Fee shall be due and payable on each Regular Payment Date.

(b) Facing Fee; Administration Fees. Curtiss-Wright shall pay to the Agent, for the sole account of the applicable Issuing Bank, for each Letter of Credit so issued (or deemed issued), on the date of issuance of such Letter of Credit, a fee (the "Letter of Credit Facing Fee") in an amount equal to 0.125% of the stated amount of such Letter of Credit. In addition, Curtiss-Wright shall pay to the Agent, for the sole account of such Issuing Bank, such other administration, maintenance, amendment, drawing, negotiation and other fees as may be customarily charged by such Issuing Bank from time to time in connection with letters of credit.

3.03. Procedure for Issuance and Amendment of Letters of Credit.

(a) Request for Issuance. An Account Party may from time to time request, upon at least five Business Days' notice, Scotia Capital to issue (or cause another Issuing Bank selected by Scotia Capital to issue) a Letter of Credit by:

(i) delivering to Scotia Capital (or such other Issuing Bank as Scotia Capital may from time to time designate) and the Agent a written request to such effect, specifying the date on which such Letter of Credit is to be issued, the expiration date thereof, and the stated amount thereof, and

(ii) delivering to the applicable Issuing Bank an application, in such form as may from time to time be approved by such Issuing Bank (the "Letter of Credit Application"), completed to the satisfaction of such Issuing Bank, together with such

other certificates, documents and other papers and information as such Issuing Bank may request.

Such Issuing Bank shall promptly notify the Agent (by telephone or otherwise), and furnish the Agent with the proposed form of Letter of Credit to be issued. The Agent shall determine, as of the close of business on the day before such proposed issuance, whether such proposed Letter of Credit complies with the limitations set forth in Sections 3.01(b) and 3.01(c) hereof. Unless such limitations are not satisfied, the Agent shall notify such Issuing Bank (in writing or by telephone promptly confirmed in writing) that such Issuing Bank is authorized to issue such Letter of Credit. If such Issuing Bank issues a Letter of Credit, it shall deliver the original of such Letter of Credit to the beneficiary thereof or as such Account Party shall otherwise direct, and shall promptly notify the Agent thereof and furnish a copy thereof to the Agent.

(b) Request for Extension or Increase. Any Account Party may from time to time request the applicable Issuing Bank to extend the expiration date of an outstanding Letter of Credit or increase the stated amount of such Letter of Credit. Such extension or increase shall for all purposes hereunder be treated as though such Account Party had requested issuance of a replacement Letter of Credit (except only that such Issuing Bank may, if it elects, issue a notice of extension or increase in lieu of issuing a new Letter of Credit in substitution for the outstanding Letter of Credit).

(c) Issuance, Extension and Amendment Generally.

(i) Upon satisfaction by any Account Party of the conditions set forth in Section 5.02 and this Article III with respect to the issuance of a Letter of Credit, the Agent shall cause any Issuing Bank to issue such Letter of Credit for such Account Party's account.

(ii) Each Issuing Bank may amend, modify or supplement its Letters of Credit or Letter of Credit Applications, or waive compliance to any condition of issuance or payment, without the consent of, and without liability to, the Agent or any Lender, provided that any such amendment, modification or supplement that extends the expiration date or increases the stated amount of an outstanding Letter of Credit shall be subject to Section 3.03(b) hereof.

(iii) As between the Agent, on the one hand, and the Lenders, on the other hand, the Agent shall not authorize issuance of any Letter of Credit if any condition precedent set forth in Section 5.02 has not been satisfied.

3.04. Participating Interests.

(a) Generally. Concurrently with the issuance of each Letter of Credit in accordance with the terms of this Article III, the applicable Issuing Bank automatically shall be deemed, irrevocably and unconditionally, to have sold, assigned, transferred and conveyed to each other Lender, and each other Lender automatically shall be deemed, irrevocably and unconditionally, severally to have purchased, acquired, accepted and assumed from such Issuing Bank, without recourse to, or representation or warranty by, such Issuing Bank, an undivided interest, in a proportion equal to such Lender's Pro Rata share, in all of such Issuing Bank's rights and

obligations in, to or under such Letter of Credit, the related Letter of Credit Application and Letter of Credit Reimbursement Obligations, and all collateral, guarantees and other rights from time to time directly or indirectly securing the foregoing (such interest of each Lender being referred to herein as a "Letter of Credit Participating Interest"). On the date that any Purchasing Lender becomes a party to this Agreement in accordance with Section 10.14 hereof, Letter of Credit Participating Interests in any outstanding Letters of Credit held by the Lender from which such Purchasing Lender acquired its interest hereunder shall be proportionately reallocated between such Purchasing Lender and such transferor Lender (and, to the extent such transferor Lender is an Issuing Bank, the Purchasing Lender shall be deemed to have acquired a Letter of Credit Participating Interest from such transferor Lender to such extent).

(b) **Obligations Absolute.** Notwithstanding any other provision hereof, each Lender hereby agrees that its obligation to participate in each Letter of Credit issued in accordance herewith, its obligation to make the payments specified in Section 3.05 hereof, and the right of the applicable Issuing Bank to receive such payments in the manner specified therein, are each absolute, irrevocable and unconditional and shall not be affected by any circumstance whatever. The failure of any Lender to make any such payment shall not relieve any other Lender of its funding obligation hereunder on the date due, but no Lender shall be responsible for the failure of any other Lender to meet its funding obligations hereunder.

3.05. Drawings and Reimbursements.

(a) **Account Party's Reimbursement Obligation.** Each Account Party hereby agrees to reimburse the applicable Issuing Bank, by making payment to the Agent for the account of such Issuing Bank and the Lenders in accordance with Section 2.09(b) hereof on the date of each payment made by such Issuing Bank under any Letter of Credit issued on behalf of such Account Party, without notice, protest or demand, all of which are hereby waived, and an action therefor shall immediately accrue. To the extent such payment is not timely made, such Account Party hereby agrees to pay to the Agent, for the account of such Issuing Bank and the Lenders, on demand, interest on any unreimbursed Letter of Credit Reimbursement Obligations for each day from and including the date of such payment by such Issuing Bank until paid (before and after judgment) in accordance with Section 2.09(c) hereof, at the rate per annum set forth in Section 2.09(c)(ii) hereof.

(b) **Payment by Lenders on Account of Unreimbursed Draws.** If any Issuing Bank makes a payment under any Letter of Credit and is not reimbursed in full therefor on such payment date in accordance with Section 3.05(a) hereof, such Issuing Bank will promptly notify the Agent thereof (which notice may be by telephone), and the Agent shall forthwith notify each Lender (which notice may be by telephone promptly confirmed in writing) thereof. No later than the Agent's close of business on the date such notice is given, each such Lender will pay to the Agent, for the account of such Issuing Bank, in immediately available funds, an amount equal to such Lender's ratable share of the unreimbursed portion of such payment by such Issuing Bank. If and to the extent that any Lender fails to make such payment to the Issuing Bank on such date, such Lender shall pay such amount on demand, together with interest, for such Issuing Bank's own account, for each day from and including the date of such Issuing Bank's payment to and including the date of repayment to such Issuing Bank (before and after judgment) at the rate per annum applicable to such Letter of Credit Reimbursement Obligations.

(c) Distributions to Participants. If, at any time, after such Issuing Bank has made a Letter of Credit unreimbursed draw and has received from any Lender such Lender's share of such Letter of Credit unreimbursed draw, and such Issuing Bank receives any payment or makes any application of funds on account of the Letter of Credit Reimbursement Obligation arising from such Letter of Credit unreimbursed draw, such Issuing Bank will pay to the Agent, for the account of such Lender, such Lender's Pro Rata share of such payment.

(d) Rescission. If any payment received by such Issuing Bank, or any application made by such Issuing Bank on account of any Letter of Credit Reimbursement Obligation shall be rescinded or otherwise shall be required to be returned or paid over by such Issuing Bank for any reason at any time, whether before or after the termination of this Agreement (or such Issuing Bank believes in good faith that such rescission, return or payment is required, whether or not such matter has been adjudicated), each such Lender will, promptly upon notice from the Agent or such Issuing Bank, pay over to the Agent for the account of such Issuing Bank its ratable share of the amount so rescinded, returned or paid over, together with its ratable share of any interest or penalties payable with respect thereto.

(e) Equalization. If any Lender receives any payment or makes any application on account of its Letter of Credit Participating Interest, such Lender shall forthwith pay over to the applicable Issuing Bank, in Dollars and in like kind of funds received or applied by it the amount in excess of such Lender's Pro Rata share of the amount so received or applied.

3.06. Obligations Absolute. The payment obligations of each Account Party under Section 3.05 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that such Account Party may have or have had against the applicable Issuing Bank, including without limitation any defense based on the failure of any drawings under any Letter of Credit to conform to the terms of the Letter of Credit, other than a defense based on a misdirection of payments intended to be made under a Letter of Credit directly caused by the negligence of such Issuing Bank, or any other defense based on the gross negligence or willful misconduct of such Issuing Bank.

3.07. Increased Costs. Without limitation of any provision of Section 2.10(a) hereof, each Issuing Bank and each Lender shall be entitled to the benefit of Section 2.10(a) hereof, and each Account Party shall pay additional compensation to the applicable Issuing Bank or Lender in accordance with such

Section 2.10(a), in respect of this Agreement, the Letters of Credit and Letter of Credit Participating Interests, to the same extent and in the same manner as if the word "Lender," in each place in which it occurs in such Section 2.10(a), were replaced with "Lender or Issuing Bank," and the word "Loan," in each place in which it occurs in such Section 2.10(a), were replaced with "Loan, Letter of Credit or Letter of Credit Participating Interest."

3.08. Further Assurances. The Account Parties hereby agree, from time to time, to do and perform any and all acts and to execute any and all further instruments reasonably requested by the Issuing Banks more fully to effect the purposes of this Agreement and the issuance of the Letters of Credit hereunder.

3.09. Letter of Credit Application. The representations, warranties and covenants by the Account Parties under, and rights and remedies of the Issuing Banks under, any Letter of Credit

Application relating to any Letter of Credit are in addition to, and not in limitation or derogation of, representations, warranties and covenants by the Account Parties under, and rights and remedies of the Issuing Banks and the Lenders under this Agreement, the Loan Documents, and applicable law. The Account Parties acknowledge and agree that all rights of the Issuing Banks under any Letter of Credit Application shall inure to the benefit of each Lender to the extent of its Commitment Percentage as fully as if such Lender was a party to such Letter of Credit Application. In the event of any inconsistency between the terms of this Agreement and any Letter of Credit Application, this Agreement shall prevail.

3.10. Cash Collateral for Letters of Credit.

(a) Cash Collateral for Letter of Credit Exposure following Repayment of Loans. To the extent that this Agreement or any other Loan Document requires a payment or prepayment to be made with respect to the Loans (whether at maturity, by acceleration or otherwise), such provision shall be construed as follows: (i) if the amount of such payment or prepayment is less than or equal to the amount of the outstanding Loans and Letter of Credit Reimbursement Obligations at such time, then such payment or prepayment shall be applied to the payment of principal of and interest on the outstanding Loans and Letter of Credit Reimbursement Obligations (whether or not such payment or prepayment would require the applicable Account Party to pay any amount under Section 2.10(b) hereof); and (ii) if the amount of such payment or prepayment is greater than the amount of outstanding Loans and Letter of Credit Reimbursement Obligations at such time, then (A) such payment or prepayment shall be applied to the principal of and interest accrued on the outstanding Loans and Letter of Credit Reimbursement Obligations (whether or not such payment or prepayment would require such Account Party to pay any amount under Section 2.10(b) hereof) and (B) such Account Party shall immediately pay to the Agent cash or cash equivalents for deposit in the Letter of Credit Collateral Account in an amount equal to the amount by which such payment or prepayment exceeds such outstanding Loans and Letter of Credit Reimbursement Obligations; provided, however, that the amount required to be paid under clause (B) shall not exceed the aggregate Letter of Credit Exposure at such time minus the balance in the Letter of Credit Collateral Account at such time.

(b) Letter of Credit Collateral Account. The Agent shall maintain in its own name an interest bearing deposit account (the "Letter of Credit Collateral Account") over which the Agent on behalf of the Lenders shall have sole dominion and control, and the Account Parties shall have no right to withdraw or cause the Agent to withdraw any funds deposited therein. The Agent shall deposit into the Letter of Credit Collateral Account such cash or cash equivalents as this Agreement or any Loan Document requires to be paid therein. As security for the payment of all Obligations, each Account Party hereby grants, conveys, assigns, pledges, transfers to the Agent, and creates in the Agent's favor for the benefit of the Lenders a continuing Lien on and security interest in, the Letter of Credit Collateral Account, all amounts from time to time on deposit therein, all proceeds of the conversion, voluntary or involuntary, thereof into cash, instruments, securities or other property, and all other proceeds thereof. Each Account Party hereby represents, warrants, covenants and agrees that such Lien shall at all times be valid, perfected and of first priority, subject to no other Lien whatever, and each Account Party shall take or cause to be taken such actions and execute and deliver such instruments and documents as may be necessary or, in the Agent's judgment, desirable to perfect or protect such Lien. No Account Party shall create or suffer to exist any Lien on any amounts or investment held in the

Letter of Credit Collateral Account other than the Lien in favor of the Agent granted under this Section 3.10(b).

(c) Application of Funds. Subject to the provisions of Section 8.02(c) hereof, the Agent shall apply funds in the Letter of Credit Collateral Account:

(i) on account of principal of and interest on the Letter of Credit Reimbursement Obligations as and when the same become due and payable if and to the extent that an Account Party fails directly to pay the same, and (ii) if no Letter of Credit Reimbursement Obligations are due and payable and the balance of the Letter of Credit Collateral Account exceeds the aggregate Letter of Credit Exposure, the excess shall be applied on account of the other Obligations secured hereby. If all such Obligations have been paid in full, all Commitments terminated and all Letters of Credit have expired, promptly following demand by the Account Parties, the Agent shall release to the Account Parties all remaining funds in the Letter of Credit Collateral Account. If an Event of Default shall have occurred and be continuing, interest earned on funds in the Letter of Credit Collateral Account shall be held by the Agent as part of Letter of Credit Collateral Account and may be applied by the Agent as set forth herein.

3.11. Certain Provisions Relating To the Issuing Banks.

(a) General. The Issuing Banks shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and no implied duties or responsibilities on the part of the Issuing Banks shall be read into this Agreement or any Loan Document or shall otherwise exist.

The duties and responsibilities of the Issuing Banks under this Agreement and the other Loan Documents shall be mechanical and administrative in nature, and the Issuing Banks shall not have a fiduciary relationship in respect of any Lender or any other Person. The Issuing Banks shall not be liable for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Loan Document, unless caused by its own gross negligence or willful misconduct. The Issuing Banks shall not be under any obligation to ascertain, inquire or give any notice relating to (i) the performance or observance of any of the terms or conditions of this Agreement or any other Loan Document on the part of any Account Party, (ii) the business, operations, condition (financial or otherwise) or prospects of any Account Party or any other Person, or (iii) the existence of any Event of Default or Potential Default. The Issuing Banks shall not be under any obligation, either initially or on a continuing basis, to provide the Agent or any Lender with any notices, reports or information of any nature, whether in its possession presently or hereafter, except for such notices, reports and other information expressly required by this Agreement to be so furnished.

(b) Administration. The Issuing Banks may rely upon any notice or other communication of any nature (written or oral, including but not limited to telephone conversations, whether or not such notice or other communication is made in a manner permitted or required by this Agreement or any Loan Document) purportedly made by or on behalf of the proper party or parties, and the Issuing Banks shall not have any duty to verify the identity or authority of any Person giving such notice or other communication. The Issuing Banks may consult with legal counsel (including, without limitation, in-house counsel for the Issuing Banks or in-house or other counsel for any Account Party), independent public accountants and any

other experts selected by it from time to time, and the Issuing Banks shall not be liable for any action taken or omitted to be taken in good faith in accordance with the advice of such counsel, accountants or experts.

(c) Indemnification of Issuing Banks by Lenders. Each Lender hereby agrees to reimburse and indemnify each Issuing Bank, in its capacity as such, and its directors, officers, employees and agents (to the extent not reimbursed by the Account Parties and without limitation of the obligations of the Account Parties to do so), Pro Rata, from and against any and all amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature (including, without limitation, the fees and disbursements of counsel for such Issuing Bank or such other Person in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Issuing Bank or such other Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against such Issuing Bank, in its capacity as such, or such other Person, as a result of, or arising out of, or in any way related to or by reason of, this Agreement, any other Loan Document, any transaction from time to time contemplated hereby or thereby, or any transaction financed in whole or in part or directly or indirectly with the proceeds of any Letter of Credit; provided, that no Lender shall be liable for any portion of such amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting solely from the gross negligence or willful misconduct of such Issuing Bank or such other Person, as finally determined by a court of competent jurisdiction.

(d) Certain Standby Letters of Credit. Each Issuing Bank agrees, with respect to Letters of Credit issued on behalf of any Account Party to a bond trustee or other party as credit and/or liquidity support in connection with any industrial revenue bond or similar instrument, that it will not exercise any remedies available to it under any indenture, pledge agreement or other agreement executed and delivered in connection with the issuance of such bonds or other instruments, including without limitation any instruction to accelerate the payment of principal of and interest on such bonds or other instruments, without the prior written consent of the Agent and the Required Lenders.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

The Borrowers hereby represent and warrant to the Agent and each Lender as follows:

4.01. Due Incorporation, etc. Each Borrower is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, is duly qualified as a foreign corporation in good standing in each jurisdiction in which failure to so qualify would have a Material Adverse Effect, and has all requisite power and authority, corporate or otherwise, to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, this Agreement. Schedule 4.01 hereof states as of the date hereof the jurisdiction of incorporation of each Borrower and each of its respective Subsidiaries and the jurisdiction in which each Borrower and each of its respective Subsidiaries is qualified to do business as a foreign corporation.

4.02. Due Authorization, etc. The execution, delivery and performance by each Borrower of this Agreement have been duly authorized by each Borrower and do not and will not (i) require any consent or approval of the stockholders of any Borrower, (ii) violate in any material respect any provision of any Law, rule, regulation (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to any Borrower or of the charter or by-laws of any Borrower, (iii) result in a material breach of or constitute a material default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which any Borrower is a party or by which any of them or their respective properties may be bound or affected, or (iv) result in, or require, the creation or imposition of any Lien upon or with respect to any of the material properties now owned or hereafter acquired by any Borrower; and no Borrower is in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument except any such default which is listed on Schedules 4.06 or 4.09 hereof and which a Borrower is contesting in good faith and by appropriate proceedings and such contest is operating to stay the consequences thereof. No Borrower is a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of any Borrower, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of any Borrower of the type set forth herein.

4.03. Approvals. No consent, approval or other action by or any notice to or filing with any Governmental Authority is or will be necessary for the valid execution, delivery or performance by any Borrower of this Agreement.

4.04. Execution; Binding Effect. This Agreement and each other Loan Document to which any Borrower is a party has been, or upon its execution and delivery will be, duly executed and delivered by such Borrower and each constitutes a legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with its terms, subject to enforceability, bankruptcy, insolvency, moratorium or other laws and equitable principles relating to or affecting creditors' rights generally from time to time in effect.

4.05. Financial Statements. Curtiss-Wright has furnished the Agent and each Lender with the following financial statements, identified by a principal financial officer of Curtiss-Wright: consolidated audited balance sheets of Curtiss-Wright and its consolidated Subsidiaries as at December 31, 2001 and December 31, 2000, and consolidated profit and loss and surplus statements of Curtiss-Wright and its consolidated Subsidiaries for the fiscal years ended on such dates, respectively, certified by its certified public accountants. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects and have been prepared in accordance with GAAP and show all liabilities, direct and contingent, of Curtiss-Wright and its consolidated Subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the condition of Curtiss-Wright and its consolidated Subsidiaries as at the dates thereof, and the profit and loss and surplus statements fairly present the results of the operations of Curtiss-Wright and its consolidated Subsidiaries for the periods indicated. There has been no material adverse change in the assets, business, condition (financial or otherwise) or operations of Curtiss-Wright and its consolidated Subsidiaries considered as a whole since December 31, 2001.

4.06. Litigation. Other than as described in Schedules 4.06 and 4.09 hereof, there are no actions, suits, arbitration proceedings or other proceedings pending or, to the knowledge of any Borrower, threatened against or affecting any Borrower, or any properties or rights of any Borrower which, if determined adversely to any Borrower, would have a Material Adverse Effect.

4.07. Title to Property. Each Borrower has good and marketable title to its material real properties (other than properties which it leases) and good title to all of its other material properties and assets (other than properties and assets disposed of in the ordinary course of business and other than as contemplated by this Agreement), subject to no Liens or impediments to marketability except Permitted Liens. Except as set forth in Schedule 4.07, with respect to real property of Curtiss-Wright and its Subsidiaries located in the State of New Jersey, there are no impediments to marketability arising by reason of the New Jersey Industrial Site Recovery Act.

4.08. ERISA. The Unfunded Liabilities of all Single Employer Plans maintained by Curtiss-Wright or any of its subsidiaries do not in the aggregate exceed \$1,000,000 and the Unfunded Liabilities of all Single Employer Plans maintained by the other members of the Controlled Group do not in the aggregate exceed an amount which could reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 4.08 neither Curtiss-Wright nor any other member of the Controlled Group maintains, or is obligated to contribute to, any Multiemployer Plan. Each Plan complies in all material respects, both in form and operation, with all applicable requirements of law and regulations, and with its terms, no Reportable Event has occurred with respect to any Plan maintained by Curtiss-Wright or any of its Subsidiaries, and no Reportable Event has occurred with respect to any Plan maintained by any other member of the Controlled Group that could reasonably be expected to have a Material Adverse Effect. Neither Curtiss-Wright nor any Subsidiary has withdrawn from any Multiemployer Plan or initiated steps to do so, except such withdrawals with respect to which the aggregate amount of liabilities incurred by Curtiss-Wright and its Subsidiaries will not exceed \$1,500,000. No other member of the Controlled Group has withdrawn from any Multiemployer Plan resulting in any withdrawal liability that could reasonably be expected to have a Material Adverse Effect or initiated steps to do so, and no steps have been taken to reorganize or terminate any Plan by any member of the Controlled Group or, to Curtiss-Wright's knowledge, by any other Person.

4.09. Environmental Laws. As of the Closing Date, there are no claims, investigations, litigation, administrative proceedings, notices, requests for information (each an "Environmental Claim"), whether pending or, to any Borrower's knowledge, threatened, or judgments or orders asserting violations of applicable federal, state and local environmental, health and safety statutes, regulations, ordinances, codes, rules, orders, decrees, directives and standards ("Environmental Laws") or relating to any toxic or hazardous waste, substance or chemical or any pollutant, contaminant, chemical or other substance defined or regulated pursuant to any Environmental Law, including, without limitation, asbestos, petroleum, crude oil or any fraction thereof ("Hazardous Materials") asserted against Curtiss-Wright or any of its Subsidiaries which, in any case, could reasonably be expected to have a Material Adverse Effect except as disclosed on Schedule 4.09. Curtiss-Wright and each of its Subsidiaries have obtained and are in compliance in all material aspects with all permits, certificates, licenses, approvals and other authorizations ("Environmental Permits") required for the operation of their business and have

filed all required notifications or reports relating, in each case, to chemical substances, air emissions, effluent discharges and the storage, treatment, transport and disposal of Hazardous Materials. As of the date hereof, Curtiss-Wright and its Subsidiaries do not have liabilities exceeding \$12,000,000 in the aggregate for all of them with respect to compliance with applicable Environmental Laws and Environmental Permits or related to the generation, treatment, storage, disposal, release, investigation or cleanup of Hazardous Materials, and, to the knowledge of any Borrower, no facts or circumstances exist which could give rise to such liabilities with respect to compliance with applicable Environmental Laws and Environmental Permits and the generation, treatment, storage, release, investigation or cleanup of Hazardous Materials.

4.10. **Absence of Undisclosed Liabilities.** No Borrower nor any Subsidiary of any Borrower has any liability or obligation of any nature whatever (whether absolute, accrued, contingent or otherwise, whether or not due), forward or long-term commitments or unrealized or anticipated losses from unfavorable obligations, except (a) as disclosed in the financial statements referred to in Section 4.05 hereof and the Schedules hereto, (b) matters that, individually or in the aggregate, in a Borrower's reasonable judgment, could not have a Material Adverse Effect, (c) liabilities, obligations, commitments and losses incurred after December 31, 2001 in the ordinary course of business and consistent with past practices, and (d) the Indebtedness of the Borrowers and their respective Subsidiaries set forth on Schedule 4.10 hereto.

4.11. **Accurate and Complete Disclosure.** No information heretofore, contemporaneously or hereafter provided by or on behalf of any Borrower or any Subsidiary of any Borrower in writing to either the Agent or any Lender pursuant to or in connection with any Loan Document or any transaction contemplated hereby or thereby contains any untrue statement of a material fact or omits to state any material fact necessary to make such information (taken as a whole) not misleading at such time in light of the circumstances in which it was provided. The Borrowers have disclosed to the Agent and each Lender in the Loan Documents or otherwise every fact or circumstance known to any Borrower which has, or which in the foreseeable future will in any Borrower's reasonable judgment have, a Material Adverse Effect.

4.12. **Margin Regulations.** No Borrower nor any Subsidiary of any Borrower is engaged, directly or indirectly, principally, or as one of its important activities, in the business of extending, or arranging for the extension of credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of any Letter of Credit or Loan will be used in a manner which would violate, or result in a violation of Regulation T, Regulation U or Regulation X. Neither the issuance of any Letter of Credit or the making of any Loan hereunder nor the use of the proceeds thereof will violate or conflict with the provisions of Regulation T, Regulation U or Regulation X. Following the issuance of any Letter of Credit or the making of any Loan, less than 25% of the value (as determined by any reasonable method) of the assets of such Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or other restriction hereunder taken as a whole has been, and will continue to be, represented by margin stock.

4.13. **Subsidiaries.** Schedule 4.13 hereof states as of the Closing Date each Subsidiary of each Borrower and the percentage of outstanding shares owned by each Borrower and by each Subsidiary. Each Subsidiary of each Borrower is a corporation duly organized, validly existing

and in good standing under the laws of its jurisdiction of incorporation, is duly qualified as a foreign corporation in good standing in each jurisdiction in which failure to so qualify would have a Material Adverse Effect, and has all requisite power and authority, corporate or otherwise, to conduct its business and own its properties. The outstanding shares of each Subsidiary of each Borrower have been duly authorized and validly issued and are fully paid and nonassessable. The Borrowers and each Subsidiary thereof own beneficially and of record and have good title to all of the shares represented by the ownership percentage shown in such Schedule 4.13, free and clear of any Lien. There are no options, warrants, calls, subscriptions, conversion rights, exchange rights, preemptive rights or other rights, agreements or arrangements (contingent or otherwise) which may in any circumstances now or hereafter obligate any Subsidiary of any Borrower to issue any shares of its capital stock or any other securities. As of the Closing Date, no Subsidiary of any Borrower has outstanding any class of preferred stock or any class of common stock with a prior right to dividends.

4.14. Partnerships, etc. As of the Closing Date, no Borrower nor any Subsidiary thereof is a partner (general or limited) of any partnership, is a party to any joint venture or owns (beneficially or of record) any equity in any other Person (including but not limited to any interest pursuant to which any Borrower or such Subsidiary has or may in any circumstance have an obligation to make capital contributions to, or be generally liable for or on account of the liabilities, acts or omissions of such other Person), except for the interests set forth in Schedule 4.14 hereof.

4.15. Absence of Events of Default. No event has occurred and is continuing and no condition exists which constitutes an Event of Default or Potential Default.

4.16. Insurance. The policies, binders or self-insurance programs for fire, liability, product liability, workmen's compensation, vehicular and other insurance currently held by or on behalf of the Borrowers and each Subsidiary thereof insure their respective properties and business activities against such losses and risks as are adequate to protect their respective properties in accordance with customary industry practice when entered into or renewed. To the best knowledge of the Borrowers, all such policies, binders and self-insurance programs are in full force and effect. As of the date hereof, no Borrower nor, to the best knowledge of any Borrower, any of their respective Subsidiaries has received notice from any insurer or agent of such insurer that substantial capital improvements or other expenditures will have to be made in order to continue such insurance and, to the best knowledge of the Borrowers, no such improvements or expenditures are required. As of the date hereof, no Borrower nor, to the best knowledge of the Borrowers, any of their respective Subsidiaries has received notice of cancellation of any insurance policy or binder.

4.17. Intellectual Property. Each Borrower and each Subsidiary thereof owns, or is licensed or otherwise has the right to use, all the material patents, trademarks, service marks, names (trade, service, fictitious or otherwise), copyrights, technology (including but not limited to computer programs and software), processes, data bases and other rights, free from restrictions not usual in such circumstances, necessary to own and operate its properties and to carry on its business considered as a whole as presently conducted and presently planned to be conducted without material conflict with the rights of others.

4.18. Taxes. Each Borrower and each Subsidiary thereof has filed all federal, state and local tax returns required to be filed by it and has not failed to pay any taxes, or interest and penalties relating thereto, on or before the due dates thereof except for taxes not yet due and except for those the amount or validity of which is currently being contested in good faith by appropriate proceedings. Except to the extent that reserves therefor are reflected in the financial statements, to the best knowledge of the Borrowers

(a) there are no material federal, state or local tax liabilities of any Borrower or any of their respective Subsidiaries due or to become due for any tax year ended on or prior to the Closing Date relating to any Borrower or any of their respective Subsidiaries, whether incurred in respect of or measured by the income of any Borrower or any of their respective Subsidiaries, which are not properly reflected in the financial statements delivered pursuant to Section 4.05, and (b) there are no material claims pending, proposed or threatened against any Borrower or any of their respective Subsidiaries for past federal, state or local taxes, except those, if any, as to which proper reserves in accordance with GAAP are reflected in such financial statements.

ARTICLE V CONDITIONS OF LENDING

5.01. Conditions to Making of Initial Loans and Issuance of Initial Letter of Credit. The obligation of each Lender to make Loans and the obligation of the Issuing Banks to issue Letters of Credit on the Closing Date are subject to the satisfaction, immediately prior to or concurrently with the making of such Loan or issuance of such Letter of Credit, of the following conditions precedent, in addition to the conditions precedent set forth in Section 5.02 hereof:

(a) Agreement; Notes. The Agent shall have received an executed counterpart of this Agreement for each Lender, duly executed by each Borrower, and an executed Revolving Credit Note and Swing Line Note from each Borrower for each applicable Lender, conforming to the requirements hereof, duly executed on behalf of each Borrower.

(b) Opinion of Counsel. There shall have been delivered to the Agent an opinion of counsel of each Borrower, dated the Closing Date in substantially the form attached hereto as Exhibit B.

(c) No Default. On the Closing Date, no Potential Default or Event of Default shall have occurred or be continuing.

(d) Representations and Warranties. On the Closing Date, all representations and warranties of each Borrower contained herein or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

(e) Corporate Proceedings. The Agent shall have received, with a counterpart for each Lender, certificates by the Secretary or Assistant Secretary of each Borrower dated as of the Closing Date as to (i) true copies of the articles of incorporation and by-laws (or other constituent documents) of each Borrower in effect on such date, (ii) true copies of all corporate action taken by each Borrower relative to this Agreement and the other Loan Documents and (iii) the incumbency and signature of the respective officers of each Borrower executing this

Agreement and the other Loan Documents to which each Borrower is a party, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary. The Agent shall have received, with a copy for each Lender, certificates from the appropriate Secretaries of State or other applicable Governmental Authorities dated not more than 30 days before the Closing Date showing the good standing of each Borrower in its state of incorporation.

(f) Financial Statements. The Agent shall have received, with a counterpart for each Lender, copies of the consolidated financial statements referred to in Section 4.05 hereof.

(g) Fees, Expenses, etc. All fees and other compensation required to be paid to the Agent or the Lenders pursuant hereto or pursuant to any other written agreement on or prior to the Closing Date shall have been paid or received.

(h) Financial Forecast. The Agent shall have received the five-year financial forecast of Curtiss-Wright, including balance sheets, income statements and cash flow statements, and shall have determined, in its absolute discretion, that the five-year forecast is satisfactory.

(i) Environmental Reports. The Agent shall have received appropriate environmental reports with respect to the properties of Curtiss-Wright and its Subsidiaries, in form and substance satisfactory to the Agent, and shall have determined in its absolute discretion that such reports are satisfactory.

(j) Material Adverse Change. No material adverse change in the assets, business, condition (financial or otherwise), operations or prospects of Curtiss-Wright and its consolidated Subsidiaries considered as a whole has occurred since December 31, 2001.

(k) No Litigation. There shall be no actions, suits, arbitration proceedings or other proceedings pending or, to the knowledge of any Borrower, threatened against or affecting any Borrower, or any properties or rights of any Borrower which, if determined adversely to any Borrower, would have a Material Adverse Effect, or which seeks to challenge or prevent or declare illegal the transactions contemplated by this Agreement or any of the Loan Documents.

(l) Additional Matters. The Agent shall have received such other certificates, opinions, documents and instruments as may be requested by any Lender. All corporate and other proceedings, and all documents, instruments and other matters in connection with the transactions contemplated by this Agreement and the other Loan Documents shall be satisfactory in form and substance to the Agent, each Lender and their counsel. The Agent, each Lender and their counsel shall have received all such counterpart originals or certified or other copies of such documents as the Agent or such counsel shall reasonably request.

(m) Original Credit Agreements. The Original Credit Agreements shall have been terminated and shall be of no further force and effect, and all amounts outstanding thereunder shall have been paid in full.

(n) Guarantees. The Agent shall have received (i) a Guaranty and Suretyship Agreement in substantially the form of Exhibit E hereto (the "Curtiss-Wright Guaranty"), duly executed by Curtiss-Wright and (ii) a Guaranty and Suretyship Agreement in substantially the

form of Exhibit F hereto (the "Subsidiary Guarantees"), duly executed by each Subsidiary Borrower and each Significant Subsidiary.

5.02. Conditions to All Loans. The obligation of each Lender to make any Loan (including the initial Loans) and the obligation of each Issuing Bank to issue Letters of Credit (including the initial Letter of Credit issued on or after the Closing Date) are subject to performance by each Borrower of its obligations to be performed hereunder or under the other Loan Documents on or before the date of such Loan or issuance of such Letter of Credit, satisfaction of the conditions precedent set forth herein and in the other Loan Documents and satisfaction of the following further conditions precedent:

(a) Notice. Appropriate notice of such Loan or Letter of Credit shall have been given by the applicable Borrower as provided in Article II or Article III, respectively, hereof.

(b) Representations and Warranties. On the date of the making of such Loan or the issuance of such Letter of Credit, as the case may be, all representations and warranties of each Borrower contained herein or otherwise made in writing in connection herewith shall be true and correct (except with respect to representations and warranties which specifically refer to an earlier date, which shall be true and correct in all material respects as of such earlier date) with the same force and effect as though such representations and warranties had been made on and as of such time.

(c) No Defaults. No Event of Default or Potential Default shall have occurred and be continuing on such date or after giving effect to the Loans requested to be made or the Letters of Credit requested to be issued on such date.

(d) No Violations of Law, etc. Neither the making nor use of the Loans or Letters of Credit shall cause any Lender to violate or conflict with any Law.

Each request by any Borrower for any Loan (including the initial Loans) or Letter of Credit shall constitute a representation and warranty by such Borrower that the conditions set forth in this Section 5.02 have been satisfied as of the date of such request. Failure of the Agent to receive notice from the applicable Borrower to the contrary before such Loan is made or Letter of Credit is issued, shall constitute a further representation and warranty by such Borrower that the conditions referred to in this Section 5.02 have been satisfied as of the date such Loan is made or Letter of Credit is issued.

ARTICLE VI AFFIRMATIVE COVENANTS

So long as any Loan or Letter of Credit is outstanding, any Obligation is outstanding, the Issuing Banks have any obligation to issue, or the Lenders have any obligation to participate in, Letters of Credit, or the Lenders have any obligation to make any Loan:

6.01. Basic Reporting Requirements.

(a) Annual Audit Reports. Curtiss-Wright shall deliver to the Agent, with a copy for each Lender, as soon as available, but in any event within 90 days after the last day of each of its

fiscal years, consolidated statements of earnings, consolidated balance sheets, consolidated statements of cash flows and consolidated statements of stockholders' equity of Curtiss-Wright as at such last day of the fiscal year, each prepared in accordance with GAAP (except as required by any change in accounting principles or concurred in by Curtiss-Wright's independent certified public accountants), in reasonable detail, and, as to the financial statements, certified without qualification (other than relating to a change in accounting principles with which such accountants concur and other than any other qualification which the Agent and the Required Lenders deem, in their reasonable judgment, to be immaterial) by PriceWaterhouseCoopers or another firm of independent certified public accountants of nationally recognized standing (reasonably acceptable to the Agent and the Required Lenders) as fairly presenting the financial position and the results of operations of Curtiss-Wright as at and for the year ending on such date and as having been prepared in accordance with GAAP.

(b) Quarterly Consolidated Reports. Curtiss-Wright shall deliver to the Agent, with a copy for each Lender, as soon as available, but in any event within 60 days after the end of each of Curtiss-Wright's fiscal quarterly periods, consolidated statements of earnings, consolidated balance sheets, consolidated statements of cash flows and consolidated statements of stockholders' equity of Curtiss-Wright as of the last day of such quarter, and on a comparative basis figures for the corresponding period of the immediately preceding fiscal year, all in reasonable detail, each such statement to be certified in a certificate of a Responsible Officer of Curtiss-Wright, as the case may be, as fairly presenting the financial position and the results of operations of Curtiss-Wright as at such date and for such quarter and as having been prepared in accordance with GAAP (subject to year-end audit adjustments).

(c) Quarterly Compliance Certificates. Curtiss-Wright shall deliver to the Agent, with a copy for each Lender, a quarterly compliance certificate in substantially the form set forth as Exhibit C hereto, duly completed and signed by a Responsible Officer of Curtiss-Wright, concurrently with the delivery of the financial statements referred to in subsections (a) and (b) of this Section 6.01. Each Quarterly Compliance Certificate shall be accompanied by a certificate, duly completed and signed by a Responsible Officer of Curtiss-Wright providing, as of the end of the preceding calendar quarter, the information contained in Schedule 7.09 hereto.

(d) Certain Other Reports and Information. Promptly upon their becoming available to Curtiss-Wright, Curtiss-Wright shall deliver to the Agent, with a copy for each Lender, a copy of (i) all regular or special reports, registration statements and amendments to the foregoing which Curtiss-Wright or any Subsidiary of Curtiss-Wright shall file with the Securities and Exchange Commission (or any successor thereto) or any securities exchange other than reports required by Section 16 of the Securities Exchange Act of 1934 which Curtiss-Wright files as an accommodation for its officers, and (ii) all reports, proxy statements, financial statements and other written information distributed by Curtiss-Wright to its stockholders or bondholders.

(e) Further Information. Curtiss-Wright will promptly furnish to the Agent, with a copy for each Lender, such other information and in such form as the Agent or any Lender may reasonably request from time to time.

(f) Notice of Certain Events. Promptly upon becoming aware of any of the following, Curtiss-Wright shall give the Agent notice thereof, together with a written statement

of a Responsible Officer of Curtiss-Wright setting forth the details thereof and any action with respect thereto taken or proposed to be taken by such Borrower:

(i) Any Event of Default or Potential Default; provided, however, that Curtiss-Wright shall not be required to deliver notice of any violation of any covenant contained in Article VI hereof during the 30 days immediately following the onset of such violation if Curtiss-Wright reasonably believes that such violation will be cured within such 30 day period;

(ii) Any change in the business, operations or condition (financial or otherwise) of Curtiss-Wright and its Subsidiaries taken as a whole which could have a Material Adverse Effect.

(iii) Any pending or threatened action, suit, proceeding or investigation by or before any Governmental Authority against or affecting Curtiss-Wright or any Subsidiary of Curtiss-Wright, except for matters that if adversely decided, individually or in the aggregate, could not have a Material Adverse Effect.

(iv) Any violation, breach or default by Curtiss-Wright or any Subsidiary of Curtiss-Wright of or under any agreement or instrument material to the business, operations or condition (financial or otherwise) of Curtiss-Wright and its Subsidiaries taken as a whole which could in the reasonable judgment of Curtiss-Wright have a Material Adverse Effect.

(v) Any Termination Event. Such notice shall be accompanied by: (A) a copy of any notice, request, return, petition or other document received by Curtiss-Wright or any Controlled Group Member from any Person, or which has been or is to be filed with or provided to any Person (including without limitation the Internal Revenue Service, the Department of Labor, PBGC or any Plan participant, beneficiary, alternate payee or employer representative), in connection with such Termination Event, and (B) in the case of any Termination Event with respect to a Plan, the most recent Annual Report (5500 Series), with attachments thereto, and the most recent actuarial valuation report, for such Plan.

The Agent shall promptly deliver to each Lender copies of all notices received pursuant to this Section 6.01.

6.02. Inspection. Each Borrower covenants that upon reasonable notice it will permit any Person reasonably designated by the Agent or any Lender in writing and who is acting on behalf of the Agent or any Lender pursuant to this Agreement, at the Agent's or such Lender's expense, to visit any of the properties of such Borrower and its Subsidiaries and to discuss the affairs, finances and accounts of any of such corporations with the principal officers of such Borrower and its Subsidiaries and with such Borrower's independent accountants, all at such reasonable times and as often as the Agent or any Lender may reasonably request. Such Person shall contact a Borrower's independent accountants only through such Borrower, and not directly. Each Borrower shall have the right to have an officer, employee or other representative

present during any discussion relating to such Borrower with such Borrower's independent accountants.

6.03. Payment of Taxes, etc. Each Borrower covenants that it will pay and discharge and will cause each of its Subsidiaries to pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, and all lawful claims which, if unpaid, would become a Lien upon any of its properties; provided that no Borrower nor any Subsidiary of any Borrower shall be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings.

6.04. Preservation of Corporate Existence, etc. Each Borrower and each Significant Subsidiary covenants that it will (a) preserve and maintain its corporate existence, and its material rights, franchises and privileges in the jurisdiction of its incorporation, and (b) qualify and remain qualified as a foreign corporation in each jurisdiction in which failure to so qualify would have a Material Adverse Effect.

6.05. Compliance with Laws, etc. Each Borrower covenants that it and each of its Subsidiaries will comply with the requirements of all applicable Laws (including without limitation Environmental Laws), noncompliance with which would have a Material Adverse Effect upon any Borrower's ability to perform its obligations under this Agreement, unless the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the Material Adverse Effect of any such noncompliance.

6.06. Maintenance of Insurance. Each Borrower covenants that it and each of its Subsidiaries will maintain insurance with responsible and reputable insurance companies in such amounts, with such deductibles and covering such risks as is usually maintained by companies engaged in similar businesses and owning similar properties.

6.07. Notice of Environmental Claims. Each Borrower covenants that it will deliver to the Agent, with a copy for each Lender, promptly upon the request by the Agent or any Lender, copies of all Environmental Claims made or brought against any Borrower or any Subsidiary of any Borrower. Curtiss-Wright covenants to provide to the Agent, with a copy for each Lender, promptly upon a request by the Agent or any Lender, a report describing the principal facts and circumstances known to Curtiss-Wright underlying all such Environmental Claims, together with Curtiss-Wright's then current estimate as to its probable liability with respect thereto. Curtiss-Wright covenants that it will deliver to the Agent, with a copy for each Lender, concurrently with the financial statements delivered pursuant to Section 6.01 hereof, a report describing the principal facts and circumstances known to Curtiss-Wright underlying each Environmental Claim made or brought against Curtiss-Wright or any of its Subsidiaries during such quarter and providing an update of the principal facts and circumstances known to Curtiss-Wright underlying each Environmental Claim made or brought against Curtiss-Wright or any of its Subsidiaries during a prior quarter and not, as of the end of the applicable quarter, terminated or resolved. Curtiss-Wright covenants that it shall make available for meetings with the Agent or any Lender and its consultants and advisors appropriate personnel employed by or consultants retained by Curtiss-Wright and its Subsidiaries having knowledge of such matters. With respect to each Environmental Claim, Curtiss-Wright shall make available to the Agent and

each Lender for inspection and copying such historical and operational information, copies of correspondence with Governmental Authorities and environmental audits or reviews regarding properties, products and wastes of Curtiss-Wright or its Subsidiaries as are within its possession, custody or control. The Agent shall promptly deliver to each Lender copies of all notices received pursuant to this Section 6.07.

6.08. Governmental Approvals and Filings. Each Borrower shall, and shall cause each of its Subsidiaries to, keep and maintain in full force and effect all Governmental Actions necessary in connection with the operation of its business.

6.09. Maintenance of Properties. Each Borrower shall, and shall cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition the material properties now or hereafter owned, leased or otherwise possessed by it and shall make or cause to be made all needful and proper repairs, renewals, replacements and improvements thereto so that they are able to serve the functions for which they are currently being used.

6.10. Avoidance of Other Conflicts. No Borrower shall, nor shall it permit any of its Subsidiaries to, conflict with, be in conflict with, or be or remain subject to any liability (contingent or otherwise) on account of any conflict with

(a) any Law,

(b) its articles of incorporation or by-laws (or other constituent documents), or

(c) any agreement or instrument to which it is party or by which any of them or any of their respective Subsidiaries is a party or by which any of them or any of their respective properties (now owned or hereafter acquired) may be subject or bound

except for matters which, individually or in the aggregate, could not have a Material Adverse Effect.

6.11. Financial Accounting Practices. Each Borrower shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in accordance with normal business practice in which full and appropriate entries shall be made of all dealings or transactions in relation to its business and activities.

6.12. Use of Proceeds. The Borrowers shall apply the proceeds of Loans hereunder (i) to fund acquisitions permitted by Section 7.06 hereof, (ii) for general working capital and corporate purposes, and (iii) for Curtiss-Wright to repurchase its stock, subject to compliance with the terms of this Agreement. The Borrowers shall not use the proceeds of any Loans hereunder directly or indirectly for any unlawful purpose or in any manner inconsistent with any other provision of any Loan Document.

6.13. Continuation of or Change in Business. The Borrowers and their respective Subsidiaries considered as a whole shall continue to engage in their businesses substantially as conducted and operated during the present and preceding fiscal year, and the Borrowers shall not, and shall not permit any of their respective Subsidiaries to, (a) make any material change in

its or their respective businesses, or in the nature of its or their respective operations, (b) liquidate or dissolve itself (or suffer any liquidation or dissolution) or (c) convey, sell, assign, transfer or otherwise dispose of any capital stock of or other ownership interest in any Significant Subsidiaries held by it.

6.14. Consolidated Tax Return. The Borrowers shall not, and shall not suffer any of their respective Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person other than the Borrowers and their respective Subsidiaries.

6.15. Fiscal Year. The Borrowers shall not, and shall not suffer any of their respective Subsidiaries to, change its fiscal year or fiscal quarter except in accordance with GAAP.

6.16. ERISA Compliance.

With respect to any Plan neither any Borrower nor any member of the Borrower's Controlled Group shall:

(a) engage in any "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) for which a civil penalty pursuant to Section 502(i) of ERISA or a tax pursuant to Section 4975 of the Code in excess of \$1,000,000 could be imposed;

(b) permit to be incurred any "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA) in excess of \$1,000,000, whether or not waived;

(c) permit the occurrence of any Termination Event which could result in a liability to any member of the Controlled Group in excess of \$1,000,000;

(d) be an "employer" (as such term is defined in Section 3(5) of ERISA) required to contribute to any Multiemployer Plan or a "substantial employer" (as such term is defined in Section 4001(a)(2) of ERISA) required to contribute to any Single Employer Plan; or

(e) permit the establishment, or amendment of any Plan or fail to comply with the applicable provisions of ERISA and the Code with respect to any Plan which could reasonably be expected to result in liability to any member of the Controlled Group which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.17. Additional Subsidiary Guarantors. Curtiss-Wright will cause each Person which is or becomes a Significant Subsidiary or Subsidiary Borrower (other than a Subsidiary which is not organized under the laws of the United States or a state or political subdivision jurisdiction thereof), or which is designated by Curtiss-Wright as a "Significant Subsidiary" pursuant to Section 7.13 to become a Subsidiary Guarantor as promptly as practicable after (but in any event within 90 days of) the date such Person first satisfies the foregoing criteria, by causing such Subsidiary to execute and deliver to the Agent a Subsidiary Guaranty, together with all documents which the Agent may reasonably request relating to the existence of such Subsidiary, the corporate authority for and the validity of such Subsidiary Guaranty, and any other matters reasonably determined by the Agent to be relevant thereto, all in form and substance reasonably satisfactory to the Agent.

**ARTICLE VII
NEGATIVE COVENANTS**

So long as any Loan or Letter of Credit is outstanding, any Obligation is outstanding, any Issuing Bank has any obligation to issue, or the Lenders have any obligation to participate in, Letters of Credit, or the Lenders have any obligation to make any Loan:

7.01. Financial Covenants. Curtiss-Wright covenants that it will not:

(a) Leverage Ratio. Permit the Leverage Ratio at any time to exceed 3.0:1.0.

(b) Interest Coverage Ratio. Permit the Interest Coverage Ratio at any time to be less than 3.0:1.0.

(c) Consolidated Net Worth. Permit the Consolidated Net Worth at any time to be less than \$297,000,000 plus an amount to be added on the last day of each quarter during the term of this Agreement equal to 50% of the Consolidated Net Income (excluding net losses) less 50% of any after-tax gain associated with sales by Curtiss-Wright of real estate (to the extent included in Consolidated Net Income), for the immediately preceding quarter, beginning March 31, 2002. For purposes of calculation of Consolidated Net Worth pursuant to this Section 7.01(c), (i) Curtiss Wright's repurchase of its stock after the date hereof in the maximum aggregate amount of \$50,000,000 or (ii) write-offs of goodwill after the date hereof in the maximum aggregate amount of \$12,000,000 shall not be considered a reduction of Consolidated Net Worth.

7.02. Liens. No Borrower will, nor will it permit any of its Subsidiaries to, create, or assume or permit to exist, any Lien on any of the properties or assets of any Borrower or any of its Subsidiaries, whether now owned or hereafter acquired except:

(a) ERISA Liens in an aggregate amount at any time outstanding which, when added to the amount of any Liens outstanding at such time which arose after the Closing Date and secure Indebtedness of any Borrower or any Subsidiaries of any Borrower, does not exceed 10% of the Consolidated Net Worth of Curtiss-Wright;

(b) Purchase money mortgages or purchase money security interests, conditional sale arrangements and other similar security interests, on property or assets acquired by any Borrower or any Subsidiary of any Borrower simultaneously (hereinafter referred to individually as a "Purchase Money Security Interest") or replacements thereof, upon incurring Indebtedness the proceeds of which are used to acquire such property or asset; provided, however, that:

(i) The transaction in which any Purchase Money Security Interest is proposed to be created is not then prohibited by this Agreement;

(ii) Any Purchase Money Security Interest shall attach only to the property or asset so acquired in such transaction or any addition thereto or replacement thereof and shall not extend to or cover any other assets or properties of any Borrower or any of their respective Subsidiaries; and

(iii) The Indebtedness secured or covered by any Purchase Money Security Interest together with any other Indebtedness secured by the property or asset acquired shall not exceed 100% of the lesser of the cost or fair market value of the property or asset acquired and shall not be renewed, extended or prepaid from the proceeds of any borrowing by any Borrower or any of their respective Subsidiaries;

(c) Liens on the property or assets of any Borrower and its Subsidiaries in existence immediately prior to the Closing Date as listed on Schedule 7.02 hereto, provided that no such Lien is spread to cover any additional property after the Closing Date and the amount of Indebtedness secured thereby is not increased, provided that the maturity of such Indebtedness may be extended or renewed;

(d) Liens on all or any part of the property or the assets of any Subsidiary in favor of any Borrower or any other Subsidiary as security for the Indebtedness owing to any Borrower or such other Subsidiary of such Borrower; and

(e) Permitted Liens.

7.03. Indebtedness. No Borrower will, nor will it permit any of its Subsidiaries to, create, incur or suffer to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing (or committed to) on the date hereof and described on Schedule 7.03 hereto;

(c) Indebtedness which in the aggregate for all Subsidiaries of Curtiss-Wright at any one time does not exceed \$25,000,000;

(d) Deemed Debt which in the aggregate at any one time does not exceed \$100,000,000; and

(e) Indebtedness of Curtiss-Wright ("Additional Indebtedness") which (i) is not senior to the Obligations and (ii) is not subject to covenants more restrictive than those set forth herein in Articles VI and VII; provided, that on the date of the incurrence of such Additional Indebtedness, and both before and after the existence thereof and the application of any proceeds related thereto, (i) there is no Event of Default or Potential Default with respect to any Borrower or any Subsidiaries of any Borrower and (ii) Curtiss-Wright must be in pro forma compliance with the financial covenants set forth in Section 7.01.

7.04. Restriction on Liens and Additional Indebtedness. No Borrower will, nor will it permit any of its Subsidiaries to, enter into any agreement or covenant on or after the Closing Date which would directly and expressly limit or restrict any Borrower's ability to grant any Lien to the Lenders or to incur additional Indebtedness to the Lenders, whether pursuant to this Agreement or otherwise (it being understood and agreed that this Section 7.04 is not intended to restrict the Borrowers from entering into any covenant or agreement limiting generally the ability of any Borrowers from incurring Indebtedness).

7.05. Amendment of Certain Documents. No Borrower will, nor will it permit any of its Subsidiaries to, modify, amend, supplement or terminate, or agree to modify, amend, supplement or terminate any of their respective certificates of incorporation or by-laws (or other constituent documents), in any manner which would have a material adverse effect upon the interests of the Agent or any of the Lenders hereunder or under any other agreement to which the Agent or any Lender is a party.

7.06. Mergers; Acquisitions. No Borrower will, nor will it permit any of its Subsidiaries to, merge or consolidate with any Person or acquire all or substantially all of the assets or any of the capital stock of any Person; provided, however, that any Borrower or any of its Subsidiaries may merge or consolidate with another Person or acquire all or substantially all of the assets or capital stock of another Person if (a) such Borrower or such Subsidiary, as the case may be, is the surviving corporation, (b) the Person whose capital stock or assets are being acquired or that is merging into a Borrower or any Subsidiary of a Borrower is in a similar line of business as such Borrower, as determined by the Agent, (c) Curtiss-Wright will be in compliance, on a pro forma basis, both before and after the merger, consolidation or acquisition, with each of the financial covenants in Section 7.01, and (d) after giving effect to any such merger, consolidation or acquisition, no Potential Default or Event of Default would then exist.

7.07. Limitation on Other Restrictions on Dividends by Subsidiaries, etc. No Borrower will, nor will it permit any of its Subsidiaries to, be or become subject to any restriction of any nature (whether arising by operation of Law, by agreement, by its articles of incorporation, by-laws or other constituent documents of any Subsidiary of such Borrower, or otherwise) on its right from time to time to (w) declare and pay Stock Payments with respect to capital stock owned by any Borrower or any Subsidiary of any Borrower, (x) pay any indebtedness, obligations or liabilities from time to time owed to any Borrower or any Subsidiary of any Borrower, (y) make loans or advances to any Borrower or any Subsidiary of any Borrower, or (z) transfer any of its properties or assets to any Borrower or any Subsidiary of any Borrower, except with respect to:

(a) restrictions pursuant to the Loan Documents;

(b) legal restrictions of general applicability under the corporation or other applicable law under which such Subsidiary is organized, and fraudulent conveyance or similar laws of general applicability for the benefit of creditors of such Subsidiary generally;

(c) with respect to clause (z) above: (i) nonassignment provisions of any executory contract or of any lease by any Borrower or such Subsidiary as lessee, and (ii) restrictions on transfer of property subject to a Permitted Lien for the benefit of the holder of such Permitted Lien; and

(d) any restriction contained in an agreement or instrument applicable to any Subsidiary acquired by any Borrower or any Subsidiary of any Borrower after the date hereof, which restriction was not entered into in connection with or in contemplation of such acquisition, and which restriction is not applicable to any Person, property or assets, other than such acquired Subsidiary and its property and assets.

7.08. Sale of Assets. No Borrower will, nor will it permit any of its Subsidiaries to, lease, sell, transfer or otherwise dispose of its property, or permit any Subsidiary to lease, sell, transfer or otherwise dispose of its property to any other Person except for (a) sales of Investments in the ordinary course of business by any Borrower or any Subsidiary of any Borrower, including without limitation, transactions undertaken for the purpose of restructuring all or a part of the portfolio of investments owned by such Borrower or Subsidiary thereof and (b) leases, sales, transfers or other dispositions of its property that together with all other property of its Subsidiaries previously leased, sold or disposed of (other than Investments sold in the ordinary course of business by Subsidiaries of Borrowers) as permitted by this Section 7.08 since the date hereof do not constitute a Substantial Portion of the property of Curtiss-Wright and its consolidated Subsidiaries.

7.09. Guaranties, Indemnities, etc. No Borrower will, nor will it permit any of its Subsidiaries to, be or become subject to or bound by any Guaranty Equivalent, or agree, become or remain liable (contingently or otherwise) to do any of the foregoing, except:

(a) Guaranty Equivalents existing on the date hereof and listed in Schedule 7.09;

(b) Guaranty Equivalents of Curtiss-Wright in respect of any Assured Obligation of any of its Subsidiaries;

(c) Contingent liabilities arising from the endorsement of negotiable or other instruments for deposit or collection or similar transactions in the ordinary course of business; and

(d) Indemnities by the Borrowers or any of their respective Subsidiaries of the liabilities of its directors or officers (or equivalent managing members) in their capacities as such pursuant to provisions presently contained in their articles of incorporation or by-laws (or other constituent documents) or as permitted by Law; and

(e) the Curtiss-Wright Guaranty and the Subsidiary Guarantees.

7.10. Sale-Leasebacks. No Borrower will, nor will it permit any of its Subsidiaries to, enter into or suffer to remain in effect any transaction to which any Borrower or any Subsidiary of any Borrower is a party involving the sale, transfer or other disposition by such Borrower or any Subsidiary of any Borrower of any property (now owned or hereafter acquired), with a view directly or indirectly to the leasing back of any part of the same property or any other property used for the same or a similar purpose or purposes, or agree, become or remain liable (contingently or otherwise) to do any of the foregoing (collectively, "Sale-Leasebacks"), except Sale-Leasebacks to which any Borrower or any Subsidiary of any Borrower is a party that will not result in sales, transfers or other dispositions of more than \$2,500,000 in the aggregate at any time.

7.11. Leases. No Borrower will, nor will it permit any of its Subsidiaries to, enter into or suffer to remain in effect any lease, as lessee, of any property, or agree, become or remain liable (contingently or otherwise) to do any of the foregoing, except:

- (a) Operating leases of data processing equipment, office equipment, manufacturing equipment, transportation equipment, office space or manufacturing space used by the lessee in the ordinary course of business, provided that such leases will not result in the payment or accrual by the Borrowers and their respective Subsidiaries of more than \$10,000,000 in the aggregate in any twelve-month period and no such lease has a term longer than 8 years;
- (b) Leases cancelable by the lessee without penalty on not more than 90 days' notice;
- (c) Leases by any Borrower or any Subsidiary of any Borrower, as lessor to any other Borrower or Subsidiary of any Borrower, as lessee; and
- (d) Leases described on Schedule 7.11.

7.12. Affiliates. No Borrower will, nor will it permit any of its Subsidiaries to, enter into or permit any Subsidiary to enter into any transaction (including, without limitation, the purchase or sale of any property or service) with, or make any payment or transfer to, any Affiliate of such Borrower or Subsidiary except in the ordinary course of business and pursuant to the reasonable requirements of such Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to such Borrower or such Subsidiary than such Borrower or such Subsidiary would obtain in a comparable arm's-length transaction.

7.13. Significant Subsidiaries. Curtiss-Wright will not permit the total assets of all Significant Subsidiaries and Curtiss-Wright to be less than 90% of the total assets of Curtiss-Wright and its Subsidiaries (determined on a consolidated basis) as of the end of the most recently completed fiscal quarter for which financial information is available, determined in accordance with GAAP; provided, that Curtiss-Wright shall have the right to designate any of its Subsidiaries that is not then a Significant Subsidiary as a Significant Subsidiary in order to comply with the provisions set forth in this Section, so long as such designation is made no later than the last day for delivery of a quarterly compliance certificate pursuant to Section 6.01 for the end of the preceding fiscal quarter for which such designation is made.

ARTICLE VIII EVENTS OF DEFAULT

8.01. Events of Default. An Event of Default shall mean the occurrence or existence of one or more of the following events or conditions (for any reason, whether voluntary, involuntary or effected or required by Law):

- (a) Any Borrower shall fail to pay when due principal of any Loan or Letter of Credit Reimbursement Obligations.
- (b) Any Borrower shall fail to pay when due interest on any Loan, or any fees, indemnity or expenses, or any other amount due hereunder or under any other Loan Document and such failure shall have continued for a period of five days.
- (c) Any representation or warranty made or deemed made by any Borrower in or pursuant to any Loan Document or in any certificate delivered thereunder, or any statement made by any Borrower in any financial statement, certificate, report, exhibit or document furnished by

any Borrower to either the Agent or any Lender pursuant to or in connection with any Loan Document, shall prove to have been false or misleading in any material respect as of the time when made or deemed made (including by omission of material information necessary to make such representation, warranty or statement not misleading).

(d) Any Borrower shall default in the performance or observance of (i) any covenant, agreement or duty set forth in Sections 7.01, 7.02 or 7.03 of this Agreement, (ii) any covenant, agreement or duty set forth in Section 6.01, 6.17 or 7.13 of this Agreement, and such default shall have continued for a period of five days after the first occurrence of such default, (iii) any covenant, agreement or duty set forth in Sections 6.04(a), 7.04, 7.06, 7.07 or 7.08 of this Agreement, and such default shall have continued for a period of 30 days after the first occurrence of such default, or (iv) any other covenant, agreement or duty under this Agreement or any other Loan Document, and such default shall have continued for a period of 30 days after notice from the Agent to the applicable Borrower.

(e) (i) Any Borrower shall fail to perform or observe any term, condition or covenant of any bond, note, debenture, loan agreement, indenture, guaranty, trust agreement, mortgage or similar instrument (other than a non-recourse obligation) to which any Borrower is a party or by which it is bound, or to which any of its properties or assets is subject (a "Debt Instrument"), so that, as a result of any such failure to perform, the Indebtedness included therein or secured or covered thereby may at the time be declared due and payable prior to the date on which such Indebtedness would otherwise become due and payable; or (ii) any event or condition referred to in any Debt Instrument shall occur or fail to occur, so that, as a result thereof, the Indebtedness included therein or secured or covered thereby may at such time be declared due and payable prior to the date on which such Indebtedness would otherwise become due and payable; or (iii) any Borrower shall fail to pay any Indebtedness when due, pursuant to demand under any Debt Instrument or otherwise; provided, however, that each of clauses (i), (ii) and (iii) above shall be subject to any applicable grace period provided in the relevant Debt Instrument; and provided, further, that the provisions of this Section 8.01(e) shall be applicable only if the aggregate principal amount of such Indebtedness exceeds \$5,000,000.

(f) One or more final judgments for the payment of money shall have been entered against any Borrower, which judgment or judgments exceed \$5,000,000 in the aggregate, and such judgment or judgments shall have remained undischarged, in effect, and unstayed or unbonded for a period of thirty consecutive days.

(g) One or more writs or warrants of attachment, garnishment, execution, distraint or similar process exceeding in value the aggregate amount of \$5,000,000 shall have been issued against any Borrower or any of its properties and shall have remained undischarged, in effect and unstayed or unbonded for a period of thirty consecutive days.

(h) A Change of Control shall have occurred.

(i) This Agreement or any Loan Document or term or provision hereof or thereof shall cease to be in full force and effect, or any Borrower shall, or shall purport to, terminate (other than termination in accordance with the last sentence of Section 2.02(b) hereof), repudiate, declare voidable or void or otherwise contest, this Agreement or any Loan Document or term or

provision hereof or thereof or any obligation or liability of any Borrower hereunder or thereunder.

(j) Any one or more Termination Events shall have occurred.

(k) A proceeding shall have been instituted in respect of any Borrower or any Subsidiary of any Borrower:

(i) seeking to have an order for relief entered in respect of such Person, or seeking a declaration or entailing a finding that such Person is insolvent or a similar declaration or finding, or seeking dissolution, winding-up, charter revocation or forfeiture, liquidation, reorganization, arrangement, adjustment, composition or other similar relief with respect to such Person, its assets or its debts under any Law relating to bankruptcy, insolvency, relief of debtors or protection of creditors, termination of legal entities or any other similar Law now or hereafter in effect, or

(ii) seeking appointment of a receiver, trustee, liquidator, assignee, sequestrator or other custodian for such Person or for all or any substantial part of its property,

and such proceeding shall result in the entry, making or grant of any such order for relief, declaration, finding, relief or appointment, or such proceeding shall remain undismissed, unstayed and unbonded for a period of sixty consecutive days.

(l) Any Borrower or any Subsidiary of any Borrower shall become insolvent; shall fail to pay, become unable to pay, or state that it is or will be unable to pay, its debts as they become due; shall voluntarily suspend transaction of its business; shall make a general assignment for the benefit of creditors; shall institute (or fail to controvert in a timely and appropriate manner) a proceeding described in Section 8.01(k)(i) hereof, or (whether or not any such proceeding has been instituted) shall consent to or acquiesce in any such order for relief, declaration, finding or relief described therein; shall institute (or fail to controvert in a timely and appropriate manner) a proceeding described in Section 8.01(k)(ii) hereof, or (whether or not any such proceeding has been instituted) shall consent to or acquiesce in any such appointment or to the taking of possession by any such custodian of all or any substantial part of its property; shall dissolve, wind-up, revoke or forfeit its charter (or other constituent documents) or liquidate itself or any substantial part of its property; or shall take any action in furtherance of any of the foregoing.

(m) Any consent, approval or other action by any Governmental Authority that is necessary for the valid execution, delivery or performance by the Borrowers of this Agreement ceases to be in full force and effect and the cessation of such consent, approval or other action could reasonably be expected to have a Material Adverse Effect.

(n) Curtiss-Wright shall cease to own, beneficially or of record, directly or indirectly, 100% of the issued and outstanding shares of capital stock of any Significant Subsidiary or any other Subsidiary Borrower.

8.02. Consequences of an Event of Default.

(a) If an Event of Default specified in subsections (a) through (j), (m) or (n) of Section 8.01 hereof shall occur and be continuing or shall exist, then, in addition to all other rights and remedies which the Agent or any Lender may have hereunder or under any other Loan Document, at law, in equity or otherwise, the Lenders shall be under no further obligation to make Loans hereunder, the Issuing Banks shall be under no further obligation to issue Letters of Credit hereunder and the Agent, upon the written request of the Required Lenders shall, by notice to the Borrowers, from time to time do any or all of the following:

(i) Declare the Commitments terminated, whereupon the Commitments will terminate and any fees accrued but unpaid hereunder shall be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue.

(ii) Declare the unpaid principal amount of the Loans, interest accrued thereon and all other Obligations to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue.

(b) If an Event of Default specified in subsection (k) or (l) of Section 8.01 hereof shall occur or exist, then, in addition to all other rights and remedies which the Agent or any Lender may have hereunder or under any other Loan Document, at law, in equity or otherwise, the Commitments shall automatically terminate and the Lenders shall be under no further obligation to make Loans, the Issuing Banks shall be under no further obligation to issue Letters of Credit hereunder and the unpaid principal amount of the Loans, Letter of Credit Reimbursement Obligations, interest accrued thereon and all other Obligations shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue.

(c) Without limitation of other rights and remedies under this Agreement or the Loan Documents or at law or in equity, if all of the Obligations shall have become due and payable pursuant to clause (a) or (b) of this Section 8.02, the Borrowers shall immediately pay to the Agent, for deposit in the Letter of Credit Collateral Account, an amount equal to the excess, if any, of the aggregate Letter of Credit Exposure at such time over the balance in the Letter of Credit Collateral Account. Amounts in the Letter of Credit Collateral Account shall be applied by the Agent to the Obligations as the Required Lenders shall elect.

8.03. Judgment Currency. If any Lender or the Agent obtains a judgment against any Borrower in an Other Currency, the obligations of such Borrower in respect of any sum adjudged to be due to such Lender or the Agent hereunder or under the Notes (the "Judgment Amount") shall be discharged only to the extent that, on the Business Day following receipt by such Lender or the Agent of the Judgment Amount in such Other Currency, such Lender or Agent, in accordance with normal banking procedures, purchases Dollars with the Judgment Amount in such Other Currency. If the amount of Dollars so purchased is less than the amount of Dollars that could have been purchased with the Judgment Amount on the date or dates the Judgment Amount was originally due and owing to the Lenders or the Agent hereunder or under the Notes (the "Original Due Date") (excluding the portion of the Judgment Amount which has accrued as a result of the failure of any Borrower to pay the sum originally due hereunder or under the

Notes when it was originally due hereunder or under the Notes) (the "Loss"), the Borrowers agree to indemnify such Lender or the Agent, as the case may be, against the Loss, and if the amount of Dollars so purchased exceeds the amount of Dollars that could have been purchased with the Judgment Amount on the Original Due Date, such Lender or the Agent agrees to remit such excess to the applicable Borrower.

ARTICLE IX THE AGENT

9.01. Appointment. Each Lender hereby irrevocably appoints Scotia Capital to act as Agent for such Lender under this Agreement and the other Loan Documents. Each Lender hereby irrevocably authorizes the Agent to take such action on behalf of such Lender under the provisions of this Agreement and the other Loan Documents, and to exercise such powers and to perform such duties, as are expressly delegated to or required of the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto. Scotia Capital hereby agrees to act as Agent on behalf of the Lenders on the terms and conditions set forth in this Agreement and the other Loan Documents, subject to its right to resign as provided in Section 9.10 hereof. Each Lender hereby irrevocably authorizes the Agent to execute and deliver each of the Loan Documents and to accept delivery of such of the other Loan Documents as may not require execution by the Agent. Each Lender agrees that the rights and remedies granted to the Agent under the Loan Documents shall be exercised exclusively by the Agent, and that no Lender shall have any right individually to exercise any such right or remedy, except to the extent expressly provided herein or therein.

9.02. General Nature of Agent's Duties. Notwithstanding anything to the contrary elsewhere in this Agreement or in any other Loan Document:

(a) The Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and no implied duties or responsibilities on the part of the Agent shall be read into this Agreement or any Loan Document or shall otherwise exist; provided, however, that nothing contained in this Article IX shall affect the express duties and responsibilities of the Agent to the Borrowers under this Agreement and the other Loan Documents.

(b) The duties and responsibilities of the Agent under this Agreement and the other Loan Documents shall be mechanical and administrative in nature, and the Agent shall not have a fiduciary relationship in respect of any Lender.

(c) The Agent is and shall be solely the agent of the Lenders. The Agent does not assume, and shall not at any time be deemed to have, any relationship of agency or trust with or for, or any other duty or responsibility to, the Borrowers or any other Person (except only for its relationship as agent for the Lenders, and its express duties and responsibilities to the Lenders and the Borrowers, as provided in this Agreement and the other Loan Documents).

(d) The Agent shall be under no obligation to take any action hereunder or under any other Loan Document if the Agent believes in good faith that taking such action may conflict

with any Law or any provision of this Agreement or any other Loan Document, or may require the Agent to qualify to do business in any jurisdiction where it is not then so qualified.

9.03. Exercise of Powers. The Agent shall take any action of the type specified in this Agreement or any other Loan Document as being within the Agent's rights, powers or discretion in accordance with directions from the Required Lenders (or, to the extent this Agreement or such Loan Document expressly requires the direction or consent of some other Person or set of Persons, then instead in accordance with the directions of such other Person or set of Persons). In the absence of such directions, the Agent shall have the authority (but under no circumstances shall be obligated), in its sole discretion, to take any such action, except to the extent this Agreement or such Loan Document expressly requires the direction or consent of the Required Lenders (or some other Person or set of Persons), in which case the Agent shall not take such action absent such direction or consent. Any action or inaction pursuant to such direction, discretion or consent shall be binding on all the Lenders. Subject to Section 9.04(a) hereof, the Agent shall not have any liability to any Person as a result of (x) the Agent acting or refraining from acting in accordance with the directions of the Required Lenders (or other applicable Person or set of Persons), (y) the Agent refraining from acting in the absence of instructions to act from the Required Lenders (or other applicable Person or set of Persons), whether or not the Agent has discretionary power to take such action, or (z) the Agent taking discretionary action it is authorized to take under this Section.

9.04. General Exculpatory Provisions. Notwithstanding anything to the contrary elsewhere in this Agreement or any other Loan Document:

(a) Neither the Agent nor any Issuing Bank shall be liable for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Loan Document, unless caused by its own gross negligence or willful misconduct.

(b) Neither the Agent nor any Issuing Bank shall be responsible for (i) the execution, delivery, effectiveness, enforceability, genuineness, validity or adequacy of this Agreement or any other Loan Document, (ii) any recital, representation, warranty, document, certificate, report or statement in, provided for in, or received under or in connection with, this Agreement or any other Loan Document, or (iii) any failure of any Lender to perform any of its obligations under this Agreement or any other Loan Document.

(c) Neither the Agent nor any Issuing Bank shall be under any obligation to ascertain, inquire or give any notice relating to (i) the performance or observance of any of the terms or conditions of this Agreement or any other Loan Document on the part of the Borrowers or their respective Subsidiaries, (ii) the business, operations, condition (financial or otherwise) or prospects of the Borrowers or their respective Subsidiaries, or any other Person, or (iii) except to the extent set forth in Section 9.05(f) hereof, the existence of any Event of Default or Potential Default.

(d) Neither the Agent nor any Issuing Bank shall be under any obligation, either initially or on a continuing basis, to provide any Lender with any notices, reports or information of any nature, whether in its possession presently or hereafter, except for such notices, reports

and other information expressly required by this Agreement or any other Loan Document to be furnished by the Agent or any Issuing Bank to such Lender.

9.05. Administration by the Agent and the Issuing Banks.

- (a) Each of the Agent and the Issuing Banks may rely upon any notice or other communication of any nature (written or oral, including but not limited to telephone conversations, whether or not such notice or other communication is made in a manner permitted or required by this Agreement or any Loan Document) purportedly made by or on behalf of the proper party or parties, and each of the Agent and the Issuing Banks shall not have any duty to verify the identity or authority of any Person giving such notice or other communication.
- (b) Each of the Agent and the Issuing Banks may consult with legal counsel (including, without limitation, in-house counsel for the Agent or the applicable Issuing Bank, respectively, or in-house or other counsel for any Borrower), independent public accountants and any other experts selected by it from time to time, and each of the Agent and the Issuing Banks shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts.
- (c) Each of the Agent and the Issuing Banks may conclusively rely upon the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Agent or the Issuing Banks in accordance with the requirements of this Agreement or any other Loan Document. Whenever the Agent or any Issuing Bank shall deem it necessary or desirable that a matter be proved or established with respect to any Borrower or any Lender, such matter may be established by a certificate of the applicable Borrower or such Lender, as the case may be, and the Agent or such Issuing Bank may conclusively rely upon such certificate (unless other evidence with respect to such matter is specifically prescribed in this Agreement or another Loan Document).
- (d) Each of the Agent and the Issuing Banks may fail or refuse to take any action unless it shall be indemnified to its satisfaction from time to time against any and all amounts, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature which may be imposed on, incurred by or asserted against the Agent and the Issuing Banks by reason of taking or continuing to take any such action.
- (e) The Agent may perform any of its duties under this Agreement or any other Loan Document by or through agents or attorneys-in-fact. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected and supervised by it with reasonable care.
- (f) Neither the Agent nor the Issuing Banks shall be deemed to have any knowledge or notice of the occurrence of any Event of Default or Potential Default unless the Agent has received notice from a Lender or any Borrower referring to this Agreement, describing such Event of Default or Potential Default. If the Agent receives such a notice, the Agent shall give prompt notice thereof to each Lender and if any Issuing Bank receives such a notice, such Issuing Bank shall give prompt notice thereof to the Agent.

9.06. Lender Not Relying on Agent or Other Lenders. Each Lender acknowledges as follows: (a) neither the Agent nor any other Lender has made any representations or warranties to such Lender, and no act taken hereafter by the Agent or any other Lender shall be deemed to constitute any representation or warranty by the Agent or such other Lender to it; (b) such Lender has, independently and without reliance upon the Agent or any other Lender, and based upon such documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the other Loan Documents; and (c) such Lender will, independently and without reliance upon the Agent or any other Lender, and based upon such documents and information as it shall deem appropriate at the time, make its own decisions to take or not take action under or in connection with this Agreement and the other Loan Documents.

9.07. Indemnification. Each Lender agrees to reimburse and indemnify each of the Agent and the Issuing Banks and their respective directors, officers, employees and agents (to the extent not reimbursed by the Borrowers and without limitation of the obligations of the Borrowers to do so), Pro Rata, from and against any and all amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature (including, without limitation, the fees and disbursements of counsel for the Agent or the Issuing Banks or such other Person in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not the Agent or the Issuing Banks or such other Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Agent or the Issuing Banks or such other Person as a result of, or arising out of, or in any way related to or by reason of, this Agreement, any other Loan Document, any transaction from time to time contemplated hereby or thereby, or any transaction financed in whole or in part or directly or indirectly with the proceeds of any Loan; provided, that no Lender shall be liable for any portion of such amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting solely from the gross negligence or willful misconduct of the Agent or the Issuing Banks or such other Person, as finally determined by a court of competent jurisdiction. Payments under this Section 9.07 shall be due and payable on demand, and to the extent that any Lender fails to pay any such amount on demand, such amount shall bear interest for each day from the date of demand until paid (before and after judgment) at a rate per annum (calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) which for each day shall be equal to the Prime Rate.

9.08. Agent in its Individual Capacity. With respect to the Commitments and the Obligations owing to the Agent, the Agent shall have the same rights and powers under this Agreement and each other Loan Document as any other Lender and may exercise the same as though it were not the Agent, and the terms "Lenders," "holders of Notes" and like terms shall include the Agent in its individual capacity as such. The Agent and its affiliates may, without liability to account, make loans to, accept deposits from, acquire debt or equity interests in, act as trustee under indentures of, and engage in any other business with, any Borrower and any stockholder, subsidiary or affiliate of any Borrower, as though the Agent were not the Agent hereunder.

9.09. Holders of Notes. The Agent may deem and treat the Lender which is payee of a Note as the owner and holder of such Note for all purposes hereof unless and until a Transfer

Supplement with respect to the assignment or transfer thereof shall have been filed with the Agent in accordance with Section 10.14 hereof. Any authority, direction or consent of any Person who at the time of giving such authority, direction or consent is shown in the Register as being a Lender shall be conclusive and binding on each present and subsequent holder, transferee or assignee of any Note or Notes payable to such Lender or of any Note or Notes issued in exchange therefor.

9.10. Successor Agent. The Agent may resign at any time by giving 10 days' prior written notice thereof to the Lenders and the Borrowers. The Agent may be removed by the Required Lenders at any time by giving 10 days' prior written notice thereof to the Agent, the other Lenders and the Borrowers. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed and consented to, and shall have accepted such appointment, within 30 days after such notice of resignation or removal, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent. Each successor Agent shall be a commercial bank or trust company organized or licensed under the laws of the United States of America or any State thereof and having a combined capital and surplus of at least \$1,000,000,000. Upon the acceptance by a successor Agent of its appointment as Agent hereunder, such successor Agent shall thereupon succeed to and become vested with all the properties, rights, powers, privileges and duties of the former Agent, without further act, deed or conveyance. Upon the effective date of resignation or removal of a retiring Agent, such Agent shall be discharged from its duties under this Agreement and the other Loan Documents, but the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted by it while it was Agent under this Agreement. If and so long as no successor Agent shall have been appointed, then any notice or other communication required or permitted to be given by the Agent shall be sufficiently given if given by the Required Lenders, all notices or other communications required or permitted to be given to the Agent shall be given to each Lender, and all payments to be made to the Agent shall be made directly to such Borrower or Lender for whose account such payment is made.

9.11. Additional Agents. If the Agent shall from time to time deem it necessary or advisable, for its own protection in the performance of its duties hereunder or in the interest of the Lenders and if the Borrowers and the Required Lenders shall consent (which consent shall not be unreasonably withheld), the Agent and the Borrowers shall execute and deliver a supplemental agreement and all other instruments and agreements necessary or advisable, in the opinion of the Agent, to constitute another commercial bank or trust company, or one or more other Persons approved by the Agent, to act as co-Agent, with such powers of the Agent as may be provided in such supplemental agreement, and to vest in such bank, trust company or Person as such co-Agent or separate agent, as the case may be, any properties, rights, powers, privileges and duties of the Agent under this Agreement or any other Loan Document.

9.12. Calculations. The Agent shall not be liable for any calculation, apportionment or distribution of payments made by it in good faith. If such calculation, apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Lender to whom payment was due but not made shall be to recover from the other Lenders any payment in excess of the amount to which they are determined to be entitled.

9.13. Agent's Fee. Curtiss-Wright agrees to pay to the Agent, for its individual account, the Agent's fees in the amounts set forth in the Revolving Credit Facility Fee Letter by and between Curtiss-Wright and Scotia Capital (or one of its affiliates) dated March 28, 2002.

9.14. Funding by Agent. Unless the Agent shall have been notified in writing by any Lender not later than the close of business on the day before the day on which Loans are requested by any Borrower to be made that such Lender will not make its Pro Rata share of such Loans, the Agent may assume that such Lender will make its Pro Rata share of the Loans, and in reliance upon such assumption the Agent may (but in no circumstances shall be required to) make available to any Borrower a corresponding amount. If and to the extent that any Lender fails to make such payment to the Agent on such date, such Lender shall pay such amount on demand (or, if such Lender fails to pay such amount on demand, the applicable Borrower shall pay such amount on demand), together with interest, for the Agent's own account, for each day from and including the date of the Agent's payment to and including the date of repayment to the Agent (before and after judgment) at the rate per annum applicable to such Loans. All payments to the Agent under this Section shall be made to the Agent at its Office in Dollars in funds immediately available at such Office, without set-off, withholding, counterclaim or other deduction of any nature.

9.15. Syndication Agent and Documentation Agent. The titles "Syndication Agent" and "Documentation Agent" given to certain Lenders named on the cover page of this Agreement are purely honorific, and no Syndication Agent or Documentation Agent, as the case may be, in its capacity as such, shall have any liabilities, duties or responsibilities hereunder.

ARTICLE X MISCELLANEOUS

10.01. Holidays. Whenever any payment or action to be made or taken hereunder or under any other Loan Document shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

10.02. Records. The unpaid principal amount of the Loans owing to each Lender, the unpaid interest accrued thereon, the interest rate or rates applicable to such unpaid principal amount, the duration of such applicability, each Lender's Revolving Credit Committed Amount and the accrued and unpaid Facility Fees shall at all times be ascertained from the records of the Agent, which shall be conclusive absent manifest error.

10.03. Amendments and Waivers. Neither this Agreement nor any Loan Document may be amended, modified or supplemented except in accordance with the provisions of this Section. The Required Lenders and the Borrowers may from time to time amend, modify or supplement the provisions of this Agreement or any other Loan Document for the purpose of amending, adding to, or waiving any provisions or changing in any manner the rights and duties of the Borrowers, the Agent or any Lender. Any such amendment, modification or supplement made in accordance with the provisions of this Section shall be binding upon the Borrowers, each Lender and the Agent. The Agent shall enter into such amendments, modifications or supplements from

time to time as directed by the Required Lenders, and only as so directed; provided, that no such amendment, modification or supplement may be made which will:

- (a) increase the Revolving Credit Committed Amount of any Lender over the amount thereof then in effect, or extend the Maturity Date, without the written consent of each Lender affected thereby;
- (b) reduce the principal amount of or extend the time for any payment of any Loan or Letter of Credit Reimbursement Obligation, or reduce the amount of or rate of interest or extend the time for payment of interest borne by any Loan or extend the time for payment of or reduce the amount of any Facility Fee or reduce or postpone the date for payment of any other fees, expenses, indemnities or amounts payable under any Loan Document, without the written consent of each Lender affected thereby;
- (c) change the definition of "Required Lenders" or amend this Section 10.03, without the written consent of all the Lenders;
- (d) release any collateral from the Letter of Credit Collateral Account without the written consent of all Lenders;
- (e) release any "Guarantor" or reduce any "Guaranteed Obligations" (as such terms are defined in the Subsidiary Guarantees) of any Guarantor under any Subsidiary Guaranty in connection with the sale or other disposition of all of the capital stock of and other equity interests in such Guarantor to a Person or Persons other than any Borrower or any Subsidiary of any Borrower, which sale or other disposition is in compliance with this Agreement and the Loan Documents (a "Permitted Sale"), without the written consent of the Required Lenders;
- (f) release any "Guarantor" or reduce any "Guaranteed Obligations" (as such terms are defined in the Curtiss-Wright Guaranty or Subsidiary Guarantees, as applicable) of any Guarantor under the Curtiss-Wright Guaranty or any Subsidiary Guaranty, other than in connection with a Permitted Sale, without the written consent of all Lenders; or
- (g) amend or waive any of the provisions of Article IX hereof, or impose additional duties upon the Agent or any Issuing Bank or otherwise adversely affect the rights, interests or obligations of the Agent or any Issuing Bank, without the written consent of the Agent and the Issuing Banks;

provided, further, that Transfer Supplements may be entered into in the manner provided in Section 10.14 hereof. Any such amendment, modification or supplement must be in writing and shall be effective only to the extent set forth in such writing. Any Event of Default or Potential Default waived or consented to in any such amendment, modification or supplement shall be deemed to be cured and not continuing to the extent and for the period set forth in such waiver or consent, but no such waiver or consent shall extend to any other or subsequent Event of Default or Potential Default or impair any right consequent thereto.

10.04. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Agent or any Lender in exercising any right, power or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or

exercise of any other right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Agent and the Lenders under this Agreement and any other Loan Document are cumulative and not exclusive of any rights or remedies which either the Agent or any Lender would otherwise have hereunder or thereunder, at law, in equity or otherwise.

10.05. Notices.

(a) Except to the extent otherwise expressly permitted hereunder or thereunder, all notices, requests, demands, directions and other communications (collectively "notices") under this Agreement or any other Loan Document shall be in writing (including telexed and telecopied communication) and shall be sent by first-class mail, or by nationally-recognized overnight courier, or by telex or telecopier (with confirmation in writing mailed first-class or sent by such an overnight courier), or by personal delivery. All notices shall be sent to the applicable party at the address stated on the signature pages hereof or in accordance with the last unrevoked written direction from such party to the other parties hereto, in all cases with postage or other charges prepaid. All notices given to Curtiss-Wright under this Agreement shall be deemed to be given to each Borrower. Any such properly given notice shall be effective on the earliest to occur of receipt, telephone confirmation of receipt of telex or telecopy communication, one Business Day after delivery to a nationally-recognized overnight courier, or three Business Days after deposit in the mail.

(b) Any Lender giving any notice to the Borrowers shall simultaneously send a copy thereof to the Agent, and the Agent shall promptly notify the other Lenders of the receipt by it of any such notice.

(c) The Agent and each Lender may rely on any notice (whether or not such notice is made in a manner permitted or required by this Agreement or any Loan Document) purportedly made by or on behalf of the Borrowers, and neither the Agent nor any Lender shall have any duty to verify the identity or authority of any Person giving such notice.

(d) The parties hereto agree that delivery of an executed counterpart of a signature page to this Agreement and each other Loan Document by facsimile shall be effective as delivery of an original executed counterpart of this Agreement or such other Loan Document.

10.06. Expenses; Taxes; Indemnity.

(a) Curtiss-Wright agrees to pay or cause to be paid and to save the Agent and each of the Lenders harmless against liability for the payment of all reasonable out-of-pocket costs and expenses (including but not limited to reasonable fees and expenses of counsel to the Agent and, with respect to costs incurred by the Agent, or any Lender pursuant to clause (iii) below, such counsel and local counsel) incurred by the Agent or, in the case of clause (iii) below, any Lender from time to time arising from or relating to (i) the negotiation, preparation, execution, delivery, administration and performance of this Agreement and the other Loan Documents, (ii) any requested amendments, modifications, supplements, waivers or consents (whether or not ultimately entered into or granted) to this Agreement or any other Loan Document, and (iii)

except as to costs and expenses made necessary by reason of the gross negligence or willful misconduct of the Agent, any Issuing Bank or any Lender, the enforcement or preservation of rights under this Agreement or any Loan Document (including but not limited to any such costs or expenses arising from or relating to (A) collection or enforcement of an outstanding Loan or any other amount owing hereunder or thereunder by either the Agent or any Lender, (B) any litigation brought by the Agent, any Lender, any Issuing Bank or any Borrower and related in any way to this Agreement or the other Loan Documents (other than the costs and expenses incurred by the Agent, any Lender or any Issuing Bank, respectively, in connection with any litigation which results in a final, non-appealable judgment against the Agent, such Issuing Bank or such Lender) and (C) any proceeding, dispute, work-out, restructuring or rescheduling related in any way to this Agreement or the Loan Documents).

(b) The Borrowers hereby agree to pay all stamp, document, transfer, recording, filing, registration, search, sales and excise fees and taxes and all similar impositions now or hereafter determined by the Agent or any Lender to be payable in connection with this Agreement or any other Loan Documents or any other documents, instruments or transactions pursuant to or in connection herewith or therewith, and the Borrowers agree to save the Agent and each Lender harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying any such fees, taxes or impositions other than those resulting from omissions to pay or delays in payment attributable to the acts or omissions of the Agent or any Lender.

(c) Curtiss-Wright hereby agrees to reimburse and indemnify each of the Indemnified Parties from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnified Party in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnified Party shall be designated a party thereto) that may at any time be imposed on, asserted against or incurred by such Indemnified Party as a result of, or arising out of, or in any way related to or by reason of, any act or conduct of any Borrower with respect to or in connection with the transactions described in this Agreement or any other Loan Document, or any transaction financed in whole or in part or directly or indirectly with the proceeds of any Loan (and without in any way limiting the generality of the foregoing, including any violation or breach of any requirement of Law or any other Law by any Borrower or any Subsidiary of any Borrower); or any exercise by either the Agent or any Lender of any of its rights or remedies under this Agreement or any other Loan Document); but excluding any such losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting solely from the gross negligence or willful misconduct of such Indemnified Party, as finally determined by a court of competent jurisdiction. If and to the extent that the foregoing obligations of the Borrowers under this subsection (c), or any other indemnification obligation of the Borrowers hereunder or under any other Loan Document, are unenforceable for any reason, the Borrowers hereby agree to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable Law.

10.07. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any

jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

10.08. Prior Understandings. This Agreement and the other Loan Documents supersede all prior and contemporaneous understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

10.09. Duration; Survival. All representations and warranties of the Borrowers contained herein or in any other Loan Document or made in connection herewith shall survive the making of, and shall not be waived by the execution and delivery, of this Agreement or any other Loan Document, any investigation by the Agent or any Lender, the making of any Loan, or any other event or condition whatever. All covenants and agreements of the Borrowers contained herein or in any other Loan Document shall continue in full force and effect from and after the date hereof so long as any Borrower may borrow hereunder and until payment in full of all Obligations. Without limitation, all obligations of the Borrowers hereunder or under any other Loan Document to make payments to or indemnify the Agent or any Lender shall survive the payment in full of all other Obligations, termination of the Borrowers' rights to borrow hereunder, and all other events and conditions whatever. In addition, all obligations of each Lender to make payments to or indemnify the Agent shall survive the payment in full by the Borrowers of all Obligations, termination of the Borrowers' rights to borrow hereunder, and all other events or conditions whatever.

10.10. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

10.11. Limitation on Payments. The parties hereto intend to conform to all applicable Laws in effect from time to time limiting the maximum rate of interest that may be charged or collected. Accordingly, notwithstanding any other provision hereof or of any other Loan Document, the Borrowers shall not be required to make any payment to or for the account of any Lender, and each Lender shall refund any payment made by the Borrowers, to the extent that such requirement or such failure to refund would violate or conflict with nonwaivable provisions of applicable Laws limiting the maximum amount of interest which may be charged or collected by such Lender.

10.12. Set-Off. The Borrowers hereby agree that, to the fullest extent permitted by law, if any Obligation of any Borrower shall be due and payable (by acceleration or otherwise), each Lender shall have the right, without notice to such Borrower, to set-off against and to appropriate and apply to the Obligation any indebtedness, liability or obligation of any nature owing to such Borrower by such Lender, including but not limited to all deposits (whether time or demand, general or special, provisionally credited or finally credited, whether or not evidenced by a certificate of deposit) now or hereafter maintained by such Borrower with such Lender. Such right shall be absolute and unconditional in all circumstances and, without limitation, shall exist whether or not such Lender or any other Person shall have given notice or made any demand to such Borrower or any other Person, whether such indebtedness, obligation or liability owed to

such Borrower is contingent, absolute, matured or unmatured, and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to any Lender or any other Person. The Borrowers hereby agree that, to the fullest extent permitted by law, any Participant and any branch, subsidiary or affiliate of any Lender or any Participant shall have the same rights of set-off as a Lender as provided in this Section (regardless of whether such Participant, branch, subsidiary or affiliate would otherwise be deemed in privity with or a direct creditor of such Borrower). The rights provided by this Section are in addition to all other rights of set-off and banker's lien and all other rights and remedies which any Lender (or any such Participant, branch, subsidiary or affiliate) may otherwise have under this Agreement, any other Loan Document, at law or in equity, or otherwise, and nothing in this Agreement or any Loan Document shall be deemed a waiver or prohibition of or restriction on the rights of set-off or bankers' lien of any such Person.

10.13. Sharing of Collections. The Lenders hereby agree among themselves that if any Lender shall receive (by voluntary payment, realization upon security, set-off or from any other source) any amount on account of the Loans, interest thereon, or any other Obligation contemplated by this Agreement or the other Loan Documents to be made by the Borrowers Pro Rata to all Lenders in greater proportion than any such amount received by any other Lender, then the Lender receiving such proportionately greater payment shall notify each other Lender and the Agent of such receipt, and equitable adjustment will be made in the manner stated in this Section so that, in effect, all such excess amounts will be shared Pro Rata among all of the Lenders. The Lender receiving such excess amount shall purchase (which it shall be deemed to have done simultaneously upon the receipt of such excess amount) for cash from the other Lenders a participation in the applicable Obligations owed to such other Lenders in such amount as shall result in a Pro Rata sharing by all Lenders of such excess amount (and to such extent the receiving Lender shall be a Participant). If all or any portion of such excess amount is thereafter recovered from the Lender making such purchase, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by Law to be paid by the Lender making such purchase. The Borrowers hereby consent to and confirm the foregoing arrangements. Each Participant shall be bound by this Section as fully as if it were a Lender hereunder.

10.14. Successors and Assigns; Participations; Assignments.

(a) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Lenders, all future holders of the Notes, the Agent and their respective successors and assigns, except that the Borrowers may not assign or transfer any of their respective rights hereunder or interests herein without the prior written consent of all the Lenders and the Agent, and any purported assignment without such consent shall be void.

(b) Participations. Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable Law, at any time sell participations to one or more commercial banks or other Persons (each a "Participant") in all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of its Commitments and the Loans owing to such Lender and any Note held by such Lender); provided, that

- (i) any such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged,
- (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations,
- (iii) the parties hereto shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents,
- (iv) such Participant shall be bound by the provisions of Section 10.13 hereof, and the Lender selling such participation shall obtain from such Participant a written confirmation of its agreement to be so bound,
- (v) no Participant (unless such Participant is an affiliate of such Lender, or is itself a Lender) shall be entitled to require such Lender to take or refrain from taking action under this Agreement or under any other Loan Document, except that such Lender may agree with such Participant that such Lender will not, without such Participant's consent, take action of the type described in subsections (a), (b), (c), (d) or (e) of Section 10.03 hereof; notwithstanding the foregoing, in no event shall any participation by any Lender have the effect of releasing such Lenders from its obligations hereunder, and
- (vi) no Participant shall be a Borrower or an Affiliate of any Borrower.

The Borrowers agree that any such Participant shall be entitled to the benefits of Sections 2.10, 2.12 and 10.06 with respect to its participation in the Commitments and the Loans outstanding from time to time but only to the extent such Participant sustains such losses; provided, that no such Participant shall be entitled to receive any greater amount pursuant to such Sections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred to such Participant had no such transfer occurred; provided, further, that any such Participant, as a condition precedent to receiving the benefits of Sections 2.10, 2.12 and 10.06, shall agree in writing to indemnify the Borrowers and hold them harmless as against any and all claims or demands by or liabilities to the transferor Lender or Lenders or any other Person for an amount which in whole or in part duplicates, but only to the extent of such duplication, the amount or amounts to be paid to such Participant under this Section.

(c) Assignments. Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable Law, at any time assign all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or any portion of its Commitments and Loans owing to such Lender and any Note held by such Lender) to any Lender, any affiliate of any Lender or to one or more additional commercial banks or other Persons (each a "Purchasing Lender"); provided, that

(i) any such assignment to a Purchasing Lender which is not a Lender shall be made only with the consent of Curtiss-Wright if no Event of Default has occurred and is continuing (which consent if required shall not be unreasonably withheld), the Issuing Banks and the Agent,

(ii) if a Lender makes such an assignment of less than all of its then remaining rights and obligations under this Agreement and the other Loan Documents, such transferor Lender shall retain, after such assignment, a minimum principal amount of \$5,000,000 of the Revolving Credit Commitments and Revolving Credit Extensions of Credit and Swing Line Extensions of Credit then outstanding, and such assignment shall be in a minimum aggregate principal amount of \$5,000,000 of the Revolving Credit Commitments and Revolving Credit Extensions of Credit and Swing Line Extensions of Credit then outstanding,

(iii) each such assignment shall be of a constant, and not a varying, percentage of each applicable Commitment of the transferor Lender and of all of the transferor Lender's rights and obligations under this Agreement and the other Loan Documents, and

(iv) each such assignment shall be made pursuant to a Transfer Supplement in substantially the form of Exhibit D to this Agreement, duly completed (a "Transfer Supplement").

In order to effect any such assignment, the transferor Lender and the Purchasing Lender shall execute and deliver to the Agent a duly completed Transfer Supplement (including the consents required by clause (i) of the preceding sentence) with respect to such assignment, together with any Note or Notes subject to such assignment (the "Transferor Lender Notes") and a processing and recording fee of \$2,500; and, upon receipt thereof, the Agent shall accept such Transfer Supplement. Upon receipt of the Purchase Price Receipt Notice pursuant to such Transfer Supplement, the Agent shall record such acceptance in the Register. Upon such execution, delivery, acceptance and recording, from and after the Transfer Effective Date specified in such Transfer Supplement

(x) the Purchasing Lender shall be a party hereto and, to the extent provided in such Transfer Supplement, shall have the rights and obligations of any Lender hereunder, and

(y) the transferor Lender thereunder shall be released from its obligations under this Agreement to the extent so transferred (and, in the case of an Transfer Supplement covering all or the remaining portion of a transferor Lender's rights and obligations under this Agreement, such transferor Lender shall cease to be a party to this Agreement) from and after the Transfer Effective Date.

On or prior to the Transfer Effective Date specified in an Transfer Supplement, the Borrowers, at their expense, shall execute and deliver to the Agent (for delivery to the Purchasing Lender) new Notes evidencing such Purchasing Lender's assigned Commitments or Loans and (for delivery to the transferor Lender) replacement Notes in the principal amount of the Loans or Commitments retained by the transferor Lender (such Notes to be in exchange for, but not in payment of, those Notes then held by such transferor Lender). Each such Note shall be dated the date and be substantially in the form of the predecessor Note. The Agent shall mark the predecessor Notes "exchanged" and deliver them to the applicable Borrower. Accrued interest and accrued fees shall be paid to the Purchasing Lender at the same time or times provided in the predecessor Notes and this Agreement. Notwithstanding anything to the contrary set forth above, any Lender

may (without requesting the consent of any Borrower or the Agent) pledge its Loans to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank.

(d) Register. The Agent shall maintain at its office a copy of each Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive absent manifest error and the Borrowers, the Agent and the Lenders may treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of the Agreement. The Register shall be available for inspection by the Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Financial and Other Information. The Borrowers authorize the Agent and each Lender to disclose to any Participant or Purchasing Lender (each, a "transferee") and any prospective transferee any and all financial and other information in such Person's possession concerning the Borrowers and their respective Subsidiaries and Affiliates which has been or may be delivered to such Person by or on behalf of such Borrowers in connection with this Agreement or any other Loan Document or such Person's credit evaluation of such Borrowers and their respective Subsidiaries and Affiliates; subject, however, to the provisions of Section 10.16 hereof.

10.15. Governing Law; Submission to Jurisdiction; Limitation of Liability.

(a) Governing Law. THIS AGREEMENT AND ALL OTHER LOAN DOCUMENTS (EXCEPT TO THE EXTENT, IF ANY, OTHERWISE EXPRESSLY STATED IN SUCH OTHER LOAN DOCUMENTS) SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES.

(b) Certain Waivers. EACH BORROWER, THE AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) AGREES THAT ANY ACTION, SUIT OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY STATEMENT, COURSE OF CONDUCT, ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH OR THEREWITH (COLLECTIVELY, "RELATED LITIGATION") MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE CITY AND COUNTY OF NEW YORK, NEW YORK, SUBMITS TO THE JURISDICTION OF SUCH COURTS, AND TO THE FULLEST EXTENT PERMITTED BY LAW AGREES THAT IT WILL NOT BRING ANY RELATED LITIGATION IN ANY OTHER FORUM;

(ii) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY RELATED LITIGATION BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY SUCH RELATED LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND

**WAIVES ANY RIGHT TO OBJECT, WITH RESPECT TO ANY RELATED LITIGATION BROUGHT
IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION;**

(iii) CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY RELATED LITIGATION BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, AT THE ADDRESS FOR NOTICES DESCRIBED IN SECTION

10.05 HEREOF, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW); AND

(iv) WAIVES THE RIGHT TO TRIAL BY JURY IN ANY RELATED LITIGATION.

(c) Appointment of Curtiss-Wright as Process Agent. IN ADDITION TO THE CONSENT TO SERVICE SET FORTH IN CLAUSE (b) HEREOF, ANY SUBSIDIARY THAT IS NOT A SUBSIDIARY THAT IS ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA THAT BECOMES A BORROWER HEREUNDER (INCLUDING CURTISS-WRIGHT ANTRIEBSTECHNIK GMBH ("CURTISS-WRIGHT GMBH")) HEREBY IRREVOCABLY AND UNCONDITIONALLY APPOINTS CURTISS-WRIGHT AS ITS AGENT TO RECEIVE, ON BEHALF OF ITSELF AND ON BEHALF OF ITS PROPERTY, SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING, AND CURTISS-WRIGHT HEREBY IRREVOCABLY AND UNCONDITIONALLY ACCEPTS SUCH APPOINTMENT. SUCH SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO SUCH SUBSIDIARY IN CARE OF CURTISS-WRIGHT AT ITS ADDRESS FOR NOTICES AS SET FORTH IN SECTION 10.05, AND SUCH SUBSIDIARY HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS CURTISS-WRIGHT TO ACCEPT SUCH SERVICE ON ITS BEHALF.

10.16. Confidentiality. Each party hereto agrees to keep confidential any information concerning the business and financial activities of the other party hereto obtained in connection with this Agreement except information which (a) is lawfully in the public domain, (b) is obtained from a third party who is not bound by an obligation of confidentiality with respect to such information, (c) is required to be disclosed to any Governmental Authority having jurisdiction over such Person but only to the extent of such requirement, or (d) is disclosed by the Agent or any Lender in accordance with Section 10.14 hereof.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written.

ATTEST:

CURTISS-WRIGHT CORPORATION

By

By

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

ATTEST:

CURTISS-WRIGHT FLIGHT SYSTEMS, INC.

By

By

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ATTEST:

CURTISS-WRIGHT FLOW CONTROL CORPORATION

By _____
Title:
[Corporate Seal]

By _____
Gary J. Benschip
Treasurer

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

ATTEST:

METAL IMPROVEMENT COMPANY, INC.

By _____
Title:
[Corporate Seal]

By _____
Gary J. Benschip
Treasurer

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ATTEST:

CURTISS-WRIGHT FLOW CONTROL SERVICE
CORPORATION

By _____
Title:

[Corporate Seal]

By _____
Gary J. Benschip
Treasurer

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ATTEST:

CURTISS-WRIGHT ANTRIEBSTECHNIK GmbH

By _____
Title:
[Corporate Seal]

By _____
George J. Yohrling
Manager

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

**THE BANK OF NOVA SCOTIA, as Agent,
Issuing Bank and Lender**

By

Initial Revolving Credit Committed Amount: \$20,400,000.00

Commitment Percentage: 15.1111111111%

Address for Notices:

One Liberty Plaza
New York, NY 10006

Attn: _____

Telephone:
Telecopier:

with a copy to:

600 Peachtree Street NE
Suite 2700
Atlanta, GA 30308

Attn: _____

Telephone:
Telecopier:

[SIGNATURE PAGE TO CREDIT AGREEMENT]

FLEET NATIONAL BANK, as Syndication Agent and Lender

By
Russ Lopinto Senior Vice President

Initial Revolving Credit Committed Amount: \$19,200,000.00

Commitment Percentage: 14.2222222222%

Address for Notices:

750 Walnut Ave
Cranford, NJ

Attn: Russ Lopinto

Telephone: 908-709-6688
Telecopier: 908-709-6055

[SIGNATURE PAGE TO CREDIT AGREEMENT]

SUN TRUST BANK, as Documentation Agent and Lender

By

Karen Copeland Vice President

Initial Revolving Credit Committed Amount: \$19,200,000.00

Commitment Percentage: 14.2222222222%

Address for Notices:

711 Fifth Avenue, 16th Floor
New York, NY 10022

Attn: Armen Karozichian

Telephone: 212-583-2604
Telecopier: 212-371-7342

[SIGNATURE PAGE TO CREDIT AGREEMENT]

**PNC BANK, NATIONAL ASSOCIATION,
as Lender**

By

Paul E. Kelleman Vice President

Initial Revolving Credit Committed Amount: \$15,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

One Garret Mountain Pl
W Paterson, NJ 07424

Attn: Paul E. Kelleman

Telephone: 973-881-5188
Telecopier: 973-881-5288

[SIGNATURE PAGE TO CREDIT AGREEMENT]

THE BANK OF NEW YORK, as Lender

By

Thomas J. Sweeney Vice President

Initial Revolving Credit Committed Amount: \$15,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

385 Rifle Camp Rd.
W. Paterson, NJ 07424

Attn: Thomas J. Sweeney

Telephone: 973-357-7753
Telecopier: 973-357-7705

[SIGNATURE PAGE TO CREDIT AGREEMENT]

MELLON BANK, N. A., as Lender

By

J. Wade Bell Vice President

Initial Revolving Credit Committed Amount: \$15,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

1735 Market St., 4th Floor
Philadelphia, PA 19103

Attn: J. Wade Bell

Telephone: 215-553-3875
Telecopier: 215-553-4899

[SIGNATURE PAGE TO CREDIT AGREEMENT]

JPMORGAN CHASE BANK, as Lender

By

Initial Revolving Credit Committed Amount: \$15,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

[]

Attn: _____

Telephone:

Telecopier:

with a copy to:

[]

Attn: _____

Telephone:

Telecopier:

[SIGNATURE PAGE TO CREDIT AGREEMENT]

CITIBANK, N.A., as Lender

By

Anthony V. Pantina Vice President

Initial Revolving Credit Committed Amount: \$16,200,000.00

Commitment Percentage: 12%

Address for Notices:

666 Fifth Avenue, 3rd Floor
New York, NY 10103

Attn: Anthony V. Pantina

Telephone: 212-830-4956
Telecopier: 212-830-4905

[SIGNATURE PAGE TO CREDIT AGREEMENT]

**SCHEDULE I
OTHER CURRENCIES**

BRITISH POUNDS STERLING

DIRECT CHAPS	Scotiabank Europe Plc CHAPS Sort Code: 40-54-12
&/Or	HSBC Plc International Division, 27-32 Poultry, London Sort Code: 40-05-15 Swift Code: MIDLGB22 For A/C of: Scotiabank Europe Plc Account No: 37862536
CANADIAN DOLLARS	The Bank Of Nova Scotia International Banking Division, Toronto, Canada Swift Code: NOSCCATT For A/C of: Scotiabank Europe Plc Account No: 1257-17
EUROS	HSBC Plc International Division, 27-32 Poultry, London Swift Code: MIDLGB22 For A/C of: Scotiabank Europe Plc Account No: 37860364
SWISS FRANCS	Union Banque Suisse AG Zurich, Switzerland. Swift Code: UBSWCHZH80A For A/C of: Scotiabank Europe Plc, London Account No: 0230-40954.05D
DANISH KRONE	Unibank A/S Copenhagen, Denmark Swift Code: UNIBDKKK For A/C of: Scotiabank Europe Plc, London Account No: 5000015115

SWEDISH KRONA

Swedbank
Stockholm
Swift Code: SWEDSESS
For A/C of: Scotiabank Europe Plc, London
Account No: 16956

SHORT TERM CREDIT AGREEMENT

dated as of May 13, 2002

among

CURTISS-WRIGHT CORPORATION

and

THE SUBSIDIARY BORROWERS PARTIES HERETO FROM TIME TO TIME,

as Borrowers,

THE LENDERS PARTIES HERETO FROM TIME TO TIME

and

**THE BANK OF NOVA SCOTIA,
as Agent**

**FLEET NATIONAL BANK,
as Syndication Agent**

**SUNTRUST BANK,
as Documentation Agent**

and

**THE BANK OF NOVA SCOTIA,
as Lead Arranger.**

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Exhibit C	Form of Transfer Supplement
Exhibit D	Form of Curtiss-Wright Guaranty
Exhibit E	Form of Subsidiary Guaranty
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SHORT TERM CREDIT AGREEMENT

THIS SHORT TERM CREDIT AGREEMENT (this "Agreement"), dated as of May 13, 2002, by and among CURTISS-WRIGHT CORPORATION, a Delaware corporation ("Curtiss-Wright"), the Subsidiary Borrowers (as defined below) party hereto from time to time (collectively with Curtiss-Wright, the "Borrowers", and each individually a "Borrower"), the lenders party hereto from time to time (the "Lenders", as defined further below), FLEET NATIONAL BANK, as syndication agent for the Lenders (in such capacity, the "Syndication Agent"), SUNTRUST BANK, as documentation agent for the Lenders (in such capacity, the "Documentation Agent") and THE BANK OF NOVA SCOTIA, as agent for the Lenders (in such capacity, together with its successors in such capacity, the "Agent").

WHEREAS, the Borrowers have requested the Agent and the Lenders to enter into this Agreement and extend credit as herein provided;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; CONSTRUCTION

1.01. Certain Definitions. In addition to other words and terms defined elsewhere in this Agreement, as used herein the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

"Affected Lender" shall have the meaning set forth in Section 2.04(e) hereof.

"Affiliate" of Curtiss-Wright or any of its Subsidiaries shall mean any Person which directly or indirectly controls or is controlled by or is under common control with Curtiss-Wright or such Subsidiary, as the case may be. For purposes of this definition "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management policies, whether through ownership of voting securities or by contract or otherwise.

"Anniversary Date" shall mean each May 13 during the term of this Agreement.

"Applicable Funding Rate" shall have the meaning set forth in Section 2.10(b) hereof.

"Applicable Location" shall mean (i) except as provided in clause (ii), the Federal Reserve Bank of New York, ABA# 026002532 for further credit to The Bank of Nova Scotia, New York Agency, Account #2835-17, Attention: Doina Levarda, Reference: Curtiss-Wright, and (ii) in the case of payments denominated in an Other Currency, the appropriate account and location set forth on Schedule I hereto, or in either case, such other location or account designated from time to time by notice from the Agent to the Borrowers and the Lenders.

"Applicable Margin" shall have the meaning set forth in Section 2.04(b) hereof.

"Assured Obligation" shall have the meaning set forth in the definition of "Guaranty Equivalent" in this Section 1.01.

"Available" means, in respect of any Other Currency and any Lender, that such Other Currency is, at the relevant time, (a) readily available to such Lender as deposits in the London or other applicable interbank market in the relevant amount and for the relevant term, (b) is freely convertible into Dollars and (c) is freely transferable for the purposes of this Agreement, but if, notwithstanding that each of the foregoing tests is satisfied:

(a) such Other Currency is, under the then current legislation or regulations of the country issuing such Other Currency (or under the policy of the central bank of such country) or of the Bank of England or the F.R.S. Board, not permitted to be used for the purposes of this Agreement; or

(b) there is no, or only insignificant, investor demand for the making of advances having an interest period equivalent to that for the LIBO Rate Portion denominated in an Other Currency which a Borrower has requested be made; or

(c) there are policy or other reasons which make it undesirable or impractical for a Lender to make a Revolving Credit Loan denominated in such Other Currency available as determined by such Lender in its reasonable discretion;

then such Other Currency may be treated by any Lender as not being Available.

"Base Rate" shall have the meaning set forth in Section 2.04(a)(i) hereof.

"Base Rate Option" shall have the meaning set forth in Section 2.04(a) hereof.

"Base Rate Portion" of any Loan or Loans shall mean at any time the portion, including the whole, of such Loan or Loans bearing interest at such time (i) under the Base Rate Option or (ii) in accordance with Section 2.09(c)(ii) hereof. If no Loan or Loans is specified, "Base Rate Portion" shall refer to the Base Rate Portion of all Loans outstanding at such time.

"Borrower" or "Borrowers" shall have the meaning set forth in the preamble.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday under the laws of the State of New York or other day on which banking institutions are authorized or obligated to close in the city in which the Agent's Office is located.

"Change of Control" shall mean that any Person or group of Persons (as used in Sections 13 and 14 of the Exchange Act, and the rules and regulations thereunder) shall have become the beneficial owner (as defined in Rules 13d-3 and 13d-5 promulgated by the SEC) under the Exchange Act) of either (i) 50% or more of the combined voting power of all the outstanding voting securities of Curtiss-Wright or (ii) the voting power to elect a majority of the board of directors of Curtiss-Wright.

"Closing Date" shall mean the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to sections of the Code shall be construed also to refer to any successor sections.

"Commitment" of a Lender shall mean the Revolving Credit Commitment of such Lender.

"Commitment Percentage" of a Lender at any time shall mean the Commitment Percentage for such Lender set forth below its name on the signature page hereof, as such percentage may be adjusted pursuant to Section 2.01(e) and Section 2.14 hereof, and subject to transfer to another Lender as provided in Section 8.14 hereof.

"Consolidated EBIT" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries, calculated for each fiscal quarter then ending, and the immediately preceding three fiscal quarters (determined on a consolidated basis and in accordance with GAAP), the sum of (a) Consolidated Net Income, plus (b) Consolidated Interest Expense, plus (c) consolidated foreign, federal and state income tax expenses for such period, plus (d) extraordinary losses for such period, minus (e) extraordinary gains for such period.

"Consolidated EBITDA" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries, calculated for each fiscal quarter then ending, and the immediately preceding three fiscal quarters (determined on a consolidated basis and in accordance with GAAP), the sum of (a) Consolidated EBIT, plus (b) depreciation and amortization of assets for such period (if subtracted from earnings in calculating the same).

"Consolidated Interest Expense" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries calculated for each fiscal quarter then ending, and the immediately preceding three fiscal quarters, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ended on such date, including, in any event, interest expense with respect to Indebtedness of Curtiss-Wright and its consolidated Subsidiaries, interest expense for the relevant period that has been capitalized on the balance sheet and interest expense with respect to any Deemed Debt.

"Consolidated Net Income" shall mean, for any period, the consolidated net income (or deficit) of Curtiss-Wright and its consolidated Subsidiaries for such period, determined in accordance with GAAP.

"Corresponding Source of Funds" shall mean, in the case of any Funding Segment of the LIBO Rate Portion, the proceeds of hypothetical receipts by a Notional LIBO Rate Funding Office or by a Lender through a Notional LIBO Rate Funding Office of one or more Dollar deposits in the interbank eurodollar market at the beginning of the LIBO Rate Funding Period corresponding to such Funding Segment having maturities approximately equal to such LIBO Rate Funding Period and in an aggregate amount approximately equal to such Lender's Pro Rata share of such Funding Segment.

"Curtiss-Wright Guaranty" shall have the meaning set forth in Section 4.01(n) hereof.

"Debt Instrument" shall have the meaning set forth in Section 6.01(e) hereof.

"Deemed Debt" shall mean the amount of indebtedness incurred by Curtiss-Wright and its consolidated Subsidiaries and any special purpose corporation or trust which is an Affiliate of Curtiss-Wright or any of its Subsidiaries in connection with any accounts receivable or inventory financing facility whether or not shown on the balance sheet of Curtiss-Wright or such Subsidiary in accordance with GAAP to the extent not included in the definition of Indebtedness. For purposes of determining the amount of Deemed Debt incurred by any Person in connection with any accounts receivable or inventory financing transaction, the amount of all contingent obligations of such Person shall be included as well as non-recourse indebtedness incurred in connection with such transaction. Deemed Debt shall not include operating leases.

"Deemed Guarantor" shall have the meaning set forth in the definition of "Guaranty Equivalent" in this Section 1.01.

"Deemed Obligor" shall have the meaning set forth in the definition of "Guaranty Equivalent" in this Section 1.01.

"Documentation Agent" shall have the meaning set forth in the preamble.

"Dollar," "Dollars" and the symbol "\$" shall mean lawful money of the United States of America.

"Dollar Equivalent Amount" of any Revolving Credit Loan shall mean (a) with respect to a Revolving Credit Loan denominated in an Other Currency, an amount equal to the amount of Dollars that the amount of such Other Currency (equal to the principal amount of such Revolving Credit Loan) could purchase at 12:00

p.m., noon, New York time, on the date of determination, based upon the quoted spot rates of the Agent, at which its applicable branch or office offers to exchange Dollars for such currency in the foreign exchange market and (b) with respect to a Revolving Credit Loan denominated in US Currency, an amount in Dollars equal to the principal amount of such Revolving Credit Loan.

"Euro" and "Euros" shall mean the lawful currency of the participating member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

"Event of Default" shall mean any of the Events of Default described in Section 6.01 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expiration Date" shall mean May 9, 2003, or such later date to which the Expiration Date may be extended pursuant to Section 2.14 hereof. Notwithstanding the foregoing, no Lender's Commitment shall ever have a remaining term of more than 364 days, and if for any reason the Agent receives the consent of any Lender to an extension of the Expiration Date pursuant to Section 2.14 hereof more than 364 days before the requested new Expiration Date, such consent of such Lender shall be considered absolutely revocable and in no manner binding on such Lender until such date that is 364 days prior to such requested new Expiration Date.

"Existing Lenders" shall have the meaning set forth in the definition of the Original Credit Agreements.

"Extension Request" shall have the meaning set forth in Section 2.14 hereof.

"Facility Fee" shall have the meaning set forth in Section 2.02(a) hereof.

"Fairfield Property" shall mean the real property located at 300 Fairfield Road, Fairfield, New Jersey 07004.

"Federal Funds Effective Rate" for any day shall mean the rate per annum (rounded upward to the nearest 1/100 of 1%) determined by the Agent (which determination shall be conclusive absent manifest error) to be the rate per annum announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight Federal funds transactions arranged by Federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; provided, that if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

"F.R.S. Board" means the Board of Governors of the Federal Reserve System or any successor thereto.

"Funding Breakage Date" shall have the meaning set forth in Section 2.10(b) hereof.

"Funding Breakage Indemnity" shall have the meaning set forth in Section 2.10(b) hereof.

"Funding Periods" shall have the meaning set forth in Section 2.04(c) hereof.

"Funding Segment" of the LIBO Rate Portion of the Revolving Credit Loans at any time shall mean the entire principal amount of such Portion to which at the time in question there is applicable a particular Funding Period beginning on a particular day and ending on a particular day. (By definition, each such Portion is at all times composed of an integral number of discrete Funding Segments and the sum of the principal amounts of all Funding Segments of any such Portion at any time equals the principal amount of such Portion at such time.)

"GAAP" shall have the meaning set forth in Section 1.03 hereof.

"Governmental Authority" shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"Guaranty Equivalent": A Person (the "Deemed Guarantor") shall be deemed to be subject to a Guaranty Equivalent in respect of any indebtedness, obligation or liability (the "Assured Obligation") of another Person (the "Deemed Obligor") if the Deemed Guarantor

directly or indirectly guarantees, becomes surety for, endorses, assumes, agrees to indemnify the Deemed Obligor against, or otherwise agrees, becomes or remains liable (contingently or otherwise) for, such Assured Obligation. Without limitation, a Guaranty Equivalent shall be deemed to exist if a Deemed Guarantor agrees, becomes or remains liable (contingently or otherwise), directly or indirectly: (a) to purchase or assume, or to supply funds for the payment, purchase or satisfaction of, an Assured Obligation, (b) to make any loan, advance, capital contribution or other investment in, or to purchase or lease any property or services from, a Deemed Obligor (i) to maintain the solvency of the Deemed Obligor, (ii) to enable the Deemed Obligor to meet any other financial condition, (iii) to enable the Deemed Obligor to satisfy any Assured Obligation or to make any Stock Payment or any other payment, or (iv) to assure the holder of such Assured Obligation against loss, (c) to purchase or lease property or services from the Deemed Obligor regardless of the nondelivery of or failure to furnish of such property or services, or (d) in respect of any other transaction the effect of which is to assure the payment or performance (or payment of damages or other remedy in the event of nonpayment or nonperformance) of any Assured Obligation.

"HLT Classification" shall have the meaning set forth in Section 2.11 hereof.

"Indebtedness" of a Person, at a particular date, shall mean, without duplication, the following: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property; (b) the face amount of all letters of credit (other than standby letters of credit issued for the account of such Person in connection with bids on proposed contracts by such Person) issued for the account of such Person and, without duplication, all drafts drawn under all letters of credit (including standby letters of credit); (c) all liabilities secured by any Lien (other than Permitted Liens permitted under clause (h) of the definition thereof) on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though it has not assumed or become liable for the payment thereof; (d) all Assured Obligations of others as to which such Person is the Deemed Guarantor under a Guaranty Equivalent; and (e) lease obligations of such Person which have been, or which in accordance with GAAP should be, capitalized.

"Indemnified Parties" shall mean the Agent, the Lenders, their respective affiliates, and the directors, officers, employees, attorneys and agents of each of the foregoing.

"Judgment Amount" shall have the meaning set forth in Section 6.03 hereof.

"Law" shall mean any law (including common law), constitution, statute, treaty, convention, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

"Lender" shall mean any of the Lenders listed on the signature pages hereof, subject to the provisions of Section 8.14 hereof pertaining to Persons becoming or ceasing to be Lenders.

"Leverage Ratio" shall mean, with respect to Curtiss-Wright and its consolidated Subsidiaries for any fiscal period, the ratio of (a) Indebtedness of Curtiss-Wright and its consolidated Subsidiaries plus any Deemed Debt plus any Synthetic Lease Obligations, to (b) Consolidated EBITDA plus, in the event of any acquisition by Curtiss-Wright, with respect to

the acquired company and without duplication, the sum of (i) the net earnings (or loss), plus (ii) interest expense for such period, plus (iii) consolidated federal and state income tax expenses for such period, plus (iv) depreciation and amortization of assets for such period (if subtracted from earnings in calculating the same), plus (v) extraordinary losses for such period, minus (vi) extraordinary gains for such period, with all of the foregoing amounts to be calculated for the fiscal period then ending, and the immediately preceding three fiscal quarters (determined on a consolidated basis in accordance with GAAP).

"LIBO Rate" shall have the meaning set forth in Section 2.04(a)(ii) hereof.

"LIBO Rate Option" shall have the meaning set forth in Section 2.04(a)(ii) hereof.

"LIBO Rate Portion" of any Revolving Credit Loan or Revolving Credit Loans shall mean at any time the portion, including the whole, of such Revolving Credit Loan or Revolving Credit Loans bearing interest at any time under the LIBO Rate Option or at a rate calculated by reference to the LIBO Rate under

Section 2.09(c)(i) hereof. If no Revolving Credit Loan or Revolving Credit Loans is specified, "LIBO Rate Portion" shall refer to the LIBO Rate Portion of all Revolving Credit Loans outstanding at such time.

"LIBO Rate Reserve Percentage" shall have the meaning set forth in Section 2.04(a)(iii) hereof.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any additional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loan" shall mean any Revolving Credit Loan by a Lender to any Borrower under this Agreement, and "Loans" shall mean all Revolving Credit Loans made by the Lenders under this Agreement.

"Loan Documents" shall mean this Agreement, the Notes, the Curtiss-Wright Guaranty, the Subsidiary Guarantees, the Transfer Supplements and the Rate Protection Agreements, and all other agreements and instruments extending, renewing, refinancing or refunding any indebtedness, obligation or liability arising under any of the foregoing, in each case as the same may be amended, modified or supplemented from time to time hereafter.

"London Business Day" shall mean any day in which dealing in deposits in Dollars is carried on by and among banks in the London interbank market and which is a Business Day.

"Long Term Commitments" shall mean the aggregate "Revolving Credit Commitments" of the "Lenders" (each as defined in the Long Term Credit Agreement) under the Long Term Credit Agreement.

"Long Term Credit Agreement" shall mean that certain Credit Agreement dated the date hereof, by and among the Borrowers party thereto, the Lenders named therein, the Issuing Banks referred to therein and Scotia Capital, as the Agent, as amended.

"Loss" shall have the meaning set forth in Section 6.03 hereof.

"Material Adverse Effect" shall mean (a) a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Curtiss-Wright and its Subsidiaries taken as a whole or (b) a material adverse effect on the ability of Curtiss-Wright and its Subsidiaries taken as a whole to perform or comply with any of the terms and conditions of any Loan Document.

"Maturity Date" shall mean the date which is one year after the Expiration Date.

"National Currency Unit" shall have the meaning set forth in Section 2.15 hereof.

"Nonextending Lender" shall have the meaning set forth in Section 2.14 hereof.

"Non-Participant State" shall have the meaning set forth in Section 2.15 hereof.

"Note" or "Notes" shall mean the Revolving Credit Notes of the Borrowers executed and delivered under this Agreement, together with all modifications, amendments, extensions, renewals, refinancings or refundings of any thereof in whole or part.

"Notional LIBO Rate Funding Office" shall have the meaning set forth in Section 2.13(a) hereof.

"Obligations" shall mean all indebtedness, obligations and liabilities of any Borrower to any Lender or the Agent from time to time arising under or in connection with or related to or evidenced by this Agreement or any other Loan Document, and all extensions, renewals or refinancings thereof, whether such indebtedness, obligations or liabilities are direct or indirect, otherwise secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising. Without limitation of the foregoing, such indebtedness, obligations and liabilities include the principal amount of Loans, accrued but unpaid interest, unpaid fees, indemnities or expenses under or in connection with this Agreement or any other Loan Document, and all extensions, renewals and refinancings thereof, whether or not such Loans were made in compliance with the terms and conditions of this Agreement or in excess of the obligation of the Lenders to lend. The Obligations shall remain Obligations notwithstanding any assignment or transfer or any subsequent assignment or transfer of any of the Obligations or any interest therein.

"Office," when used in connection with the Agent, shall mean its office located at One Liberty Plaza, New York, NY 10006, or at such other office or offices of the Agent or any branch, subsidiary or affiliate thereof as may be designated in writing from time to time by the Agent to the Borrowers.

"Option" shall mean the Base Rate Option or the LIBO Rate Option, as the case may be.

"Original Credit Agreements" shall mean (i) that certain Credit Agreement, dated as of December 20, 1999, among Curtiss-Wright, each of the financial institutions party thereto as lenders (the "Existing Lenders"), Mellon Bank, N.A., as agent, The Bank of Nova Scotia, as syndication agent, and PNC Bank, N.A., as documentation agent (collectively, the "Existing

Agents") (as amended, supplemented, amended and restated and otherwise modified from time to time) and (ii) that certain Short Term Credit Agreement, dated as of December 20, 1999, among Curtiss-Wright, the Existing Lenders and the Existing Agents (as amended by Amendment No. 1 thereto dated as of December 19, 2000, Amendment No. 2 thereto dated as of December 14, 2001, and as amended, supplemented, amended and restated and otherwise modified from time to time.

"Original Due Date" shall have the meaning set forth in Section 6.03 hereof.

"Other Currency" shall mean Canadian Dollars, British Pounds, Swiss Francs, Danish Krone, Swedish Krona, Euros and any freely available currency that is freely transferable and freely convertible into Dollars and requested by any Borrower and acceptable to all of the Lenders and to the Agent.

"Participants" shall have the meaning set forth in Section 8.14(b) hereof.

"Permitted Liens" shall mean (a) Liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty, (b) deposits or pledges of cash to secure workmen's compensation, unemployment insurance, old age benefits or other social security obligations, or in connection with or to secure the performance of bids, tenders, trade contracts or leases, or to secure statutory obligations, or stay, surety or appeal bonds, or other pledges or deposits of cash of like nature and all in the ordinary course of business, (c) Liens permitted by Section 7.02(b) of the Long Term Credit Agreement, (d) Liens in favor of each of the Agent and the Lenders, (e) Liens to secure Indebtedness existing on the date hereof, (f) with respect to the Fairfield Property, impediments to marketability arising by reason of the New Jersey Industrial Site Recovery Act, (g) easements, rights of way and other exceptions to title which do not materially affect any Borrower's right of enjoyment of its properties, (h) Liens in favor of customers for amounts paid to any Borrower or any Subsidiary of any Borrower as progress payments, (i) Liens to secure non-recourse Indebtedness, subject to the restrictions set forth in Section 7.01 and Section 7.03 of the Long Term Credit Agreement, (j) Liens to secure Deemed Debt; provided, that such Liens are limited to the accounts receivable and/or inventory financed in connection with the incurring of such Deemed Debt, and (k) Liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business by Curtiss-Wright for sums not overdue or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

"Person" shall mean an individual, corporation, limited liability company, partnership, trust, unincorporated association, joint venture, joint-stock company, Governmental Authority or any other entity.

"Portion" shall mean the Base Rate Portion or the LIBO Rate Portion, as the case may be.

"Potential Default" shall mean any event or condition which with notice or passage of time, or both, would constitute an Event of Default.

"Prime Rate" as used herein, shall mean the interest rate per annum established from time to time by Scotia Capital as its "base rate" for Dollars loaned in the United States, which rate

may be greater or less than other interest rates charged by Scotia Capital to other borrowers and is not solely based or dependent upon the interest rate which Scotia Capital may charge any particular borrower or class of borrowers.

"Pro Rata" shall mean from or to each Lender in proportion to its Commitment Percentage.

"Purchasing Lender" shall have the meaning set forth in Section 8.14(c) hereof.

"Rate Protection Agreement" means, collectively, any interest rate swap, cap, collar or similar agreement entered into by any Borrower or any of their respective Subsidiaries under which the counterparty of such agreement is (or at the time such agreement was entered into, was) a Lender or an affiliate of a Lender.

"Register" shall have the meaning set forth in Section 8.14(d) hereof.

"Regular Payment Date" shall mean the last day of each June, September, December, and March after the date hereof.

"Replacement Lender" shall have the meaning set forth in Section 2.14 hereof.

"Required Lenders" shall mean, as of any date, Lenders which have Commitments constituting, in the aggregate, at least 51% of the total Commitments of all the Lenders.

"Responsible Officer" shall mean the Chairman, President, any Vice President, the Controller or the Treasurer of any Borrower.

"Revolving Credit Commitment" shall have the meaning set forth in Section 2.01(a) hereof.

"Revolving Credit Committed Amount" shall mean, with respect to any Lender, an amount equal to the amount set forth as such Lender's "Initial Revolving Credit Committed Amount" below its name on the signature pages hereof, as either such amount may have been reduced under Section 2.02 hereof at such time, increased under Section 2.01(e) hereof at such time, and subject to transfer to another Lender as provided in Section 8.14 hereof.

"Revolving Credit Loans" shall have the meaning set forth in Section 2.01(a) hereof.

"Revolving Credit Notes" shall mean the promissory notes of the Borrowers executed and delivered under Section 2.01(c) hereof and any promissory note issued in substitution therefor pursuant to Sections 8.14(c) and 2.14 or any other provisions hereof, together with all amendments, modifications, extensions, renewals, refinancings or refundings thereof in whole or part.

"Scotia Capital" means The Bank of Nova Scotia in its individual capacity.

"SEC" means the Securities and Exchange Commission.

"Significant Subsidiary" shall mean (a) the following Subsidiaries of Curtiss-Wright: Curtiss-Wright Flight Systems, Inc., Curtiss-Wright Flow Control Corporation, Metal Improvement Company, Inc., and (b) any other Subsidiary of Curtiss-Wright (i) which, together with its Subsidiaries (determined on a consolidated basis), has assets with a book value greater than or equal to 20% of the total assets of Curtiss-Wright and its Subsidiaries (determined on a consolidated basis) as of the end of the most recently completed fiscal quarter for which financial information is available, or (ii) which, together with its Subsidiaries (determined on a consolidated basis), has greater than 20% of the net revenues of Curtiss-Wright and its Subsidiaries (determined on a consolidated basis) for the most recent four fiscal quarters for which financial information is available, all determined in accordance with GAAP or (iii) designated as a Significant Subsidiary pursuant to Section 7.13 of the Long Term Credit Agreement.

"Standard Notice" shall mean notice given substantially in the form of Exhibit F, which notice shall be an irrevocable notice provided to the Agent on a Business Day which is

(a) provided at least one Business Day in advance in the case of selection of, conversion to or renewal of the Base Rate Option or prepayment of any Base Rate Portion; and

(b) provided at least three London Business Days in advance in the case of selection of, conversion to or renewal of the LIBO Rate Option or prepayment of any LIBO Rate Portion.

Standard Notice must be provided no later than 10:00 a.m., New York time, on the last day permitted for such notice.

"Subsidiary" of a Person means (a) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or (b) any partnership, limited liability company, limited liability partnership, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

"Subsidiary Borrower" shall mean (a) any of the following Subsidiaries of Curtiss-Wright: Curtiss-Wright Flight Systems, Inc., a Delaware corporation; Metal Improvement Company, Inc., a Delaware corporation; Curtiss-Wright Flow Control Corporation, a New York corporation; Curtiss-Wright Flow Control Service Corporation, a Delaware corporation and Curtiss-Wright Antriebstechnik GmbH, a Swiss company and (b) any other Subsidiary of Curtiss-Wright that (i) has executed and delivered to the Agent (A) a Revolving Credit Note and (B) a joinder to this Agreement, in form and substance satisfactory to the Agent, and (ii) is consented to by the Agent (such consent not to be unreasonably withheld).

"Subsidiary Guaranty" or "Subsidiary Guarantees" shall have the meanings set forth in Section 4.01(n) hereof.

"Subsidiary Guarantors" shall mean the Subsidiary Borrowers and Significant Subsidiaries from time to time party to the Subsidiary Guarantees.

"Syndication Agent" shall have the meaning set forth in the preamble.

"Synthetic Lease Obligations" shall mean the unconditional lease obligations of a lessee under a lease of the type referred to as a "synthetic lease" that is or should be characterized as an operating lease by the lessee in accordance with GAAP. The amount of any lessee's Synthetic Lease Obligations shall be deemed to be, at the date of determination, the outstanding principal amount of the notes and equity incurred by the lessor to finance or refinance the acquisition of the property covered by the synthetic lease.

"Taxes" shall have the meaning set forth in Section 2.12(a) hereof.

"Transfer Effective Date" shall have the meaning set forth in the applicable Transfer Supplement.

"Transfer Lender Notes" shall have the meaning set forth in Section 8.14(c) hereof.

"Transfer Supplement" shall have the meaning set forth in Section 8.14(c) hereof.

"US Currency" shall mean Dollars.

1.02. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular the plural and the part the whole; "or" has the inclusive meaning represented by the phrase "and/or"; and "property" includes all properties and assets of any kind or nature, tangible or intangible, real, personal or mixed. References in this Agreement to "determination" (and similar terms) by the Agent or by any Lender include good faith estimates by the Agent or by any Lender (in the case of quantitative determinations) and good faith beliefs by the Agent or by any Lender (in the case of qualitative determinations). The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The section and other headings contained in this Agreement and the Table of Contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

1.03. Accounting Principles.

(a) As used herein, "GAAP" shall mean generally accepted accounting principles in the United States, applied on a basis consistent with the principles used in preparing Curtiss-Wright's consolidated financial statements as of December 31, 2001 and for the fiscal year then ended, as referred to in

Section 4.05 hereof, together with such changes in GAAP as may be adopted from time to time which, in the good faith judgment of the Agent, do not have a material adverse effect on Curtiss-Wright's compliance with the covenants contained in this Agreement.

(b) Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters shall be made, and all financial statements to be delivered pursuant to this Agreement shall be prepared, in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP.

(c) If and to the extent that the financial statements generally prepared by Curtiss-Wright apply accounting principles other than GAAP, all financial statements referred to in this Agreement or any other Loan Document shall be delivered in duplicate, one set based on the accounting principles then generally applied by Curtiss-Wright and one set based on GAAP. To the extent this Agreement or such other Loan Document requires financial statements to be accompanied by an opinion of independent accountants, each set of financial statements shall be accompanied by such an opinion.

ARTICLE II THE CREDITS

2.01. Revolving Credit Loans.

(a) Revolving Credit Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender, severally and not jointly, agrees (such agreement being herein called such Lender's "Revolving Credit Commitment") to make loans in either US Currency or in an Other Currency (the "Revolving Credit Loans") to one or more Borrowers at any time or from time to time on or after the date hereof and to but not including the Expiration Date.

A Lender shall have no obligation to make any Revolving Credit Loan to the extent that the aggregate principal amount of such Lender's Pro Rata share of the total Revolving Credit Loans at any time outstanding would exceed such Lender's Revolving Credit Committed Amount at such time.

(b) Nature of Credit. Within the limits of time and amount set forth in this Section 2.01, and subject to the provisions of this Agreement, the Borrowers may borrow, repay and reborrow Revolving Credit Loans hereunder.

(c) Revolving Credit Notes. The obligations of each Borrower to repay the unpaid principal amount of the Revolving Credit Loans made to them by each Lender and to pay interest thereon shall be evidenced in part by promissory notes of each such Borrower, one to each Lender, dated the Closing Date (the "Revolving Credit Notes") in substantially the form attached hereto as Exhibit A, with the blanks appropriately filled, payable to the order of such Lender in a face amount equal to such Lender's "Initial Revolving Credit Committed Amount" (as set forth below its name on the signature pages hereof).

(d) Maturity. To the extent not due and payable earlier, the Revolving Credit Loans shall be due and payable on the Maturity Date.

(e) Increase in Revolving Credit Commitments. Upon the written request of Curtiss-Wright, the Revolving Credit Commitments may be increased, (i) by an aggregate amount of \$15,000,000 less the amount, if any, by which the Long Term Commitments may have been increased pursuant to Section 2.01(h) of the Long Term Credit Agreement, if approved in writing by the Required Lenders (which must include the Agent), and (ii) by an amount greater than that set forth in subclause (i) of this clause (e), if approved in writing by all the Lenders; provided, that no Lender's Revolving Credit Committed Amount shall be increased without such Lender's approval. The Lenders' Revolving Credit Committed Amounts shall be increased on a Pro Rata

basis among the Lenders approving the increase in Commitments. The increase in Commitments shall be subject to the Agent's receipt, for each Lender, of substitute Notes, duly executed by each Borrower, reflecting the amount of such Lender's Revolving Credit Committed Amount after such increase in the Commitments.

2.02. Facility Fee; Reduction of the Revolving Credit Committed Amounts.

(a) Facility Fee. Curtiss-Wright shall pay to the Agent for the account of each Lender a non-refundable facility fee (the "Facility Fee") for each day from and including the date hereof to but not including the Maturity Date, whether or not all or any portion of the aggregate Revolving Credit Committed Amounts is then available, in an amount equal to the product of (i) the amount (not less than zero) of such Lender's Revolving Credit Committed Amount on such day, or after the Expiration Date, such Lender's aggregate outstanding principal amount of Notes, if any, on such date, multiplied by (ii) the facility fee percentage determined from the chart set forth below based on the Leverage Ratio, as determined quarterly based upon the financial statements delivered by Curtiss-Wright pursuant to Sections 5.01(f) and 6.01 (or if no such financial statements are timely delivered in accordance with Section 6.01(a) or 6.01(b) of the Long Term Credit Agreement, the Facility Fee percentage shall be 0.35% until the delivery of such financial statements) of the Long Term Agreement with such Facility Fee to be effective as of the first day of the quarter immediately following the quarter for which such financial statements are delivered:

Leverage Ratio	Facility Fee Percentage
> 2.5	0.30%
> 1.5 and <= 2.5	0.25%
<= 1.5	0.15%.

Such Facility Fee shall be due and payable for the preceding period for which such fee has not been paid (x) on each Regular Payment Date, (y) on the date of each reduction or expiration of the Revolving Credit Committed Amounts (whether optional or mandatory) on the amount so reduced and (z) on the Maturity Date.

(b) Reduction of the Revolving Credit Committed Amounts. Curtiss-Wright may at any time or from time to time reduce Pro Rata the Revolving Credit Committed Amounts of the Lenders to an aggregate amount (which may be zero) not less than the Dollar Equivalent Amount of the unpaid principal amount of the Revolving Credit Loans then outstanding plus the principal amount of all Revolving Credit Loans not yet made as to which notice has been given by any Borrower under Section 2.03 hereof. Any reduction of the Revolving Credit Committed Amounts shall be in an aggregate amount which is a minimum amount of \$5,000,000 and integral multiples of \$500,000 thereof. Reduction of the Revolving Credit Committed Amounts shall be made by providing not less than 30 days' notice (which notice shall be irrevocable) to such effect to the Agent. After the date specified in such notice the Facility Fee shall be calculated based upon the Revolving Credit Committed Amounts as so reduced. Upon reduction of the Revolving Credit Committed Amounts to zero, payment in full of all Obligations, this Agreement shall be terminated.

2.03. Making of Loans. Whenever a Borrower desires that the Lenders make Revolving Credit Loans, such Borrower shall provide Standard Notice to the Agent setting forth the following information:

- (a) The currency, which shall be either US Currency or an Other Currency, in which such Revolving Credit Loans are to be made;
- (b) The party making the borrowing thereunder;
- (c) The date, which shall be a Business Day (in the case of a Base Rate Portion) or London Business Day (in the case of a LIBO Rate Portion), on which such proposed Revolving Credit Loans are to be made;
- (d) The aggregate principal amount of such proposed Revolving Credit Loans, which shall be the sum of the principal amounts selected pursuant to clause (e) of this Section 2.03;
- (e) The interest rate Option or Options selected in accordance with Section 2.04(a) hereof and the principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion, as the case may be, of such proposed Revolving Credit Loans; and
- (f) With respect to each such Funding Segment of such proposed Revolving Credit Loans, the Funding Period to apply to such Funding Segment, selected in accordance with Section 2.04(c) hereof.

Standard Notice having been so provided, the Agent shall promptly notify each Lender of the information contained therein and of the amount of such Lender's Revolving Credit Loan. Unless any applicable condition specified in Article IV hereof has not been satisfied, on the date specified in such Standard Notice each Lender shall make the proceeds of its Revolving Credit Loan available to the Agent (A) with respect to a Loan denominated in US Currency, at the Applicable Location no later than 12:00 noon, New York time, in funds immediately available at the Applicable Location, and (B) with respect to a Loan denominated in an Other Currency, at the Applicable Location, no later than 12:00 noon, London time, in funds immediately available at the Applicable Location. The Agent will make the funds so received available to the applicable Borrower in funds immediately available at the Applicable Location.

2.04. Interest Rates.

(a) Optional Bases of Borrowing. The unpaid principal amount of the Loans shall bear interest for each day until due on one or more bases selected by the applicable Borrower from among the interest rate Options set forth below. Subject to the provisions of this Agreement the Borrowers may select different options to apply simultaneously to different Portions of the Loans and may select different Funding Segments to apply simultaneously to different parts of the LIBO Rate Portion of the Loans. The aggregate number of Funding Segments applicable to the LIBO Rate Portion of the Revolving Credit Loans at any time shall not exceed ten without the approval of the Agent.

(i) Base Rate Option: The Base Rate Option shall be a rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) for each day equal to the Base Rate for such day. The "Base Rate" for any day shall mean the greater of (A) the Prime Rate for such day or (B) 0.50% plus the Federal Funds Effective Rate for such day, such interest rate to change automatically from time to time effective as of the effective date of each change in the Prime Rate or the Federal Funds Effective Rate.

(ii) LIBO Rate Option: The LIBO Rate Option shall be a rate per annum (based on a year of 360 days and actual days elapsed) for each day equal to the LIBO Rate for such day plus the Applicable Margin for such day. "LIBO Rate" for any day, as used herein, shall mean for each Funding Segment of the LIBO Rate Portion corresponding to a proposed or existing LIBO Rate Funding Period the rate per annum determined by the Agent by dividing (the resulting quotient to be rounded upward to the nearest 1/100 of 1%) (A) the rate of interest (which shall be the same for each day in such LIBO Rate Funding Period) that is the applicable British Bankers' Association "Interest Settlement Rate" for deposits in Dollars as it appears on the Dow Jones Market Service (formerly known as the Dow Jones Telerate Service) page 3750 (or such other page as may replace page 3750 on that service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying the applicable London interbank offered rate) at approximately 11:00 a.m., London time, two London Business Days prior to the first day of such LIBO Rate Funding Period for delivery on the first day of such LIBO Rate Funding Period in amounts comparable to such Funding Segment and having maturities comparable to such LIBO Rate Funding Period by (B) a number equal to 1.00 minus the LIBO Rate Reserve Percentage.

(iii) "LIBO Rate Reserve Percentage" for any day shall mean the percentage (expressed as a decimal, rounded upward to the nearest 1/100 of 1%), as determined in good faith by the Agent (which determination shall be conclusive absent manifest error), which is in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) representing the maximum reserve requirement (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities") of a member bank in such system. The LIBO Rate shall be adjusted automatically as of the effective date of each change in the LIBO Rate Reserve Percentage. The LIBO Rate Option shall be calculated in accordance with the foregoing whether or not any Lender is actually required to hold reserves in connection with its eurocurrency funding or, if required to hold such reserves, is required to hold reserves at the "LIBO Rate Reserve Percentage" as herein defined.

The Agent shall give prompt notice to the applicable Borrower and to the Lenders of the LIBO Rate determined or adjusted in accordance with the definition of the LIBO Rate, which determination or adjustment shall be conclusive absent manifest error.

(b) Applicable Margin. The "Applicable Margin" for the LIBO Rate Option for any day shall be determined by reference to the Leverage Ratio as determined on such day and shall mean the applicable percentage set forth below:

Leverage Ratio	Applicable Margin
> 2.5	1.50%
> 2.0 and <= 2.5	1.25%
> 1.5 and <= 2.0	1.00%
<= 1.5	0.85%

plus during any period from and including the Expiration Date (as such date may have previously been extended) to but excluding the Maturity Date, the Applicable Margin shall be increased by 0.25% per annum.

The Leverage Ratio used to compute the Applicable Margin shall be the Leverage Ratio set forth in the quarterly compliance certificate most recently delivered by Curtiss-Wright to the Agent. Changes in the Applicable Margin resulting from a change in the Leverage Ratio shall become effective upon delivery by Curtiss-Wright to the Agent of a new quarterly compliance certificate pursuant to Section 6.01(c) of the Long Term Credit Agreement. If Curtiss-Wright shall fail to deliver a quarterly compliance certificate within 60 days after the end of any of its fiscal quarters (or within 90 days, in the case of the last fiscal quarter of its fiscal year), the Applicable Margin from and including the 61st (or 91st, as the case may be) day after the end of such fiscal quarter (or fiscal year, as the case may be) to but not including the date Curtiss-Wright delivers to the Agent a quarterly compliance certificate shall conclusively equal the highest Applicable Margin set forth above.

(c) Funding Periods. At any time when a Borrower shall select, convert to or renew the LIBO Rate Option to apply to any part of the Revolving Credit Loans, the applicable Borrower shall specify one of the following periods (the "Funding Periods") during which the LIBO Rate Option shall apply: One, two, three, six months or twelve months if offered by all of the Lenders in their sole discretion; provided, that:

(i) Each Funding Period shall begin on a London Business Day, and the term "month", when used in connection with a Funding Period, shall be construed in accordance with prevailing practices in the interbank eurodollar market at the commencement of such Funding Period, as determined in good faith by the Agent (which determination shall be conclusive);

(ii) A Borrower may not select a Funding Period that would end after the Maturity Date; and

(iii) A Borrower shall, in selecting any Funding Period, allow for scheduled mandatory payments and foreseeable mandatory prepayments of the Revolving Credit Loans.

(d) Transactional Amounts. Every selection of, conversion from, conversion to or renewal of an interest rate Option and every payment or prepayment of any Loans shall be in a principal amount such that after giving effect thereto the aggregate principal amount of the Base Rate Portion of the Revolving Credit Loans, or the aggregate principal amount of each Funding Segment of the LIBO Rate Portion of the Revolving Credit Loans, shall be as set forth below:

Portion or Funding Segment	Allowable Aggregate Principal Amounts
Base Rate Portion	an integral multiple of 500,000 of US Currency (or, in the case of a prepayment and if less, the then outstanding principal amount of Revolving Credit Loans)
Each Funding Segment of the LIBO Rate Portion	an integral multiple of 1,000,000 of US Currency or the Dollar Equivalent Amount of Other Currency denominated by the applicable Borrower (or, in the case of a prepayment and if less, the then outstanding principal amount of Revolving Credit Loans)

(e) LIBO Rate Unascertainable; Impracticability. If

(i) on any date on which a LIBO Rate would otherwise be set the Agent (in the case of clauses (A) or (B) below) or any Lender (in the case of clause (C) below) shall have determined in good faith (which determination shall be conclusive absent manifest error) that:

(A) adequate and reasonable means do not exist for ascertaining such LIBO Rate,

(B) a contingency has occurred which materially and adversely affects the secondary market for the interbank eurodollar market, or

(C) the effective cost to such Lender of funding a proposed Funding Segment of the LIBO Rate Portion from a Corresponding Source of Funds shall exceed the LIBO Rate applicable to such Funding Segment, or

(ii) at any time any Lender shall have determined in good faith (which determination shall be conclusive absent manifest error) that the making, maintenance or funding of any part of the LIBO Rate Portion has been made impracticable or unlawful by compliance by such Lender or a Notional LIBO Rate Funding Office in good faith with any Law or guideline or interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof or with any request or directive of any such Governmental Authority (whether or not having the force of law);

then, and in any such event, the Agent or such Lender, as the case may be, may notify the Borrowers of such determination (and any Lender giving such notice shall notify the Agent). Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of each of the Lenders to allow the Borrowers to select, convert to or renew the LIBO Rate Option, shall be suspended until the Agent or such Lender, as the case may be, shall have later notified the Borrowers (and any Lender giving such notice shall notify the Agent) of the Agent's or such Lender's determination in good faith (which determination

shall be conclusive absent manifest error) that the circumstance giving rise to such previous determination no longer exist.

If any Lender notifies Curtiss-Wright (either in its capacity as Borrower or as recipient of notice on behalf of any Subsidiary Borrower pursuant to Section 8.05) of a determination under subsection (ii) of this Section 2.04(e), the LIBO Rate Portion of the Revolving Credit Loans of such Lender (the "Affected Lender") shall automatically be converted to the Base Rate Option as of the date specified in such notice (and accrued interest thereon shall be due and payable on such date).

If at the time the Agent or any Lender makes a determination under subsection (i) or (ii) of this Section 2.04(e) any Borrower previously has notified the Agent that it wishes to select, convert to or renew the LIBO Rate Option, with respect to any proposed Revolving Credit Loans but such Revolving Credit Loans have not yet been made, such notification shall be deemed to provide for selection of, conversion to or renewal of the Base Rate Option instead of the LIBO Rate Option with respect to such Revolving Credit Loans or, in the case of a determination by any Lender, such Revolving Credit Loans of such Lender.

(f) Availability of Funds. If at any time any Lender cannot access funds through traditional sources, as determined by such Lender in good faith (which determination shall be conclusive absent manifest error), then the interest rate applicable to such Lender's Pro Rata share of the Loans shall be equal to (i) the Federal Funds Effective Rate then in effect, plus (ii) 1.50%, plus (iii) in the case of a LIBO Rate Portion, the Applicable Margin determined by reference to the Leverage Ratio on such date.

2.05. Conversion or Renewal of Interest Rate Options.

(a) Conversion or Renewal. Subject to the provisions of Sections 2.04(e) and 2.04(f) hereof, unless an Event of Default shall have occurred and be continuing, any Borrower may convert any part of its Revolving Credit Loans from any interest rate Option or Options to one or more different interest rate Options and may renew the LIBO Rate Option as to any Funding Segment of the LIBO Rate Portion:

(i) At any time with respect to conversion from the Base Rate Option; or

(ii) At the expiration of any Funding Period with respect to conversions from or renewals of the LIBO Rate Option, as to the Funding Segment corresponding to such expiring Funding Period.

Whenever a Borrower desires to convert or renew any interest rate Option or Options, such Borrower shall provide to the Agent Standard Notice setting forth the following information:

(w) The date, which shall be a Business Day, on which the proposed conversion or renewal is to be made;

(x) The principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion to be converted from or renewed;

(y) The interest rate Option or Options selected in accordance with Section 2.04(a) hereof and the principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion to be converted; and

(z) With respect to each Funding Segment to be converted to or renewed, the Funding Period selected in accordance with Section 2.04(c) hereof to apply to such Funding Segment.

Standard Notice having been so provided, after the date specified in such Standard Notice, interest shall be calculated upon the principal amount of the Revolving Credit Loans as so converted or renewed. Interest on the principal amount of any part of the Revolving Credit Loans converted or renewed (automatically or otherwise) shall be due and payable on the conversion or renewal date.

(b) Failure to Convert or Renew. Absent due notice from any Borrower of conversion or renewal in the circumstances described in Section 2.05 (a)(ii) hereof, any part of the LIBO Rate Portion for which such notice is not received shall be converted automatically to the Base Rate Option on the last day of the expiring Funding Period; provided, however, that if any LIBO Rate Portion is in an Other Currency, such portion shall be renewed automatically for one month on the last day of the expiring Funding Period.

2.06. Prepayments Generally. Whenever a Borrower desires or is required to prepay any part of its Loans, it shall provide Standard Notice to the Agent setting forth the following information:

(a) In the case of a LIBO Rate Portion, subject to Section 2.09(b), the currency in which such prepayment is to be made;

(b) The date, which shall be a Business Day, on which the proposed prepayment is to be made;

(c) The total principal amount of such prepayment, which shall be the sum of the principal amounts selected pursuant to clause (d) of this Section 2.06; and

(d) The principal amounts selected in accordance with Section 2.04(d) hereof of the Base Rate Portion and each part of each Funding Segment of the LIBO Rate Portion to be prepaid.

Standard Notice having been so provided, on the date specified in such Standard Notice, the principal amounts of the Base Rate Portion and each Funding Segment of the LIBO Rate Portion specified in such notice, together with interest on each such principal amount to such date, shall be due and payable.

2.07. Optional Prepayments. The Borrowers shall have the right at their option from time to time to prepay their Loans in whole or part without premium or penalty (subject, however, to Section 2.10(b) hereof):

(a) At any time with respect to any part of the Base Rate Portion; or

(b) At the expiration of any Funding Period with respect to prepayment of the LIBO Rate Portion with respect to any part of the Funding Segment corresponding to such expiring Funding Period.

Any such prepayment shall be made in accordance with Section 2.06 hereof.

2.08. Interest Payment Dates. Interest on the Base Rate Portion shall be due and payable in arrears on the last day of each month. Interest on each Funding Segment of the LIBO Rate Portion shall be due and payable on the last day of the corresponding LIBO Rate Funding Period and, if such LIBO Rate Funding Period is longer than three months, on each Regular Payment Date. After maturity of any part of the Loans (by acceleration or otherwise), interest on such part of the Loans shall be due and payable on demand.

2.09. Pro Rata Treatment; Payments Generally.

(a) Pro Rata Treatment. Each borrowing and conversion and renewal of interest rate Options hereunder shall be made, and all payments made in respect of principal, interest and Facility Fees due from the Borrowers hereunder or under the Notes shall be applied, Pro Rata from and to each Lender, except for payments of interest involving an Affected Lender as provided in Section 2.04(e) hereof and payments to a Lender under Sections 2.10 or 2.12 hereof. The failure of any Lender to make a Loan shall not relieve any other Lender of its obligation to lend hereunder, but neither the Agent nor any Lender shall be responsible for the failure of any other Lender to make a Loan.

(b) Payments Generally. The parties agree that (i) all payments and prepayments of principal, interest and other amounts in connection with Loans denominated in US Currency and all fees shall be made in US Currency and (ii) all payments of principal, interest and other amounts (other than fees) in connection with Revolving Credit Loans denominated in any Other Currency shall be made in such Other Currency. All payments and prepayments to be made in respect of principal, interest, fees or other amounts due from the Borrowers in US Currency shall be payable by 12:00 noon, New York time, on the day when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue. Except for payments under Sections 2.10 and 8.06, such payments shall be made to the Agent at the Applicable Location in US Currency in funds immediately available at the Applicable Location without setoff, counterclaim or other deduction of any nature. All payments and prepayments to be made in respect of principal, interest, fees or other amounts due from the Borrowers in any Other Currency shall be payable by 12:00 noon, London time, on the day when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue. Except for payments under Sections 2.10 and 8.06, such payments shall be made to the Agent at the Applicable Location in such Other Currency in funds immediately available at the Applicable Location without setoff, counterclaim or other deduction of any nature. Any payment or prepayment received (i) in US Currency by the Agent or such Lender after 12:00 noon, New York time, on any day shall be deemed to have been received on the next succeeding Business Day and (ii) in any Other Currency by the Agent or such Lender after 12:00 noon, London time, on any day shall be deemed to have been received on the next succeeding London Business Day.

The Agent shall distribute to the Lenders all such payments received by it from the Borrowers as promptly as practicable after receipt by the Agent.

(c) Default Interest. To the extent permitted by law, from and after the date on which an Event of Default shall have occurred hereunder, and so long as such Event of Default continues to exist, principal, interest, fees, indemnity, expenses or any other amounts due from the Borrowers hereunder or under any other Loan Document, shall bear interest for each day (before and after judgment), payable on demand, at a rate per annum (in each case based on a year of 360 days and actual days elapsed) which for each day shall be equal to the following:

(i) In the case of any part of LIBO Rate Portion of any Revolving Credit Loans, (A) until the end of the applicable then-current Funding Period at a rate per annum 2% above the rate otherwise applicable to such part, and (B) thereafter in accordance with the following clause (ii); and

(ii) In the case of any other amount due from the Borrowers hereunder or under any Loan Document, 2% above the then-current Base Rate Option.

To the extent permitted by law, interest accrued under this Section 2.09 on any amount shall compound on a day-by-day basis, and hence shall be added daily to the overdue amount to which such interest relates.

2.10. Additional Compensation in Certain Circumstances.

(a) Increased Costs or Reduced Return Resulting From Taxes, Reserves, Capital Adequacy Requirements, Expenses, etc. If any Law or guideline or interpretation or application thereof by any Governmental Authority charged with the interpretation or administration thereof or compliance with any request or directive of any Governmental Authority (whether or not having the force of law) now existing or hereafter adopted:

(i) subjects any Lender or any Notional LIBO Rate Funding Office to any tax or changes the basis of taxation with respect to this Agreement, the Notes, the Loans or payments by the Borrowers of principal, interest, commitment fees or other amounts due from the Borrowers hereunder or under the Notes (except for taxes on the overall net income or overall gross receipts of such Lender or such Notional LIBO Rate Funding Office imposed by the jurisdictions (federal, state and local) in which the Lender's principal office or Notional LIBO Rate Funding Office is located),

(ii) imposes, modifies or deems applicable any reserve, special deposit or similar requirement against credits or commitments to extend credit extended by, assets (funded or contingent) of, deposits with or for the account of, other acquisitions of funds by, such Lender or any Notional LIBO Rate Funding Office (other than requirements expressly included herein in the determination of the LIBO Rate hereunder),

(iii) imposes, modifies or deems applicable any capital adequacy or similar requirement (A) against assets (funded or contingent) of, or credits or commitments to extend credit extended by, any Lender or any Notional LIBO Rate Funding Office, or

(B) otherwise applicable to the obligations of any Lender or any Notional LIBO Rate Funding Office under this Agreement, or

(iv) imposes upon any Lender or any Notional LIBO Rate Funding Office any other condition or expense with respect to this Agreement, the Notes or its making, maintenance or funding of any Loan or any security therefor,

and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon any Lender, any Notional LIBO Rate Funding Office or, in the case of clause (iii) hereof, any Person controlling a Lender, with respect to this Agreement, the Notes or the making, maintenance or funding of any Loan (or, in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on such Lender's or controlling Person's capital, taking into consideration such Lender's or controlling Person's policies with respect to capital adequacy) by an amount which such Lender deems in good faith to be material (such Lender being deemed for this purpose to have made, maintained or funded each Funding Segment of the LIBO Rate Portion from a Corresponding Source of Funds), such Lender may from time to time notify the Borrowers of the amount determined in good faith (using any averaging and attribution methods) by such Lender (which determination shall be conclusive) to be necessary to compensate such Lender or such Notional LIBO Rate Funding Office for such increase, reduction or imposition. Such amount shall be due and payable by the Borrowers to such Lender five Business Days after such notice is given, together with an amount equal to interest on such amount from the date two Business Days after the date demanded until such due date at the Base Rate Option. A certificate by such Lender as to the amount due and payable under this Section 2.10(a) from time to time and the method of calculating such amount shall be conclusive absent manifest error.

(b) Funding Breakage. In addition to all other amounts payable hereunder, if and to the extent for any reason any part of any Funding Segment of any LIBO Rate Portion of the Loans becomes due (by acceleration or otherwise), or is paid, prepaid or converted to another interest rate Option (whether or not such payment, prepayment or conversion is mandatory or automatic and whether or not such payment or prepayment is then due), on a day other than the last day of the corresponding Funding Period or any Loans not being made as LIBO Rate Loans in accordance with the Standard Notice (the date such amount so becomes due, or is so paid, prepaid or converted, or is not made being referred to as the "Funding Breakage Date"), the Borrowers shall pay each Lender an amount ("Funding Breakage Indemnity") determined by such Lender as follows:

(i) first, calculate the following amount: (A) the principal amount of such Funding Segment of the Revolving Credit Loans owing to such Lender which so became due, or which was so paid, prepaid or converted, or not made times (B) the greater of (x) zero or (y) the rate of interest applicable to such principal amount on the Funding Breakage Date minus the Applicable Funding Rate as of the Funding Breakage Date, times (C) the number of days from and including the Funding Breakage Date to but not including the last day of such Funding Period, times (D) 1/360;

(ii) the Funding Breakage Indemnity to be paid by the Borrowers to such Lender shall be the amount equal to the present value as of the Funding Breakage Date

(discounted at the Applicable Funding Rate as of such Funding Breakage Date, and calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) of the amount described in the preceding clause (i) (which amount described in the preceding clause (i) is assumed for purposes of such present value calculation to be payable on the last day of the corresponding Funding Period).

For purposes of this Section, the term "Applicable Funding Rate" shall mean

- (i) in the case of any calculation of a Funding Breakage Indemnity payment with respect to a particular Funding Segment for which the corresponding Funding Period was originally one year or longer, the Federal Funds Effective Rate, and
- (ii) in the case of any calculation of a Funding Breakage Indemnity payment with respect to a Funding Segment for which the corresponding Funding Period was originally less than one year, the LIBO Rate.

Such Funding Breakage Indemnity shall be due and payable on demand, and each Lender shall, upon making such demand, notify the Agent of the amount so demanded. In addition, the Borrowers shall, on the due date for payment of any Funding Breakage Indemnity, pay to such Lender an additional amount equal to interest on such Funding Breakage Indemnity from the Funding Breakage Date to but not including such due date at the Base Rate Option applicable to the Loans (calculated on the basis of a year of 360 days and actual days elapsed).

The amount payable to each Lender under this Section 2.10(b) shall be determined in good faith by such Lender, and such determination shall be conclusive absent manifest error.

2.11. HLT Classification. In the event that after the date hereof the Loans hereunder are classified as a "highly leveraged transaction" (an "HLT Classification") by any Governmental Authority having jurisdiction over any Lender, such Lender may in its discretion from time to time so notify the Agent, and upon receiving such notice the Agent shall promptly give notice of such event to the Borrowers and the Lenders. In such event the parties hereto shall commence negotiations to agree on revised Facility Fees, interest rates and Applicable Margins hereunder. If the parties hereto fail to agree on such matters in their respective absolute discretion within 60 days of the notice given by the Agent referred to above, then the Required Lenders may at any time or from time to time thereafter direct the Agent to (a) by ten Business Days' notice to the Borrowers, terminate any or all of the Commitments, and any such Commitments shall thereupon terminate, or (b) by ten Business Days' notice to the Borrowers, declare the Obligations, together with (without duplication) accrued interest thereon, to be, and the Obligations shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue. The Lenders acknowledge that an HLT Classification is not an Event of Default or Potential Default hereunder.

2.12. Taxes.

(a) Payments Net of Taxes. All payments made by the Borrowers under this Agreement or any other Loan Document shall be made free and clear of, and without reduction or withholding, unless required by Law, for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or

hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all liabilities with respect thereto, excluding

(i) in the case of the Agent and each Lender, income or franchise taxes imposed on the Agent or such Lender by the jurisdiction under the laws of which the Agent or such Lender is organized or any political subdivision or taxing authority thereof or therein or as a result of a connection between such Lender and any jurisdiction other than a connection resulting solely from this Agreement and the transactions contemplated hereby, and

(ii) in the case of each Lender, income or franchise taxes imposed by any jurisdiction in which such Lender's lending offices which make or book Loans are located or any political subdivision or taxing authority thereof or therein

(all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being hereinafter called "Taxes"). If any Taxes are required to be withheld or deducted from any amounts payable to the Agent or any Lender under this Agreement or any other Loan Document, the Borrowers shall pay the relevant amount of such Taxes and the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the other Loan Documents. Whenever any Taxes are paid by the Borrowers with respect to payments made in connection with this Agreement or any other Loan Document, as promptly as possible thereafter, the Borrowers shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrowers showing payment thereof.

(b) Indemnity. The Borrowers hereby indemnify the Agent and each of the Lenders for the full amount of such Taxes and any present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying such Taxes (including any incremental Taxes, interest or penalties that may become payable by the Agent or such Lender as a result of any failure to pay such Taxes but excluding any claims, liabilities or losses with respect to or arising from omissions to pay or delays in payment attributable to the act or omission of the Agent or any Lender), whether or not such Taxes were correctly or legally asserted. Such indemnification shall be made within 30 days from the date such Lender or the Agent, as the case may be, makes written demand therefor.

(c) Withholding and Backup Withholding. Each Lender that is incorporated or organized under the laws of any jurisdiction other than the United States or any state thereof agrees that, on or prior to the date any payment is due to be made to it hereunder or under any other Loan Document, it will furnish to the Borrowers and the Agent

(i) two valid, duly completed copies of United States Internal Revenue Service Form W-8ECI or United States Internal Revenue Form W-8BEN or successor applicable form, as the case may be, certifying in each case that such Lender is entitled to receive payments under this Agreement and the other Loan Documents without deduction or withholding of any United States federal income taxes and

(ii) a valid, duly completed Internal Revenue Service Form W-8 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax.

Each Lender which so delivers to the Borrowers and the Agent a Form W-8BEN and Form W-8, or successor applicable forms agrees to deliver to the Borrowers and the Agent two further copies of the said Form W-8ECI or W-8BEN and Form W-8, or successor applicable forms, or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding tax, or after the occurrence of any event requiring a change in the most recent form previously delivered by it, and such extensions or renewals thereof as may reasonably be requested by the Borrowers and the Agent, certifying in the case of a Form W-8ECI or Form W-8BEN that such Lender is entitled to receive payments under this Agreement or any other Loan Document without deduction or withholding of any United States federal income taxes, unless in any such cases an event (including any changes in Law) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises the Borrowers and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8, establishing an exemption from United States backup withholding tax.

2.13. Funding by Branch, Subsidiary or Affiliate.

(a) Notional Funding. Each Lender shall have the right from time to time, prospectively or retrospectively, without notice to the Borrowers, to deem any branch, subsidiary or affiliate of such Lender to have made, maintained or funded any part of the LIBO Rate Portion at any time. Any branch, subsidiary or affiliate so deemed shall be known as a "Notional LIBO Rate Funding Office". Such Lender shall deem any part of the LIBO Rate Portion of the Revolving Credit Loans or the funding therefor to have been transferred to a different Notional LIBO Rate Funding Office if such transfer would avoid or cure an event or condition described in Section 2.04(e)(ii) hereof or would lessen compensation payable by the Borrowers under Section 2.10(a) hereof, or if such Lender determines in its sole discretion that such transfer would be practicable and would not have a Material Adverse Effect on such part of the Revolving Credit Loans, such Lender or any Notional LIBO Rate Funding Office (it being assumed for purposes of such determination that each part of the LIBO Rate Portion is actually made or maintained by or funded through the corresponding Notional LIBO Rate Funding Office). Notional LIBO Rate Funding Offices may be selected by such Lender without regard to such Lender's actual methods of making, maintaining or funding Revolving Credit Loans or any sources of funding actually used by or available to such Lender.

(b) Actual Funding. Each Lender shall have the right from time to time to make or maintain any part of the LIBO Rate Portion by arranging for a branch, subsidiary or affiliate of such Lender to make or maintain such part of the LIBO Rate Portion. Such Lender shall have the right to (i) hold any applicable Note payable to its order for the benefit and account of such branch, subsidiary or affiliate or (ii) request the Borrowers to issue one or more substitute promissory notes in the principal amount of such LIBO Rate Portion, in substantially the form

attached hereto as Exhibit A, with the blanks appropriately filled, payable to such branch, subsidiary or affiliate and with appropriate changes reflecting that the holder thereof is not obligated to make any additional Loans to the Borrowers; provided, that if a Lender requests the Borrowers to issue one or more substitute promissory notes in accordance with clause (ii) above, the amount of the Note payable to such Lender shall automatically be reduced accordingly. The Borrowers agree to comply promptly with any request under subsection (ii) of this Section 2.13(b). If any applicable Lender causes a branch, subsidiary or affiliate to make or maintain any part of the LIBO Rate Portion hereunder, all terms and conditions of this Agreement shall, except where the context clearly requires otherwise, be applicable to such part of the LIBO Rate Portion and to any note payable to the order of such branch, subsidiary or affiliate to the same extent as if such part of the LIBO Rate Portion were made or maintained and such note were a Revolving Credit Note payable to such Lender's order.

2.14. Extension of Expiration Date. (a) The Revolving Credit Commitment of each of the Lenders shall expire and shall be automatically reduced to zero on the Expiration Date. Not later than 45 days and not sooner than 60 days immediately preceding the Expiration Date then in effect, if Curtiss-Wright wishes the Lenders to extend the Expiration Date to the date which is 364 days after the then effective Expiration Date (or, if such date is not a Business Day, the next preceding Business Day), Curtiss-Wright shall so advise the Agent in writing (an "Extension Request"). The Agent shall thereupon promptly notify each of the Lenders of such Extension Request of Curtiss-Wright. Within 20 days of its receipt of such Extension Request from Curtiss-Wright, the Agent shall notify Curtiss-Wright as to whether the Lenders have agreed so to extend the Expiration Date and, if so, as to any additional or different terms on which such extension is conditioned (the decision to consent to or reject an Extension Request being a new credit determination by each Lender, and the determination of each Lender as to whether to agree to such extension and upon what terms being in the sole, absolute and unconditional discretion of each Lender). If such notice contains any such additional or different terms, Curtiss-Wright shall advise the Agent in writing within 5 days next following receipt of such notice from the Agent as to whether Curtiss-Wright agrees to such terms. If Curtiss-Wright notifies the Agent that it so agrees, or if the Agent's notice that the Lenders have agreed to extend the Expiration Date contains no such additional or different terms, the Expiration Date shall automatically be extended to the date which is 364 days after the then effective Expiration Date (or, if such date is not a Business Day, the next preceding Business Day). If the Agent fails to notify Curtiss-Wright within 20 days of the Agent's receipt of any Extension Request from Curtiss-Wright as specified above as to whether the Lenders have agreed to such Extension Request, the Lenders shall be deemed not to have agreed to such Extension Request.

(b) If (i) any Lender notifies the Agent in writing that it will not consent to such Extension Request or (ii) all of the Lenders have not in writing expressly consented to any such Extension Request as provided in the preceding paragraph, then the Agent shall so notify Curtiss-Wright and Curtiss-Wright, at its option, may (x) withdraw such Extension Request up to 5 days before the then current Expiration Date, or (y) replace each Lender which has not agreed to such Extension Request (a "Nonextending Lender") with another commercial lending institution reasonably satisfactory to the Agent (a "Replacement Lender") by giving notice (not later than the date 20 days prior to the then current Expiration Date) of the name of such Replacement Lender to the Agent; provided, that unless the Required Lenders (including Replacement Lenders) have agreed to such Extension Request on or before the 20th day prior to

such Anniversary Date, such Extension Request shall be automatically withdrawn. Unless the Agent shall object to the identity of such proposed Replacement Lender prior to the date 5 days prior to the then current Expiration Date, upon notice from the Agent, each Nonextending Lender shall promptly (but in no event later than the then current Expiration Date) assign all of its interests hereunder to such Replacement Lender in consideration for an amount equal to such Nonextending Lender's Pro Rata share of the outstanding principal amount of the Revolving Credit Loans, plus accrued but unpaid fees and all other amounts owing to such Nonextending Lender under the Loan Documents, all in accordance with the provisions of Section 8.14(c) hereof. If the Required Lenders agree to such Extension Request in accordance with this Section 2.14, the then current Expiration Date shall be extended in accordance with such Extension Request; provided, however, that with respect to each Nonextending Lender that has not been replaced by Curtiss-Wright in accordance with the terms of this Section 2.14, the Commitment of each such Nonextending Lender shall terminate on the original Expiration Date (as such date may have been previously extended), and the Borrowers shall pay to the Agent for the account of each such Nonextending Lender on or before the then current Expiration Date, such Nonextending Lender's Pro Rata share of the principal of and interest on all outstanding Revolving Credit Loans, plus accrued but unpaid fees and all other amounts owing to such Nonextending Lender under the Loan Documents, and the sum of the aggregate Revolving Credit Committed Amounts shall be irrevocably reduced by an amount equal to the sum of the aggregate Revolving Credit Committed Amounts of all Nonextending Lenders. If all Lenders consent to any such Extension Request (or, if all Nonextending Lenders are replaced in accordance with this Section 2.14), then as of 5:00 p.m. New York time on the then current Expiration Date, such Expiration Date shall be deemed to have been extended for the period requested by Curtiss-Wright in the related Extension Request.

2.15. Special Provisions for Other Currency Revolving Credit Loans.

(a) Dollar Equivalent Amounts.

(i) Calculation of Dollar Equivalent Amounts. Upon each making and upon each payment with respect to a Revolving Credit Loan denominated in an Other Currency, the Agent shall calculate the Dollar Equivalent Amount of such Revolving Credit Loan, as the case may be, and shall provide written confirmation to the Lenders.

(ii) Recalculation of Dollar Equivalent Amounts. In determining the Dollar Equivalent Amount of the aggregate Revolving Credit Loans of the Lenders, the Agent may use the respective Dollar Equivalent Amounts for the Revolving Credit Loans pursuant to paragraph (i) of this subsection (a), unless such Dollar Equivalent Amount so calculated exceeds 90% of the sum of the aggregate Revolving Credit Committed Amounts, in which case the Agent shall recalculate the Dollar Equivalent Amount of the Revolving Credit Loans outstanding no less frequently than once each week. The Agent may recalculate the Dollar Equivalent Amounts of each of the Revolving Credit Loans as frequently as it determines to do so in its discretion; provided, that such recalculation shall be made for all of the Revolving Credit Loans no less frequently than once each week during any period when the aggregate Dollar Equivalent Amount of the aggregate Credit Exposure of the Lenders exceeds 90% of the sum of the aggregate Revolving

Credit Committed Amounts. The Dollar Equivalent Amount so determined shall become effective on the first Business Day immediately following the relevant calculation date.

(b) Unavailability.

(i) General. If, in the reasonable judgment of the Agent, any Other Currency ceases to be available and freely tradable in the London foreign exchange market, such Other Currency shall cease to be an Other Currency. The Agent shall give prompt notice to the Borrowers and the Lenders of such event. In the event that (A) the Agent has determined that an Other Currency has ceased to be available and freely tradable in the London foreign exchange market and (B) the Agent has determined in good faith that such Other Currency is not otherwise available to the Borrowers, then, on the date any Revolving Credit Loan denominated in such Other Currency would become due under the terms of this Agreement (other than as a result of an optional prepayment under Section 2.07 or of the acceleration of such Revolving Credit Loans under Section 8.02), the Borrowers shall repay such Revolving Credit Loans by paying to each Lender an amount in Dollars equal to the amount determined in good faith by such Lender (which determination shall be conclusive absent manifest error) necessary to compensate such Lender for the principal of and accrued interest on such Revolving Credit Loans and any additional cost, expense or loss incurred by such Lender as a result of such Revolving Credit Loans being repaid in Dollars (rather than in the denominated Other Currency).

(c) Notification of Request. If any Borrower requests a Revolving Credit Loan be made in an Other Currency, or if pursuant to any conversion or renewal of a LIBO Rate Portion any Borrower elects to continue any LIBO Rate Portion denominated in an Other Currency, the Agent shall in the notice given to the Lenders pursuant to Section 2.03, give details of such request or election including, as the case may be, the aggregate principal amount of the LIBO Rate Portion in such Other Currency to be made by each Lender pursuant to the terms of this Agreement or the aggregate principal amount of such LIBO Rate Loans to be continued by each Lender pursuant to the terms of this Agreement.

(d) Availability. Each Lender shall be treated as having confirmed that the Other Currency requested, or elected by such Borrower to be continued, is Available to it unless no later than 12:00 noon (New York City time) two Business Days prior to the day such Revolving Credit Loans are proposed to be made, or the proposed continuation, it shall have notified the Agent that such Other Currency is not Available.

(e) Notification of Availability. In the event the Agent has received notification from any of the Lenders that the Other Currency requested or elected by such Borrower to be continued is not Available, then the Agent shall notify Curtiss-Wright and the Lenders thereof no later than 2:00 p.m. (New York City time) two Business Days prior to the day such Revolving Credit Loans are proposed to be made or of such proposed continuation.

(f) Consequences of Unavailability. If the Agent notifies Curtiss Wright pursuant to clause (e) above that any of the Lenders has notified the Agent that the Other Currency requested or elected by a Borrower to be continued is not Available, such notification shall (i) in the case of any request to make Revolving Credit Loans, revoke such request and (ii) in the case of any

notice of conversion or renewal, result in the LIBO Rate Portion denominated in such Other Currency being automatically converted into a LIBO Rate Portion denominated in Dollars for a one month interest period on the last day of the then-current interest period with respect to such LIBO Rate Portion denominated in such Other Currency.

(g) Adoption of Euro. If and to the extent that, following the Closing Date, any state that is not a participating member state of the European Union that has adopted the Euro as its currency (a "Non-Participant State") adopts the Euro as its currency, the following provisions shall apply in relation to such Non-Participant State (and the currency of such Non-Participant State):

(i) All amounts denominated in the currency of such Non-Participant State prior to its adoption of the Euro (the "National Currency Unit") shall be redenominated into Euros in accordance with applicable legislation and paid by the debtor either in Euros or in that National Currency Unit and all amounts denominated in Euros shall be paid by the debtor in Euros unless applicable legislation provides otherwise; provided, that if and to the extent that applicable legislation provides that an amount denominated either in the Euro or in the National Currency Unit of such Non-Participant State and payable within such Non-Participant State by crediting an account of the creditor can be paid by the debtor either in Euros or in that National Currency Unit, any party to this Agreement shall be entitled to pay or repay any such amount either in Euros or in such National Currency Unit.

(ii) If the basis of accrual of interest or fees expressed in this Agreement with respect to the National Currency Unit of such Non-Participant State shall be inconsistent with any convention or practice in the London, England interbank market for the basis of accrual of interest or fees in respect of the Euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such Non-Participant State adopts the Euro as its currency.

(iii) Without prejudice to the respective liabilities of each Borrower to the Lenders and the Agents under or pursuant to this Agreement, except as expressly provided in this clause (iii), each provision of this Agreement shall be subject to such reasonable changes of construction as the Agent in consultation with Curtiss-Wright may from time to time specify to be necessary or appropriate to reflect the introduction of or changeover to the Euro in such Non-Participant State.

2.16. Joint and Several Liability. All of the Borrowers hereby acknowledge, covenant and agree that all Obligations, liabilities and covenants made, incurred and undertaken by them under this Agreement and the other Loan Documents, including, without limitation, all obligations to pay principal, interest, fees and expenses, are on a joint and several basis.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.01. Incorporation by Reference. The representations and warranties contained in the Long Term Credit Agreement and the defined terms used therein are incorporated herein by

reference as if set forth in full. The Borrowers hereby represent and warrant to the Agent and each Lender that such representations and warranties of the Borrowers contained therein are true and correct.

ARTICLE IV CONDITIONS OF LENDING

4.01. Conditions to Making of Initial Loans. The obligation of each Lender to make Loans on the Closing Date is subject to the satisfaction, immediately prior to or concurrently with the making of such Loan of the following conditions precedent, in addition to the conditions precedent set forth in

Section 4.02 hereof:

(a) Agreement; Notes. The Agent shall have received an executed counterpart of this Agreement for each Lender, duly executed by each Borrower, and an executed Revolving Credit Note for each Lender, conforming to the requirements hereof, duly executed on behalf of each Borrower.

(b) Opinion of Counsel. There shall have been delivered to the Agent an opinion of counsel of each Borrower, dated the Closing Date in substantially the form attached hereto as Exhibit B.

(c) No Default. On the Closing Date, no Potential Default or Event of Default shall have occurred or be continuing.

(d) Representations and Warranties. On the Closing Date, all representations and warranties of each Borrower contained herein or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

(e) Proceedings. The Agent shall have received, with a counterpart for each Lender, certificates by the Secretary or Assistant Secretary of each Borrower dated as of the Closing Date as to (i) true copies of the articles of incorporation and by-laws (or other constituent documents) of each Borrower in effect on such date, (ii) true copies of all corporate or other action taken by each Borrower relative to this Agreement and the other Loan Documents and (iii) the incumbency and signature of the respective officers of each Borrower executing this Agreement and the other Loan Documents to which each Borrower is a party, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary. The Agent shall have received, with a copy for each Lender, certificates from the appropriate Secretaries of State or other applicable Governmental Authorities dated not more than 30 days before the Closing Date showing the good standing of each Borrower in its state of organization (where applicable).

(f) Financial Statements. The Agent shall have received, with a counterpart for each Lender, copies of the consolidated financial statements referred to in Section 4.05 of the Long Term Credit Agreement.

(g) Fees, Expenses, etc. All fees and other compensation required to be paid to the Agent or the Lenders pursuant hereto or pursuant to any other written agreement on or prior to the Closing Date shall have been paid or received.

(h) Financial Forecast. The Agent shall have received the five-year financial forecast of Curtiss-Wright, including balance sheets, income statements and cash flow statements, and shall have determined, in its absolute discretion, that the five-year forecast is satisfactory.

(i) Environmental Reports. The Agent shall have received appropriate environmental reports with respect to the properties of Curtiss-Wright and its Subsidiaries, in form and substance satisfactory to the Agent, and shall have determined in its absolute discretion that such reports are satisfactory.

(j) Material Adverse Change. No material adverse change in the assets, business, condition (financial or otherwise), operations or prospects of Curtiss-Wright and its consolidated Subsidiaries considered as a whole has occurred since December 31, 2001.

(k) No Litigation. There shall be no actions, suits, arbitration proceedings or other proceedings pending or, to the knowledge of any Borrower, threatened against or affecting any Borrower, or any properties or rights of any Borrower which, if determined adversely to any Borrower, would have a Material Adverse Effect, or which seeks to challenge or prevent or declare illegal the transactions contemplated by this Agreement or any of the Loan Documents.

(l) Additional Matters. The Agent shall have received such other certificates, opinions, documents and instruments as may be requested by any Lender. All corporate and other proceedings, and all documents, instruments and other matters in connection with the transactions contemplated by this Agreement and the other Loan Documents shall be satisfactory in form and substance to the Agent, each Lender and their counsel. The Agent, each Lender and their counsel shall have received all such counterpart originals or certified or other copies of such documents as the Agent or such counsel shall reasonably request.

(m) Original Credit Agreements. The Original Credit Agreements shall have been terminated and shall be of no further force and effect, and all amounts outstanding thereunder shall have been paid in full.

(n) Guarantees. The Agent shall have received (i) a Guaranty and Suretyship Agreement in substantially the form of Exhibit D hereto (the "Curtiss-Wright Guaranty"), duly executed by Curtiss-Wright and (ii) a Guaranty and Suretyship Agreement in substantially the form of Exhibit E hereto (each a "Subsidiary Guaranty" and collectively the "Subsidiary Guarantees"), duly executed by each Subsidiary Borrower and each Significant Subsidiary.

4.02. Conditions to All Loans. The obligation of each Lender to make any Loan (including the initial Loans) is subject to performance by each Borrower of its obligations to be performed hereunder or under the other Loan Documents on or before the date of such Loan, satisfaction of the conditions precedent set forth herein and in the other Loan Documents and satisfaction of the following further conditions precedent:

(a) Notice. Appropriate notice of such Loan shall have been given by the applicable Borrower as provided in Article II hereof.

(b) Representations and Warranties. On the date of the making of such Loan, all representations and warranties of each Borrower contained herein or otherwise made in writing

in connection herewith shall be true and correct (except with respect to representations and warranties which specifically refer to an earlier date, which shall be true and correct in all material respects as of such earlier date) with the same force and effect as though such representations and warranties had been made on and as of such time.

(c) No Defaults. No Event of Default or Potential Default shall have occurred and be continuing on such date or after giving effect to the Loans requested to be made on such date.

(d) No Violations of Law, etc. Neither the making nor use of the Loans shall cause any Lender to violate or conflict with any Law.

Each request by any Borrower for any Loan (including the initial Loans) shall constitute a representation and warranty by such Borrower that the conditions set forth in this Section 4.02 have been satisfied as of the date of such request. Failure of the Agent to receive notice from the applicable Borrower to the contrary before such Loan is made shall constitute a further representation and warranty by such Borrower that the conditions referred to in this Section 4.02 have been satisfied as of the date such Loan is made.

ARTICLE V COVENANTS

5.01. Incorporation by Reference. Each of the covenants set forth in Article VI and Article VII of the Long Term Credit Agreement and the defined terms used therein, each as in effect on the date hereof, are hereby incorporated by reference as if set forth in full in this Agreement. Any modifications or amendments to this Article V shall be made in accordance with Section 8.03 hereof.

ARTICLE VI EVENTS OF DEFAULT

6.01. Events of Default. An Event of Default shall mean the occurrence or existence of one or more of the following events or conditions (for any reason, whether voluntary, involuntary or effected or required by Law):

(a) Any Borrower shall fail to pay when due principal of any Loan.

(b) Any Borrower shall fail to pay when due interest on any Loan, or any fees, indemnity or expenses, or any other amount due hereunder or under any other Loan Document and such failure shall have continued for a period of five days.

(c) Any representation or warranty made or deemed made by any Borrower in or pursuant to any Loan Document or in any certificate delivered thereunder, or any statement made by any Borrower in any financial statement, certificate, report, exhibit or document furnished by any Borrower to either the Agent or any Lender pursuant to or in connection with any Loan Document, shall prove to have been false or misleading in any material respect as of the time when made or deemed made (including by omission of material information necessary to make such representation, warranty or statement not misleading).

(d) An Event of Default shall have occurred and be continuing under the Long Term Credit Agreement.

(e) (i) Any Borrower shall fail to perform or observe any term, condition or covenant of any bond, note, debenture, loan agreement, indenture, guaranty, trust agreement, mortgage or similar instrument (other than a non-recourse obligation) to which any Borrower is a party or by which it is bound, or to which any of its properties or assets is subject (a "Debt Instrument"), so that, as a result of any such failure to perform, the Indebtedness included therein or secured or covered thereby may at the time be declared due and payable prior to the date on which such Indebtedness would otherwise become due and payable; or

(ii) any event or condition referred to in any Debt Instrument shall occur or fail to occur, so that, as a result thereof, the Indebtedness included therein or secured or covered thereby may at such time be declared due and payable prior to the date on which such Indebtedness would otherwise become due and payable; or (iii) any Borrower shall fail to pay any Indebtedness when due, pursuant to demand under any Debt Instrument or otherwise; provided, however, that each of clauses (i), (ii) and (iii) above shall be subject to any applicable grace period provided in the relevant Debt Instrument; and provided, further, that the provisions of this Section 6.01(e) shall be applicable only if the aggregate principal amount of such Indebtedness exceeds \$5,000,000.

(f) One or more final judgments for the payment of money shall have been entered against any Borrower, which judgment or judgments exceed \$5,000,000 in the aggregate, and such judgment or judgments shall have remained undischarged, in effect, and unstayed or unbonded for a period of thirty consecutive days.

(g) One or more writs or warrants of attachment, garnishment, execution, distraint or similar process exceeding in value the aggregate amount of \$5,000,000 shall have been issued against any Borrower or any of its properties and shall have remained undischarged, in effect and unstayed or unbonded for a period of thirty consecutive days.

(h) A Change of Control shall have occurred.

(i) This Agreement or any Loan Document or term or provision hereof or thereof shall cease to be in full force and effect, or any Borrower shall, or shall purport to, terminate (other than termination in accordance with the last sentence of Section 2.02(b) hereof), repudiate, declare voidable or void or otherwise contest, this Agreement or any Loan Document or term or provision hereof or thereof or any obligation or liability of any Borrower hereunder or thereunder.

(j) Any one or more Termination Events (as defined in the Long Term Credit Agreement) shall have occurred.

(k) A proceeding shall have been instituted in respect of any Borrower or any Subsidiary of any Borrower:

(i) seeking to have an order for relief entered in respect of such Person, or seeking a declaration or entailing a finding that such Person is insolvent or a similar declaration or finding, or seeking dissolution, winding-up, charter revocation or forfeiture, liquidation, reorganization, arrangement, adjustment, composition or other

similar relief with respect to such Person, its assets or its debts under any Law relating to bankruptcy, insolvency, relief of debtors or protection of creditors, termination of legal entities or any other similar Law now or hereafter in effect, or

(ii) seeking appointment of a receiver, trustee, liquidator, assignee, sequestrator or other custodian for such Person or for all or any substantial part of its property,

and such proceeding shall result in the entry, making or grant of any such order for relief, declaration, finding, relief or appointment, or such proceeding shall remain undismissed, unstayed and unbonded for a period of sixty consecutive days.

(l) Any Borrower or any Subsidiary of any Borrower shall become insolvent; shall fail to pay, become unable to pay, or state that it is or will be unable to pay, its debts as they become due; shall voluntarily suspend transaction of its business; shall make a general assignment for the benefit of creditors; shall institute (or fail to controvert in a timely and appropriate manner) a proceeding described in Section 6.01(k)(i) hereof, or (whether or not any such proceeding has been instituted) shall consent to or acquiesce in any such order for relief, declaration, finding or relief described therein; shall institute (or fail to controvert in a timely and appropriate manner) a proceeding described in Section 6.01(k)(ii) hereof, or (whether or not any such proceeding has been instituted) shall consent to or acquiesce in any such appointment or to the taking of possession by any such custodian of all or any substantial part of its property; shall dissolve, wind-up, revoke or forfeit its charter (or other constituent documents) or liquidate itself or any substantial part of its property; or shall take any action in furtherance of any of the foregoing.

(m) Any consent, approval or other action by any Governmental Authority that is necessary for the valid execution, delivery or performance by the Borrowers of this Agreement ceases to be in full force and effect and the cessation of such consent, approval or other action could reasonably be expected to have a Material Adverse Effect.

(n) Curtiss-Wright shall cease to own, beneficially or of record, directly or indirectly, 100% of the issued and outstanding shares of capital stock of any Significant Subsidiary or any other Subsidiary Borrower.

6.02. Consequences of an Event of Default.

(a) If an Event of Default specified in subsections (a) through (j), (m) or (n) of Section 6.01 hereof shall occur and be continuing or shall exist, then, in addition to all other rights and remedies which the Agent or any Lender may have hereunder or under any other Loan Document, at law, in equity or otherwise, the Lenders shall be under no further obligation to make Loans hereunder and the Agent, upon the written request of the Required Lenders shall, by notice to the Borrowers, from time to time do any or all of the following:

(i) Declare the Revolving Credit Commitments terminated, whereupon the Commitments will terminate and any fees accrued but unpaid hereunder shall be immediately due and payable without presentment, demand, protest or further notice of

any kind, all of which are hereby waived, and an action therefor shall immediately accrue.

(ii) Declare the unpaid principal amount of the Loans, interest accrued thereon and all other Obligations to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue.

(b) If an Event of Default specified in subsection (k) or (l) of Section 6.01 hereof shall occur or exist, then, in addition to all other rights and remedies which the Agent or any Lender may have hereunder or under any other Loan Document, at law, in equity or otherwise, the Revolving Credit Commitments shall automatically terminate and the Lenders shall be under no further obligation to make Loans and the unpaid principal amount of the Loans and interest accrued thereon and all other Obligations shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue.

6.03. Judgment Currency. If any Lender or the Agent obtains a judgment against any Borrower in an Other Currency, the obligations of such Borrower in respect of any sum adjudged to be due to such Lender or the Agent hereunder or under the Revolving Credit Notes (the "Judgment Amount") shall be discharged only to the extent that, on the Business Day following receipt by such Lender or the Agent of the Judgment Amount in such Other Currency, such Lender or Agent, in accordance with normal banking procedures, purchases Dollars with the Judgment Amount in such Other Currency. If the amount of Dollars so purchased is less than the amount of Dollars that could have been purchased with the Judgment Amount on the date or dates the Judgment Amount was originally due and owing to the Lenders or the Agent hereunder or under the Revolving Credit Notes (the "Original Due Date") (excluding the portion of the Judgment Amount which has accrued as a result of the failure of any Borrower to pay the sum originally due hereunder or under the Revolving Credit Notes when it was originally due hereunder or under the Revolving Credit Notes) (the "Loss"), the Borrowers agree to indemnify such Lender or the Agent, as the case may be, against the Loss, and if the amount of Dollars so purchased exceeds the amount of Dollars that could have been purchased with the Judgment Amount on the Original Due Date, such Lender or the Agent agrees to remit such excess to the applicable Borrower.

ARTICLE VII THE AGENT

7.01. Appointment. Each Lender hereby irrevocably appoints Scotia Capital to act as Agent for such Lender under this Agreement and the other Loan Documents. Each Lender hereby irrevocably authorizes the Agent to take such action on behalf of such Lender under the provisions of this Agreement and the other Loan Documents, and to exercise such powers and to perform such duties, as are expressly delegated to or required of the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto. Scotia Capital hereby agrees to act as Agent on behalf of the Lenders on the terms and conditions set forth in this Agreement and the other Loan Documents, subject to its right to resign as provided in Section 7.10 hereof. Each Lender hereby irrevocably authorizes the Agent to execute and deliver

each of the Loan Documents and to accept delivery of such of the other Loan Documents as may not require execution by the Agent. Each Lender agrees that the rights and remedies granted to the Agent under the Loan Documents shall be exercised exclusively by the Agent, and that no Lender shall have any right individually to exercise any such right or remedy, except to the extent expressly provided herein or therein.

7.02. General Nature of Agent's Duties. Notwithstanding anything to the contrary elsewhere in this Agreement or in any other Loan Document:

(a) The Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and no implied duties or responsibilities on the part of the Agent shall be read into this Agreement or any Loan Document or shall otherwise exist; provided, however, that nothing contained in this Article VII shall affect the express duties and responsibilities of the Agent to the Borrowers under this Agreement and the other Loan Documents.

(b) The duties and responsibilities of the Agent under this Agreement and the other Loan Documents shall be mechanical and administrative in nature, and the Agent shall not have a fiduciary relationship in respect of any Lender.

(c) The Agent is and shall be solely the agent of the Lenders. The Agent does not assume, and shall not at any time be deemed to have, any relationship of agency or trust with or for, or any other duty or responsibility to, the Borrowers or any other Person (except only for its relationship as agent for the Lenders, and its express duties and responsibilities to the Lenders and the Borrowers, as provided in this Agreement and the other Loan Documents).

(d) The Agent shall be under no obligation to take any action hereunder or under any other Loan Document if the Agent believes in good faith that taking such action may conflict with any Law or any provision of this Agreement or any other Loan Document, or may require the Agent to qualify to do business in any jurisdiction where it is not then so qualified.

7.03. Exercise of Powers. The Agent shall take any action of the type specified in this Agreement or any other Loan Document as being within the Agent's rights, powers or discretion in accordance with directions from the Required Lenders (or, to the extent this Agreement or such Loan Document expressly requires the direction or consent of some other Person or set of Persons, then instead in accordance with the directions of such other Person or set of Persons). In the absence of such directions, the Agent shall have the authority (but under no circumstances shall be obligated), in its sole discretion, to take any such action, except to the extent this Agreement or such Loan Document expressly requires the direction or consent of the Required Lenders (or some other Person or set of Persons), in which case the Agent shall not take such action absent such direction or consent. Any action or inaction pursuant to such direction, discretion or consent shall be binding on all the Lenders. Subject to Section 7.04(a) hereof, the Agent shall not have any liability to any Person as a result of (x) the Agent acting or refraining from acting in accordance with the directions of the Required Lenders (or other applicable Person or set of Persons), (y) the Agent refraining from acting in the absence of instructions to act from the Required Lenders (or other applicable Person or set of Persons), whether or not the

Agent has discretionary power to take such action, or (z) the Agent taking discretionary action it is authorized to take under this Section 7.03.

7.04. General Exculpatory Provisions. Notwithstanding anything to the contrary elsewhere in this Agreement or any other Loan Document:

(a) The Agent shall not be liable for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Loan Document, unless caused by its own gross negligence or willful misconduct.

(b) The Agent shall not be responsible for (i) the execution, delivery, effectiveness, enforceability, genuineness, validity or adequacy of this Agreement or any other Loan Document, (ii) any recital, representation, warranty, document, certificate, report or statement in, provided for in, or received under or in connection with, this Agreement or any other Loan Document, or (iii) any failure of any Lender to perform any of its obligations under this Agreement or any other Loan Document.

(c) The Agent shall not be under any obligation to ascertain, inquire or give any notice relating to (i) the performance or observance of any of the terms or conditions of this Agreement or any other Loan Document on the part of the Borrowers or their respective Subsidiaries, (ii) the business, operations, condition (financial or otherwise) or prospects of the Borrowers or their respective Subsidiaries, or any other Person, or (iii) except to the extent set forth in Section 7.05(f) hereof, the existence of any Event of Default or Potential Default.

(d) The Agent shall not be under any obligation, either initially or on a continuing basis, to provide any Lender with any notices, reports or information of any nature, whether in its possession presently or hereafter, except for such notices, reports and other information expressly required by this Agreement or any other Loan Document to be furnished by the Agent to such Lender.

7.05. Administration by the Agent.

(a) The Agent may rely upon any notice or other communication of any nature (written or oral, including but not limited to telephone conversations, whether or not such notice or other communication is made in a manner permitted or required by this Agreement or any Loan Document) purportedly made by or on behalf of the proper party or parties, and the Agent shall not have any duty to verify the identity or authority of any Person giving such notice or other communication.

(b) The Agent may consult with legal counsel (including, without limitation, in-house counsel for the Agent or in-house or other counsel for any Borrower), independent public accountants and any other experts selected by it from time to time, and the Agent shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts.

(c) The Agent may conclusively rely upon the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Agent in accordance with the requirements of this Agreement or any other Loan Document. Whenever

the Agent shall deem it necessary or desirable that a matter be proved or established with respect to any Borrower or any Lender, such matter may be established by a certificate of the applicable Borrower or such Lender, as the case may be, and the Agent may conclusively rely upon such certificate (unless other evidence with respect to such matter is specifically prescribed in this Agreement or another Loan Document).

(d) The Agent may fail or refuse to take any action unless it shall be indemnified to its satisfaction from time to time against any and all amounts, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature which may be imposed on, incurred by or asserted against the Agent by reason of taking or continuing to take any such action.

(e) The Agent may perform any of its duties under this Agreement or any other Loan Document by or through agents or attorneys-in-fact. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in fact selected and supervised by it with reasonable care.

(f) The Agent shall not be deemed to have any knowledge or notice of the occurrence of any Event of Default or Potential Default unless the Agent has received notice from a Lender or any Borrower referring to this Agreement, describing such Event of Default or Potential Default. If the Agent receives such a notice, the Agent shall give prompt notice thereof to each Lender.

7.06. Lender Not Relying on Agent or Other Lenders. Each Lender acknowledges as follows: (a) neither the Agent nor any other Lender has made any representations or warranties to such Lender, and no act taken hereafter by the Agent or any other Lender shall be deemed to constitute any representation or warranty by the Agent or such other Lender to it; (b) such Lender has, independently and without reliance upon the Agent or any other Lender, and based upon such documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the other Loan Documents; and (c) such Lender will, independently and without reliance upon the Agent or any other Lender, and based upon such documents and information as it shall deem appropriate at the time, make its own decisions to take or not take action under or in connection with this Agreement and the other Loan Documents.

7.07. Indemnification. Each Lender agrees to reimburse and indemnify the Agent and its directors, officers, employees and agents (to the extent not reimbursed by the Borrowers and without limitation of the obligations of the Borrowers to do so), Pro Rata, from and against any and all amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature (including, without limitation, the fees and disbursements of counsel for the Agent or such other Person in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not the Agent or such other Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Agent or such other Person as a result of, or arising out of, or in any way related to or by reason of, this Agreement, any other Loan Document, any transaction from time to time contemplated hereby or thereby, or any transaction financed in whole or in part or directly or indirectly with the proceeds of any Loan, provided, that no Lender

shall be liable for any portion of such amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting solely from the gross negligence or willful misconduct of the Agent or such other Person, as finally determined by a court of competent jurisdiction. Payments under this Section 7.07 shall be due and payable on demand, and to the extent that any Lender fails to pay any such amount on demand, such amount shall bear interest for each day from the date of demand until paid (before and after judgment) at a rate per annum (calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) which for each day shall be equal to the Prime Rate.

7.08. Agent in its Individual Capacity. With respect to the Commitments and the Obligations owing to the Agent, the Agent shall have the same rights and powers under this Agreement and each other Loan Document as any other Lender and may exercise the same as though it were not the Agent, and the terms "Lenders," "holders of Notes" and like terms shall include the Agent in its individual capacity as such. The Agent and its affiliates may, without liability to account, make loans to, accept deposits from, acquire debt or equity interests in, act as trustee under indentures of, and engage in any other business with, any Borrower and any stockholder, subsidiary or affiliate of any Borrower, as though the Agent were not the Agent hereunder.

7.09. Holders of Notes. The Agent may deem and treat the Lender which is payee of a Note as the owner and holder of such Note for all purposes hereof unless and until a Transfer Supplement with respect to the assignment or transfer thereof shall have been filed with the Agent in accordance with Section 8.14 hereof. Any authority, direction or consent of any Person who at the time of giving such authority, direction or consent is shown in the Register as being a Lender shall be conclusive and binding on each present and subsequent holder, transferee or assignee of any Note or Notes payable to such Lender or of any Note or Notes issued in exchange therefor.

7.10. Successor Agent. The Agent may resign at any time by giving 10 days' prior written notice thereof to the Lenders and the Borrowers. The Agent may be removed by the Required Lenders, without cause, at any time by giving 10 days' prior written notice thereof to the Agent, the other Lenders and the Borrowers. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed and consented to, and shall have accepted such appointment, within 30 days after such notice of resignation or removal, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent. Each successor Agent shall be a commercial bank or trust company organized or licensed under the laws of the United States of America or any State thereof and having a combined capital and surplus of at least \$1,000,000,000. Upon the acceptance by a successor Agent of its appointment as Agent hereunder, such successor Agent shall thereupon succeed to and become vested with all the properties, rights, powers, privileges and duties of the former Agent, without further act, deed or conveyance. Upon the effective date of resignation or removal of a retiring Agent, such Agent shall be discharged from its duties under this Agreement and the other Loan Documents, but the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted by it while it was Agent under this Agreement. If and so long as no successor Agent shall have been appointed, then any notice or other communication required or permitted to be given by the Agent shall be sufficiently given if given by the Required Lenders, all notices or other communications required or permitted to be

given to the Agent shall be given to each Lender, and all payments to be made to the Agent shall be made directly to such Borrower or Lender for whose account such payment is made.

7.11. Additional Agents. If the Agent shall from time to time deem it necessary or advisable, for its own protection in the performance of its duties hereunder or in the interest of the Lenders and if the Borrowers and the Required Lenders shall consent (which consent shall not be unreasonably withheld), the Agent and the Borrowers shall execute and deliver a supplemental agreement and all other instruments and agreements necessary or advisable, in the opinion of the Agent, to constitute another commercial bank or trust company, or one or more other Persons approved by the Agent, to act as co-Agent, with such powers of the Agent as may be provided in such supplemental agreement, and to vest in such bank, trust company or Person as such co-Agent or separate agent, as the case may be, any properties, rights, powers, privileges and duties of the Agent under this Agreement or any other Loan Document.

7.12. Calculations. The Agent shall not be liable for any calculation, apportionment or distribution of payments made by it in good faith. If such calculation, apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Lender to whom payment was due but not made shall be to recover from the other Lenders any payment in excess of the amount to which they are determined to be entitled.

7.13. Agent's Fee. Curtiss-Wright agrees to pay to the Agent, for its individual account, the Agent's fees in the amounts set forth in the Short Term Facility Fee Letter by and between Curtiss-Wright and Scotia Capital (or one of its affiliates) dated March 28, 2002.

7.14. Funding by Agent. Unless the Agent shall have been notified in writing by any Lender not later than the close of business on the day before the day on which Loans are requested by any Borrower to be made that such Lender will not make its Pro Rata share of such Loans, the Agent may assume that such Lender will make its Pro Rata share of the Loans, and in reliance upon such assumption the Agent may (but in no circumstances shall be required to) make available to any Borrower a corresponding amount. If and to the extent that any Lender fails to make such payment to the Agent on such date, such Lender shall pay such amount on demand (or, if such Lender fails to pay such amount on demand, the applicable Borrower shall pay such amount on demand), together with interest, for the Agent's own account, for each day from and including the date of the Agent's payment to and including the date of repayment to the Agent (before and after judgment) at the rate per annum applicable to such Loans. All payments to the Agent under this Section shall be made to the Agent at its Office in Dollars in funds immediately available at such Office, without set-off, withholding, counterclaim or other deduction of any nature.

7.15. Syndication Agent and Documentation Agent. The titles "Syndication Agent" and "Documentation Agent" given to certain Lenders named on the cover page of this Agreement are purely honorific, and no Syndication Agent or Documentation Agent, as the case may be, in its capacity as such, shall have any liabilities, duties or responsibilities hereunder.

ARTICLE VIII MISCELLANEOUS

8.01. Holidays. Whenever any payment or action to be made or taken hereunder or under any other Loan Document shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

8.02. Records. The unpaid principal amount of the Loans owing to each Lender, the unpaid interest accrued thereon, the interest rate or rates applicable to such unpaid principal amount, the duration of such applicability, each Lender's Revolving Credit Committed Amount and the accrued and unpaid Facility Fees shall at all times be ascertained from the records of the Agent, which shall be conclusive absent manifest error.

8.03. Amendments and Waivers. Neither this Agreement nor any Loan Document may be amended, modified or supplemented except in accordance with the provisions of this Section. The Required Lenders and the Borrowers may from time to time amend, modify or supplement the provisions of this Agreement or any other Loan Document for the purpose of amending, adding to, or waiving any provisions or changing in any manner the rights and duties of the Borrowers, the Agent or any Lender. Any such amendment, modification or supplement made in accordance with the provisions of this Section shall be binding upon the Borrowers, each Lender and the Agent. The Agent shall enter into such amendments, modifications or supplements from time to time as directed by the Required Lenders, and only as so directed; provided, that no such amendment, modification or supplement may be made which will:

(a) increase the Revolving Credit Committed Amount of any Lender over the amount thereof then in effect, extend the Expiration Date, or extend the Maturity Date, without the written consent of each Lender affected thereby;

(b) reduce the principal amount of or extend the time for any payment of any Loan, or reduce the amount of or rate of interest or extend the time for payment of interest borne by any Loan or extend the time for payment of or reduce the amount of any Facility Fee or reduce or postpone the date for payment of any other fees, expenses, indemnities or amounts payable under any Loan Document, without the written consent of each Lender affected thereby;

(c) change the definition of "Required Lenders", amend this Section 8.03 or any other provision in this Agreement which expressly requires the unanimous written consent of all the Lenders, without the written consent of all the Lenders;

(d) release any "Guarantor" or reduce any "Guaranteed Obligations" (as such terms are defined in the Subsidiary Guarantees) of any Guarantor under any Subsidiary Guaranty in connection with the sale or other disposition of all of the capital stock of and other equity interests in such Guarantor to a Person or Persons other than any Borrower or any Subsidiary of any Borrower, which sale or other disposition is in compliance with this Agreement and the Loan Documents (a "Permitted Sale"), without the written consent of the Required Lenders;

(e) release any "Guarantor" or reduce any "Guaranteed Obligations" (as such terms are defined in the Curtiss-Wright Guaranty or Subsidiary Guarantees, as applicable) of any

Guarantor under the Curtiss-Wright Guaranty or any Subsidiary Guaranty, other than in connection with a Permitted Sale, without the written consent of all Lenders; or

(f) amend or waive any of the provisions of Article VII hereof, or impose additional duties upon the Agent or otherwise adversely affect the rights, interests or obligations of the Agent, without the written consent of the Agent;

provided, further, that Transfer Supplements may be entered into in the manner provided in Section 8.14 hereof. Any such amendment, modification or supplement must be in writing and shall be effective only to the extent set forth in such writing. Any Event of Default or Potential Default waived or consented to in any such amendment, modification or supplement shall be deemed to be cured and not continuing to the extent and for the period set forth in such waiver or consent, but no such waiver or consent shall extend to any other or subsequent Event of Default or Potential Default or impair any right consequent thereto.

8.04. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Agent or any Lender in exercising any right, power or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or exercise of any other right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Agent and the Lenders under this Agreement and any other Loan Document are cumulative and not exclusive of any rights or remedies which either the Agent or any Lender would otherwise have hereunder or thereunder, at law, in equity or otherwise.

8.05. Notices.

(a) Except to the extent otherwise expressly permitted hereunder or thereunder, all notices, requests, demands, directions and other communications (collectively "notices") under this Agreement or any other Loan Document shall be in writing (including telexed and telecopied communication) and shall be sent by first-class mail, or by nationally-recognized overnight courier, or by telex or telecopier (with confirmation in writing mailed first-class or sent by such an overnight courier), or by personal delivery. All notices shall be sent to the applicable party at the address stated on the signature pages hereof or in accordance with the last unrevoked written direction from such party to the other parties hereto, in all cases with postage or other charges prepaid. All notices given to Curtiss-Wright under this Agreement shall be deemed to be given to each Borrower. Any such properly given notice shall be effective on the earliest to occur of receipt, telephone confirmation of receipt of telex or telecopy communication, one Business Day after delivery to a nationally-recognized overnight courier, or three Business Days after deposit in the mail.

(b) Any Lender giving any notice to the Borrowers shall simultaneously send a copy thereof to the Agent, and the Agent shall promptly notify the other Lenders of the receipt by it of any such notice.

(c) The Agent and each Lender may rely on any notice (whether or not such notice is made in a manner permitted or required by this Agreement or any Loan Document) purportedly

made by or on behalf of the Borrowers, and neither the Agent nor any Lender shall have any duty to verify the identity or authority of any Person giving such notice.

(d) The parties hereto agree that delivery of an executed counterpart of a signature page to this Agreement and each other Loan Document by facsimile shall be effective as delivery of an original executed counterpart of this Agreement or such other Loan Document.

8.06. Expenses; Taxes; Indemnity.

(a) Curtiss-Wright agrees to pay or cause to be paid and to save the Agent and each of the Lenders harmless against liability for the payment of all reasonable out-of-pocket costs and expenses (including but not limited to reasonable fees and expenses of counsel to the Agent and, with respect to costs incurred by the Agent, or any Lender pursuant to clause (iii) below, such counsel and local counsel) incurred by the Agent or, in the case of clause (iii) below any Lender from time to time arising from or relating to (i) the negotiation, preparation, execution, delivery, administration and performance of this Agreement and the other Loan Documents, (ii) any requested amendments, modifications, supplements, waivers or consents (whether or not ultimately entered into or granted) to this Agreement or any other Loan Document, and (iii) except as to costs and expenses made necessary by reason of the gross negligence or willful misconduct of the Agent or any Lender, the enforcement or preservation of rights under this Agreement or any Loan Document (including but not limited to any such costs or expenses arising from or relating to (A) collection or enforcement of an outstanding Loan or any other amount owing hereunder or thereunder by either the Agent or any Lender, (B) any litigation brought by the Agent, any Lender or any Borrower and related in any way to this Agreement or the other Loan Documents (other than the costs and expenses incurred by the Agent or any Lender, respectively, in connection with any litigation which results in a final, non-appealable judgment against the Agent or such Lender) and (C) any proceeding, dispute, work-out, restructuring or rescheduling related in any way to this Agreement or the Loan Documents).

(b) The Borrowers hereby agree to pay all stamp, document, transfer, recording, filing, registration, search, sales and excise fees and taxes and all similar impositions now or hereafter determined by the Agent or any Lender to be payable in connection with this Agreement or any other Loan Documents or any other documents, instruments or transactions pursuant to or in connection herewith or therewith, and the Borrowers agree to save the Agent and each Lender harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying any such fees, taxes or impositions other than those resulting from omissions to pay or delays in payment attributable to the acts or omissions of the Agent or any Lender.

(c) Curtiss-Wright hereby agrees to reimburse and indemnify each of the Indemnified Parties from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnified Party in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnified Party shall be designated a party thereto) that may at any time be imposed on, asserted against or incurred by such Indemnified Party as a result of, or arising out of, or in any way related to or by reason of, any act or conduct

of any Borrower with respect to or in connection with the transactions described in this Agreement or any other Loan Document, or any transaction financed in whole or in part or directly or indirectly with the proceeds of any Loan (and without in any way limiting the generality of the foregoing, including any violation or breach of any requirement of Law or any other Law by any Borrower or any Subsidiary of any Borrower); or any exercise by either the Agent or any Lender of any of its rights or remedies under this Agreement or any other Loan Document); but excluding any such losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting solely from the gross negligence or willful misconduct of such Indemnified Party, as finally determined by a court of competent jurisdiction. If and to the extent that the foregoing obligations of the Borrowers under this subsection (c), or any other indemnification obligation of the Borrowers hereunder or under any other Loan Document, are unenforceable for any reason, the Borrowers hereby agree to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable Law.

8.07. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

8.08. Prior Understandings. This Agreement and the other Loan Documents supersede all prior and contemporaneous understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

8.09. Duration; Survival. All representations and warranties of the Borrowers contained herein or in any other Loan Document or made in connection herewith shall survive the making of, and shall not be waived by the execution and delivery, of this Agreement or any other Loan Document, any investigation by the Agent or any Lender, the making of any Loan, or any other event or condition whatever. All covenants and agreements of the Borrowers contained herein or in any other Loan Document shall continue in full force and effect from and after the date hereof so long as any Borrower may borrow hereunder and until payment in full of all Obligations. Without limitation, all obligations of the Borrowers hereunder or under any other Loan Document to make payments to or indemnify the Agent or any Lender shall survive the payment in full of all other Obligations, termination of the Borrowers' rights to borrow hereunder, and all other events and conditions whatever. In addition, all obligations of each Lender to make payments to or indemnify the Agent shall survive the payment in full by the Borrowers of all Obligations, termination of the Borrowers' rights to borrow hereunder, and all other events or conditions whatever.

8.10. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

8.11. Limitation on Payments. The parties hereto intend to conform to all applicable Laws in effect from time to time limiting the maximum rate of interest that may be charged or collected. Accordingly, notwithstanding any other provision hereof or of any other Loan

Document, the Borrowers shall not be required to make any payment to or for the account of any Lender, and each Lender shall refund any payment made by the Borrowers, to the extent that such requirement or such failure to refund would violate or conflict with nonwaivable provisions of applicable Laws limiting the maximum amount of interest which may be charged or collected by such Lender.

8.12. Set-Off. The Borrowers hereby agree that, to the fullest extent permitted by law, if any Obligation of any Borrower shall be due and payable (by acceleration or otherwise), each Lender shall have the right, without notice to such Borrower, to set-off against and to appropriate and apply to the Obligation any indebtedness, liability or obligation of any nature owing to such Borrower by such Lender, including but not limited to all deposits (whether time or demand, general or special, provisionally credited or finally credited, whether or not evidenced by a certificate of deposit) now or hereafter maintained by such Borrower with such Lender. Such right shall be absolute and unconditional in all circumstances and, without limitation, shall exist whether or not such Lender or any other Person shall have given notice or made any demand to such Borrower or any other Person, whether such indebtedness, obligation or liability owed to such Borrower is contingent, absolute, matured or unmatured, and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to any Lender or any other Person. The Borrowers hereby agree that, to the fullest extent permitted by law, any Participant and any branch, subsidiary or affiliate of any Lender or any Participant shall have the same rights of set-off as a Lender as provided in this Section (regardless of whether such Participant, branch, subsidiary or affiliate would otherwise be deemed in privity with or a direct creditor of such Borrower). The rights provided by this Section are in addition to all other rights of set-off and banker's lien and all other rights and remedies which any Lender (or any such Participant, branch, subsidiary or affiliate) may otherwise have under this Agreement, any other Loan Document, at law or in equity, or otherwise, and nothing in this Agreement or any Loan Document shall be deemed a waiver or prohibition of or restriction on the rights of set-off or bankers' lien of any such Person.

8.13. Sharing of Collections. The Lenders hereby agree among themselves that if any Lender shall receive (by voluntary payment, realization upon security, set-off or from any other source) any amount on account of the Loans, interest thereon, or any other Obligation contemplated by this Agreement or the other Loan Documents to be made by the Borrowers Pro Rata to all Lenders in greater proportion than any such amount received by any other Lender, then the Lender receiving such proportionately greater payment shall notify each other Lender and the Agent of such receipt, and equitable adjustment will be made in the manner stated in this Section so that, in effect, all such excess amounts will be shared Pro Rata among all of the Lenders. The Lender receiving such excess amount shall purchase (which it shall be deemed to have done simultaneously upon the receipt of such excess amount) for cash from the other Lenders a participation in the applicable Obligations owed to such other Lenders in such amount as shall result in a Pro Rata sharing by all Lenders of such excess amount (and to such extent the receiving Lender shall be a Participant). If all or any portion of such excess amount is thereafter recovered from the Lender making such purchase, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by Law to be paid by the Lender making such purchase. The Borrowers hereby consent to and confirm the foregoing arrangements. Each Participant shall be bound by this Section as fully as if it were a Lender hereunder.

8.14. Successors and Assigns; Participations; Assignments.

(a) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Lenders, all future holders of the Notes, the Agent and their respective successors and assigns, except that the Borrowers may not assign or transfer any of their respective rights hereunder or interests herein without the prior written consent of all the Lenders and the Agent, and any purported assignment without such consent shall be void.

(b) Participations. Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable Law, at any time sell participations to one or more commercial banks or other Persons (each a "Participant") in all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of its Revolving Credit Commitments and the Loans owing to such Lender and any Note held by such Lender); provided, that

(i) any such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged,

(ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations,

(iii) the parties hereto shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents,

(iv) such Participant shall be bound by the provisions of Section 8.13 hereof, and the Lender selling such participation shall obtain from such Participant a written confirmation of its agreement to be so bound,

(v) no Participant (unless such Participant is an affiliate of such Lender, or is itself a Lender) shall be entitled to require such Lender to take or refrain from taking action under this Agreement or under any other Loan Document, except that such Lender may agree with such Participant that such Lender will not, without such Participant's consent, take action of the type described in subsections (a), (b), (c), (d) or (e) of Section 8.03 hereof; notwithstanding the foregoing, in no event shall any participation by any Lender have the effect of releasing such Lenders from its obligations hereunder, and

(vi) no Participant shall be a Borrower or a Subsidiary or an Affiliate of any Borrower.

The Borrowers agree that any such Participant shall be entitled to the benefits of Sections 2.10, 2.12 and 8.06 with respect to its participation in the Revolving Credit Commitments and the Loans outstanding from time to time but only to the extent such Participant sustains such losses; provided, that no such Participant shall be entitled to receive any greater amount pursuant to such Sections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred to such Participant had no such transfer occurred; provided, further, that any such Participant, as a condition precedent to receiving the benefits of Sections 2.10, 2.12 and 8.06, shall agree in writing to indemnify the Borrowers and hold them harmless as

against any and all claims or demands by or liabilities to the transferor Lender or Lenders or any other Person for an amount which in whole or in part duplicates, but only to the extent of such duplication, the amount or amounts to be paid to such Participant under this Section.

(c) Assignments. Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable Law, at any time assign all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or any portion of its Revolving Credit Commitments and Loans owing to such Lender and any Note held by such Lender) to any Lender, any affiliate of any Lender or to one or more additional commercial banks or other Persons (each a "Purchasing Lender"); provided, that

(i) any such assignment to a Purchasing Lender which is not a Lender shall be made only with the consent of Curtiss-Wright if no Event of Default has occurred and is continuing (which consent if required shall not be unreasonably withheld) and the Agent,

(ii) if a Lender makes such an assignment of less than all of its then remaining rights and obligations under this Agreement and the other Loan Documents, such transferor Lender shall retain, after such assignment, a minimum principal amount of \$5,000,000 of the Revolving Credit Commitments and Loans then outstanding, and such assignment shall be in a minimum aggregate principal amount of \$5,000,000 of the Revolving Credit Commitments and Loans then outstanding,

(iii) each such assignment shall be of a constant, and not a varying, percentage of each Revolving Credit Commitment of the transferor Lender and of all of the transferor Lender's rights and obligations under this Agreement and the other Loan Documents, and

(iv) each such assignment shall be made pursuant to a Transfer Supplement in substantially the form of Exhibit C to this Agreement, duly completed (a "Transfer Supplement").

In order to effect any such assignment, the transferor Lender and the Purchasing Lender shall execute and deliver to the Agent a duly completed Transfer Supplement (including the consents required by clause (i) of the preceding sentence) with respect to such assignment, together with any Note or Notes subject to such assignment (the "Transferor Lender Notes") and a processing and recording fee of \$2,500; and, upon receipt thereof, the Agent shall accept such Transfer Supplement. Upon receipt of the Purchase Price Receipt Notice pursuant to such Transfer Supplement, the Agent shall record such acceptance in the Register. Upon such execution, delivery, acceptance and recording, from and after the Transfer Effective Date specified in such Transfer Supplement

(x) the Purchasing Lender shall be a party hereto and, to the extent provided in such Transfer Supplement, shall have the rights and obligations of any Lender hereunder, and

(y) the transferor Lender thereunder shall be released from its obligations under this Agreement to the extent so transferred (and, in the case of an Transfer Supplement covering all or the remaining portion of a transferor Lender's rights and obligations under this Agreement,

such transferor Lender shall cease to be a party to this Agreement) from and after the Transfer Effective Date.

On or prior to the Transfer Effective Date specified in an Transfer Supplement, the Borrowers, at their expense, shall execute and deliver to the Agent (for delivery to the Purchasing Lender) new Notes evidencing such Purchasing Lender's assigned Revolving Credit Commitments or Loans and (for delivery to the transferor Lender) replacement Notes in the principal amount of the Loans or Revolving Credit Commitments retained by the transferor Lender (such Notes to be in exchange for, but not in payment of, those Notes then held by such transferor Lender). Each such Note shall be dated the date and be substantially in the form of the predecessor Note. The Agent shall mark the predecessor Notes "exchanged" and deliver them to the applicable Borrower. Accrued interest and accrued fees shall be paid to the Purchasing Lender at the same time or times provided in the predecessor Notes and this Agreement. Notwithstanding anything to the contrary set forth above, any Lender may (without requesting the consent of any Borrower or the Agent) pledge its Loans to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank.

(d) Register. The Agent shall maintain at its office a copy of each Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Revolving Credit Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive absent manifest error and the Borrowers, the Agent and the Lenders may treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of the Agreement. The Register shall be available for inspection by the Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Financial and Other Information. The Borrowers authorize the Agent and each Lender to disclose to any Participant or Purchasing Lender (each, a "transferee") and any prospective transferee any and all financial and other information in such Person's possession concerning the Borrowers and their respective Subsidiaries and Affiliates which has been or may be delivered to such Person by or on behalf of such Borrowers in connection with this Agreement or any other Loan Document or such Person's credit evaluation of such Borrowers and their respective Subsidiaries and Affiliates; subject, however, to the provisions of Section 8.16 hereof.

8.15. Governing Law; Submission to Jurisdiction; Limitation of Liability.

(a) Governing Law. THIS AGREEMENT AND ALL OTHER LOAN DOCUMENTS (EXCEPT TO THE EXTENT, IF ANY, OTHERWISE EXPRESSLY STATED IN SUCH OTHER LOAN DOCUMENTS) SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES.

(b) Certain Waivers. EACH BORROWER, THE AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) AGREES THAT ANY ACTION, SUIT OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY STATEMENT, COURSE OF CONDUCT, ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HERewith OR THEREWITH (COLLECTIVELY, "RELATED LITIGATION") MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE CITY AND COUNTY OF NEW YORK, NEW YORK, SUBMITS TO THE JURISDICTION OF SUCH COURTS, AND TO THE FULLEST EXTENT PERMITTED BY LAW AGREES THAT IT WILL NOT BRING ANY RELATED LITIGATION IN ANY OTHER FORUM;

(ii) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY RELATED LITIGATION BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY SUCH RELATED LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND WAIVES ANY RIGHT TO OBJECT, WITH RESPECT TO ANY RELATED LITIGATION BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION;

(iii) CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY RELATED LITIGATION BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, AT THE ADDRESS FOR NOTICES DESCRIBED IN SECTION

8.05 HEREOF, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW); AND

(iv) WAIVES THE RIGHT TO TRIAL BY JURY IN ANY RELATED LITIGATION.

(c) Appointment of Curtiss-Wright as Process Agent. IN ADDITION TO THE CONSENT TO SERVICE SET FORTH IN CLAUSE (b) HEREOF, ANY SUBSIDIARY THAT IS NOT A SUBSIDIARY THAT IS ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA THAT BECOMES A BORROWER HEREUNDER (INCLUDING CURTISS-WRIGHT ANTRIEBSTECHNIK GMBH) HEREBY IRREVOCABLY AND UNCONDITIONALLY APPOINTS CURTISS-WRIGHT AS ITS AGENT TO RECEIVE, ON BEHALF OF ITSELF AND ON BEHALF OF ITS PROPERTY, SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING, AND CURTISS-WRIGHT HEREBY IRREVOCABLY AND UNCONDITIONALLY ACCEPTS SUCH APPOINTMENT. SUCH SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO SUCH SUBSIDIARY IN CARE OF CURTISS-WRIGHT AT ITS ADDRESS FOR NOTICES AS SET FORTH IN SECTION 10.05, AND SUCH SUBSIDIARY HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS CURTISS-WRIGHT TO ACCEPT SUCH SERVICE ON ITS BEHALF.

8.16. Confidentiality. Each party hereto agrees to keep confidential any information concerning the business and financial activities of the other party hereto obtained in connection with this Agreement except information which (a) is lawfully in the public domain, (b) is obtained from a third party who is not bound by an obligation of confidentiality with respect to such information, (c) is required to be disclosed to any Governmental Authority having jurisdiction over such Person but only to the extent of such requirement, or (d) is disclosed by the Agent or any Lender in accordance with Section 8.14 hereof.

8.17. Headings. The various headings of each Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of such Loan Document or any provision thereof.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written.

ATTEST:

CURTISS-WRIGHT CORPORATION

By _____

By _____

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

ATTEST:

CURTISS-WRIGHT FLIGHT SYSTEMS, INC.

By _____

By _____

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ATTEST:

CURTISS-WRIGHT FLOW CONTROL CORPORATION

By

By

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

ATTEST:

METAL IMPROVEMENT COMPANY, INC.

By

By

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ATTEST:

CURTISS-WRIGHT FLOW CONTROL SERVICE
CORPORATION

By _____
Title:

By _____
Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ATTEST:

CURTISS-WRIGHT ANTRIEBSTECHNIK GmbH

By

By

Title:

Gary J. Benschip
Treasurer

[Corporate Seal]

Address for Notices:

1200 Wall Street West
Suite 501
Lyndhurst, NJ 07071
Attn: Gary J. Benschip
Treasurer

Telephone: 201-896-8439
Telecopier: 201-438-5680

[SIGNATURE PAGE TO CREDIT AGREEMENT]

THE BANK OF NOVA SCOTIA, as Agent and Lender

By

Initial Revolving Credit Committed Amount: \$13,600,000.00

Commitment Percentage: 15.1111111111%

Address for Notices:

One Liberty Plaza
New York, NY 10006

Attn: _____

Telephone:
Telecopier:

[SIGNATURE PAGE TO CREDIT AGREEMENT]

FLEET NATIONAL BANK, as Syndication Agent and Lender

By
Russ Lopinto Senior Vice President

Initial Revolving Credit Committed Amount: \$12,800,000.00

Commitment Percentage: 14.2222222222%

Address for Notices:

750 Walnut Ave
Cranford, NJ 07016
MAILSTOP: 46701H

Attn: Russ Lopinto

Telephone: 908-709-6688
Telecopier: 908-709-6055

[SIGNATURE PAGE TO CREDIT AGREEMENT]

SUNTRUST BANK, as Documentation Agent and Lender

By

Karen Copeland Vice President

Initial Revolving Credit Committed Amount: \$12,800,000.00

Commitment Percentage: 14.2222222222%

Address for Notices:

711 Fifth Avenue, 16th Floor
New York, NY 10022

Attn: Armen Karozichian

Telephone: 212-583-2604
Telecopier: 212-371-7342

[SIGNATURE PAGE TO CREDIT AGREEMENT]

**PNC BANK, NATIONAL ASSOCIATION, as
Lender**

By

Paul E. Kelleman Vice President

Initial Revolving Credit Committed Amount: \$10,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

One Garret Mountain Pl
W Paterson, NJ 07424

Attn: Paul E. Kelleman

Telephone: 973-881-5188
Telecopier: 973-881-5288

[SIGNATURE PAGE TO CREDIT AGREEMENT]

THE BANK OF NEW YORK, as Lender

By

Thomas J. Sweeney Vice President

Initial Revolving Credit Committed Amount: \$10,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

385 Rifle Camp Rd.
W. Paterson, NJ 07424

Attn: Thomas J. Sweeney

Telephone: 973-357-7753
Telecopier: 973-357-7705

[SIGNATURE PAGE TO CREDIT AGREEMENT]

MELLON BANK, N. A., as Lender

By

J. Wade Bell Vice President

Initial Revolving Credit Committed Amount: \$10,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

1735 Market St., 4th Floor
Philadelphia, PA 19103

Attn: J. Wade Bell

Telephone: 215-553-3875
Telecopier: 215-553-4899

[SIGNATURE PAGE TO CREDIT AGREEMENT]

JPMORGAN CHASE BANK, as Lender

By

Brendan L. Walsh Vice President

Initial Revolving Credit Committed Amount: \$10,000,000.00

Commitment Percentage: 11.1111111111%

Address for Notices:

495 Route 46 West
Fairfield NJ 07004

Attn: Brendan L. Walsh

Telephone: 973-439-5064
Telecopier: 973-439-5019

[SIGNATURE PAGE TO CREDIT AGREEMENT]

CITIBANK, N.A., as Lender

By

Anthony V. Pantina Vice President

Initial Revolving Credit Committed Amount: \$10,800,000.00

Commitment Percentage: 12%

Address for Notices:

666 Fifth Avenue, 3rd Floor
New York, NY 10103

Attn: Anthony V. Pantina

Telephone: 212-830-4956
Telecopier: 212-830-4905

[SIGNATURE PAGE TO CREDIT AGREEMENT]

THE BANK OF NOVA SCOTIA

RECEIPT OF STERLING

DIRECT CHAPS The Bank of Nova Scotia
 CHAPS Sort Code: 40-52-72

&/Or HSBC Plc
 International Division, 27-32 Poultry, London
 Sort Code: 40-05-15
 Swift Code: MIDLGB22
 For A/C of: The Bank of Nova Scotia
 Account No: 37817955

RECEIPT OF CAN.

DOLLARS The Bank Of Nova Scotia
 International Banking Division, Toronto, Canada
 Swift Code: NOSCCATT
 For A/C of: The Bank of Nova Scotia
 Account No: 0600938

RECEIPT OF EURO HSBC Plc
 International Division, 27-32 Poultry, London
 Swift Code: MIDLGB22
 For A/C of: The Bank of Nova Scotia
 Account No: 39023543

RECEIPT OF SWISS

FRCS Union Banque Suisse AG
 Zurich, Switzerland.
 Swift Code: UBSWCHZH80A
 For A/C of: The Bank of Nova Scotia, London
 Account No: 230.44053.05T

RECEIPT OF DANISH
KNR Unibank A/S
 Copenhagen, Denmark
 Swift Code: UNIBDKKK
 For A/C of: The Bank of Nova Scotia, London
 Account No: 5000400738

[SIGNATURE PAGE TO CREDIT AGREEMENT]

RECEIPT OF SWEDISH

KNR

Swedbank
Stockholm
Swift Code: SWEDSESS
For A/C of: The Bank of Nova Scotia, London
Account No: 8901 0000016915

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