UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2001

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _ ___T0

COMMISSION FILE NUMBER 1-9533

WORLD FUEL SERVICES CORPORATION (Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)

59-2459427 (I.R.S. Employer Identification No.)

33166

700 South Royal Poinciana Blvd., Suite 800 Miami Springs, Florida (Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including area code: (305) 884-2001

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

The registrant had a total of 10,463,000 shares of common stock, net of treasury stock, par value \$0.01 per share, issued and outstanding as of February 4, 2002.

ITEM 1. FINANCIAL STATEMENTS

The following unaudited, condensed consolidated financial statements of World Fuel Services Corporation (the "Company" or "World Fuel") have been prepared in accordance with the instructions to Form 10-Q and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States. In the opinion of management, all adjustments necessary for a fair presentation of the financial information for the interim periods reported have been made. Results of operations for the three and nine months ended December 31, 2001, will not be necessarily indicative of the results for the entire fiscal year ending March 31, 2002. The condensed consolidated financial statements and notes thereto included in this Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended March 31, 2001.

CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)	
ASSETS	
CURRENT ASSETS: Cash and cash equivalents \$ 56,179 Accounts and notes receivable, net of allowance for bad debts of \$11,001 and \$11,167, at December 31 and	\$ 38,977
March 31, 2001, respectively 95,636	125,863
Inventories 2,902	5,009
Prepaid expenses and other current assets 16,391	18,376
Total current assets 171,108	188,225
PROPERTY AND EQUIPMENT, net 5,738	6,131
GOODWILL 29,711	24,598
OTHER ASSETS 3,136	3,211
\$209,693 =======	\$222,165 =======
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Short-term debt \$ 3,370	\$ 2,321
Accounts payable55,694Accrued expenses20,786	69,147 28,465
Other current liabilities 10,560	12,506
Total current liabilities 90,410	112,439
LONG-TERM LIABILITIES 5,491	5,866
COMMITMENTS AND CONTINGENCIES STOCKHOLDERS' EQUITY:	
Preferred stock, \$1.00 par value; 100,000 shares authorized,	
none issued Common stock, \$0.01 par value; 25,000,000 shares authorized; 12,729,000 and 12,541,000 shares issued and outstanding at	
December 31 and March 31, 2001, respectively 127	125
Capital in excess of par value 28,720	26,889
Retained earnings 103,148	93,770
Less treasury stock, at cost; 2,271,000 and 2,138,000 shares	
at December 31 and March 31, 2001, respectively 18,203	16,924
Total stockholders' equity 113,792	103,860
\$209,693 =======	\$222,165 ======

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

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED - IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended December 31,			ber 31,
	2001	2000	2001	2000
Revenue Cost of revenue	\$ 325,964 307,115	\$ 408,567 390,458		
Gross profit	18,849		55,028	51,829
Operating expenses: Salaries and wages Executive severance charge Provision for bad debts Other	7,455 1,072 4,761	7,257 1,359 4,751	3,244 14,433	19,259 3,505 7,786 14,598
	13,288	13,307	40,122	45,148
Income from operations	5,561	4,742	14,906	6,681
Other income (expense), net: Interest, net Non-recurring credit in marine segment Non-recurring credit in aviation segment Other, net		308 - 400	1,171 1,000 (338)	1,064 300 703
				2,067
Income before income taxes Provision for income taxes	6,140 1,667	5,450 1,538	16,739 3,977	8,748 1,374
Income from continuing operations	4,473	3,912	12,762	7,374
Discontinued operations, loss net of taxes		(496)		(496)
Net income	\$ 4,473	\$ 3,416	\$ 12,762	\$6,878
Basic earnings (loss) per share: Continuing operations Discontinued operations	\$ 0.43 	\$		(0.05)
Net income	\$ 0.43	\$ 0.32		\$ 0.64
Weighted average shares - basic		10,520	10,378	10,723
Diluted earnings (loss) per share: Continuing operations Discontinued operations	\$ 0.42	(0.05)		(0.05)
Net income	\$ 0.42	\$ 0.32	\$ 1.20	\$ 0.64
Weighted average shares - diluted	10,763	10,520	10,652	10,735

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED - IN THOUSANDS)

	Nine Months Ended December 31,		
	2001	2000	
Cash flows from continuing operating activities: Income from continuing operations	\$ 12,762	\$ 7,374	
Adjustments to reconcile income from continuing operations to net cash provided by continuing operating activities - Depreciation and amortization	1,296	1,720	
Provision for bad debts	3,244	7,786	
Deferred income tax (benefit) provision Other non-cash operating credits Changes in operating assets and liabilities:	(742 (469) 836) (215)	
Accounts and notes receivable Inventories	26,983 2,107		
Prepaid expenses and other current assets Other assets	1,315	377	
Accounts payable and accrued expenses Other liabilities	(21,395 (2,129) (12,210)) 3,895	
Total adjustments	10,640	(1,820)	
Net cash provided by continuing operating activities:		5,554	
Cash flows from investing activities: Payment for acquisition of business Capital expenditures Investment in aviation joint venture Proceeds from the sale of leasehold property	296) (1,866) (1,000)	
Net cash used in investing activities	(3,795) (2,866)	
Cash flows from financing activities: Dividends paid on common stock Purchases of treasury stock Repayment of debt Proceeds from the exercise of stock options	(3,121 (1,279 (1,510 1,755		
Net cash used in financing activities	(4,155) (6,055)	
Discontinued operations		(10,356)	
Net increase (decrease) in cash and cash equivalents Cash and cash equivalents, at beginning of period	17,202 38,977	(13,723) 32,773	
Cash and cash equivalents, at end of period	\$ 56,179	\$ 19,050 ======	

(Continued)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED - IN THOUSANDS) (Continued)

	Nine Months Ended December 31,		
	2001	2000	
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	\$ 265 ======	\$ 205 ======	
Income taxes	\$ 4,720 ======	\$12,990 =======	

SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES:

Cash dividends declared, but not yet paid, of \$783 thousand and \$520 thousand are included in Accrued expenses as of December 31, 2001 and 2000, respectively.

In connection with an April 2001 acquisition in the marine segment, the Company issued \$2.0 million in notes payable, of which \$1.0 million was included in each of Short-term debt and Long-term liabilities.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting polices followed for quarterly financial reporting are the same as those disclosed in Note 1 of the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended March 31, 2001.

(2) NATURE OF ACQUISITIONS

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In April 2001, the Company made an acquisition in the marine segment for approximately \$5.1 million, consisting of approximately \$3.1 million in cash and the remainder in debt. The acquisition was accounted for as a purchase. Accordingly, the operations acquired have been included with the results of the Company since April 1, 2001. The cost in excess of net assets acquired amounted to \$5.1 million, including approximately \$64 thousand in acquisition costs, and was considered goodwill. No other significant intangibles existed at the date of acquisition. Subsequent to December 31, 2001, the Company made another acquisition will be accounted for in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations."

(3) RECENT ACCOUNTING PRONOUNCEMENTS

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Derivatives

Effective April 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Derivative Instruments and Certain Hedging Activities.an

Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Derivative Instruments and Certain Hedging Activities-an amendment of FASB Statement No. 133." SFAS No. 133, as amended, establishes accounting and reporting standards for every derivative instrument, including certain derivative instruments embedded in other contracts. The implementation of SFAS No. 133, as amended, did not have a material effect on the Company's financial statements.

Business Combinations

Effective July 1, 2001, the Company adopted SFAS No. 141, "Business Combinations." SFAS No. 141 established accounting and reporting standards for business combinations requiring that all business combinations, within the scope of SFAS No. 141, are to be accounted for using only the purchase method of accounting. The adoption of SFAS No. 141 did not have a material effect on the Company's financial statements.

Goodwill

Effective April 1, 2001, as permitted, the Company elected to early adopt SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 establishes accounting and reporting for acquired goodwill and other intangible assets, and states that goodwill shall not be amortized prospectively. Accordingly, no goodwill amortization was recorded for the three and nine months ended December 31, 2001. As required, the Company has completed the initial step of the transitional goodwill impairment test for goodwill in each of its reporting units as of April 1, 2001. This step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. Based on the results of these comparisons, goodwill in each of the Company's reporting units is not considered impaired. In accordance with SFAS No. 142, the following proforma information is presented:

(In thousands, except	Three Months Ended December 31,			Nine Month Decemb	ns Ended Der 31,			
per share data)	2	001		2000		2001	2	000
Reported net income Add back: Goodwill	\$	4,473	\$	3,416	\$	12,762	\$	6,878
amortization, net of tax				144				434
Adjusted net income	\$ ===	4,473	\$ ====	3,560	\$ ====	12,762	\$ ====	7,312
Basic earnings per share: Reported net income Goodwill amortization	\$	0.43	\$	0.32 0.01	\$	1.23	\$	0.64 0.04
Adjusted net income	\$ ===	0.43	\$ ====	0.33	\$ ====	1.23	\$ ====	0.68
Diluted earnings per share: Reported net income Goodwill amortization	\$	0.42	\$	0.32 0.01	\$	1.20	\$	0.64 0.04
Adjusted net income	\$ ===	0.42	\$ ====	0.33	\$ ====	1.20 ======	\$ ====	0.68 ======

In addition to the goodwill balance in the accompanying Condensed Consolidated Balance Sheets as of December 31 and March 31, 2001, equity method goodwill of \$2.9 million is included in Other assets and is related to the Company's acquisition of a 50% equity interest in PAFCO, L.L.C., an aviation joint venture ("PAFCO"), during the fourth quarter of fiscal 2001.

Long-Lived Assets

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In October 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets, excluding goodwill. SFAS No. 144 will be effective for the Company's fiscal year ending March 31, 2003. The Company will adopt SFAS No. 144, effective April 1, 2002, as required. The Company does not believe that the implementation of SFAS No. 144 will have a material effect on the Company's financial statements.

(4) CREDIT FACILITY

In December 2001, the Company replaced its existing credit facility under more favorable terms while maintaining the same credit limit of \$30 million and sublimit of \$15 million for letters of credit. The agreement for the new credit facility (the "Credit Agreement") is filed as Exhibit 10(b) of this Form 10-Q. Approximately \$11.2 million in letters of credit were outstanding under the Credit Agreement as of December 31, 2001. Any outstanding principal and interest on the Credit Agreement matures on December 7, 2004. The revolving credit facility bears interest at market rates, as defined under the Credit Agreement. Interest is payable quarterly in arrears. The Credit Agreement imposes certain operating and financial restrictions on the Company, including restrictions on the payment of dividends in excess of specified amounts. See Section 11 of the Credit Agreement, including meeting certain financial ratios, could result in an event of default. An event of default, if not cured or waived, would permit acceleration of any outstanding indebtedness under the Credit Agreement, and impair the Company's ability to receive advances. There were no outstanding principal balances on the Credit Agreement as of December 31, 2001. As of December 31, 2001, the Company was in compliance with the operating and financial requirements under the credit facility.

(5) EMPLOYMENT AGREEMENT

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In October 2001, the employment agreement for the Chief Executive Officer of the Company's marine fuel services segment was amended and restated. The amended and restated employment agreement will expire on March 31, 2005 and its principal terms are as follows: (1) a minimum base salary of approximately \$438 thousand; (2) a bonus for the period from January 1, 2001 through December 31, 2001 based on the bonus formula in the executive's previous employment agreement; (3) effective January 1, 2002, a bonus calculated as a percent of the executive's base salary based on the Company's basic earnings per share growth, as specified in the employment agreement, and as adjusted by the Compensation Committee of the Company's Board of Directors; (4) the grant of 25,000 shares of restricted common stock of the Company, which shall vest 25% equally on October 1, 2002, 2003, 2004, and March 31, 2005, subject to certain acceleration provisions, as specified in the employment agreement; (5) an award of stock options to purchase 55,000 shares of the Company's common stock, with an exercise price of \$11.90 per share, of which 25,791 shares will vest in two years and the remaining shares will vest over three years, subject to certain acceleration provisions, as specified in the employment agreement; and (6) severance benefits payable upon a termination for certain reasons specified in the employment agreement. The foregoing summary is qualified by reference to the employment agreement, which is filed as Exhibit 10(a) of this Form 10-Q.

Based on the market value of the Company's common stock on the date of grant, the restricted stock was valued at approximately \$298 thousand. The fair value of the restricted stock was recorded as unearned deferred compensation and is being amortized over the minimum vesting period. For the three months and nine months ended December 31, 2001, amortization of deferred compensation of approximately \$39 thousand was recognized related to this restricted stock. As of December 31, 2001, the remaining unearned deferred compensation was approximately \$259 thousand, and is included in Capital in excess of par value.

(6) EMPLOYEE STOCK OPTION PLANS

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On January 30, 2002, as permitted under the 2001 Omnibus Plan (the "Plan"), the Company's Board of Directors (the "Board") authorized an increase to the maximum number of shares of the Company's stock that may be delivered to participants of the Plan. The increase relates to shares of the Company's stock which are reacquired by the Company in the open market or in private transactions since the effective date of the Plan in August 2001. As of December 31, 2001, the Company had repurchased approximately 133,000 shares since the Plan's effective date, and accordingly increased the maximum number of shares of the Company's stock that may be delivered to participants of the Plan by the same number of shares. On the same date, the Board also amended all of the Company's employee stock option plans to permit option holders to pay for the exercise price of options with existing common stock held freely by the optionee for at least six months.

(7) COMMITMENTS AND CONTINGENCIES

In July 2001, the Company received a Summary Judgment from the United States District Court for the Southern District of Florida which ordered Donald F. Moorehead, Jr., Chairman of EarthCare Company ("EarthCare") to pay the Company compensatory damages of approximately \$5.0 million, plus interest from May 1, 2001. This judgment relates to Mr. Moorehead's default on his agreement to purchase all of the shares of EarthCare stock owned by the Company for approximately \$5.0 million. The Company received the EarthCare stock as part payment for the sale of the Company's oil recycling operations in February 2000. As of March 31, 2001, a contract receivable for approximately \$5.0 million is included in Prepaid expenses and other current assets in the accompanying Condensed Consolidated Balance Sheets. Since March 31, 2001, the Company received principal and interest payments totaling \$700 thousand from Mr. Moorehead. As of December 31, 2001, the balance due from Mr. Moorehead, excluding interest, was approximately \$4.3 million and is included in Prepaid expenses and other current assets in the accompanying Condensed Consolidated Balance Sheets. The Company continues to vigorously pursue collection of its judgment, and currently is seeking to have a receiver appointed by the court to administer Mr. Moorehead's assets and to sell those assets. The Company believes that it will recover the remaining amount of the receivable. For additional information regarding this proceeding, refer to Part II, Item 1 (Legal Proceedings) of this Form 10-0.

The Company is also involved in other legal and administrative proceedings primarily arising in the normal course of its business. In the opinion of management, except as set forth in the Company's Annual Report on Form 10-K for the year ended March 31, 2001, or the quarterly reports on Form 10-Q for the periods ended September 30, 2001 and June 30, 2001, the Company's liability, if any, under any such legal or administrative proceedings, is not expected to materially affect its financial condition or results of operations. See Part II, Item 1 (Legal Proceedings) of this Form 10-Q.

(8) COMPREHENSIVE INCOME

There were no significant items of other comprehensive income, and thus, net income is equal to comprehensive income for all periods presented.

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Basic earnings per share is computed based on the weighted average number of common shares outstanding. Diluted earnings per share is based on the sum of the weighted average number of common shares outstanding plus non-vested restricted common stock and common stock equivalents, arising out of employee stock options and non-employee stock options and warrants. Shares used to calculate earnings per share are as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,		
(In thousands)	2001	2000	2001	2000	
Basic weighted average shares Restricted stock weighted average shares Common stock equivalents Diluted weighted average shares used in the calculation of diluted earnings per share	10,341 22 400 10,763 ======	10,520 	10,378 7 267 10,652 ======	10,723 12 10,735 ======	
Weighted average shares of stock options and warrants included in the determination of common stock equivalents for the calculation of diluted earnings per share	1,531 ======	122 =====	1,524 =====	127 ======	
Weighted average shares of stock options which are not included in the calculation of diluted earnings per share because their impact is antidilutive	399 ======	998 ======	474 ======	987 ======	

(10) BUSINESS SEGMENTS

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The Company markets fuel services and has two reportable operating segments: marine and aviation fuel services. In its marine fuel services business, the Company markets marine fuel and related management services to a broad base of international shipping companies and to the U.S. military. In its aviation fuel services business, the Company markets aviation fuel and other aviation related services to passenger, cargo and charter airlines. The Company also offers flight plans and weather reports to its corporate customers. Services in both business segments include credit terms, 24-hour around-the-world service, fuel management services, and competitively priced fuel.

Performance measurement and resource allocation for the reportable operating segments are based on many factors. One of the primary financial measures used is income from operations. The Company employs shared-service concepts to realize economies of scale and efficient use of resources. The costs of shared services and other corporate center operations managed on a common basis are allocated to the segments based on usage, where possible, or on other factors according to the nature of the activity.

	Three Months Ended December 31,		Nine Months Ended December 31,	
(In thousands)	2001	2000	2001	2000
Revenue				
Marine fuel services Aviation fuel services	\$ 240,336 85,628	\$ 276,916 131,651	\$ 727,035 286,746	\$ 769,166 392,014
Total	\$ 325,964 ========	\$ 408,567	\$ 1,013,781 ========	\$ 1,161,180 =======
Income (loss) from operations				
Marine fuel services Aviation fuel services Corporate overhead	\$ 4,298 3,353 (2,090)	\$ 4,025 3,128 (2,411)	\$ 11,288 8,950 (5,332)	\$ 7,730 8,039 (9,088)
Total	\$ 5,561 =======	\$ 4,742	\$ 14,906 ======	\$ 6,681 =======

	As of			
(In thousands)	December 31, 2001	March 31, 2001		
Accounts and notes receivable				
Marine fuel services, net of allowance for bad debts of \$5,139 and \$5,157, at December 31 and March 31, 2001, respectively Aviation fuel services, net of allowance for bad debts of \$5,862 and \$6,010, at December 31	\$ 67,370	\$77,898		
and March 31, 2001, respectively	28,266	47,965		
Total	\$ 95,636	\$ 125,863 =======		
Goodwill				
Marine fuel services Aviation fuel services	\$ 24,359 5,352	\$ 19,246 5,352		
Total	\$ 29,711 =======	\$ 24,598 =======		
Assets				
Marine fuel services Aviation fuel services Corporate, includes discontinued operations of \$1,750 at March 31, 2001	\$ 116,225 66,392 27,076	\$ 113,798 75,830 32,537		
Total	\$ 209,693	\$ 222,165		

RESULTS OF OPERATIONS

Forward-looking Disclosure

This document includes forward-looking statements. The words believes, intends, expects, anticipates, projects, estimates, predicts, and similar expressions are intended to identify forward-looking statements. Such statements, estimates, and projections reflect various assumptions by World Fuel's management concerning anticipated results, and are subject to significant business, economic and competitive risks and contingencies, many of which are beyond management's control. Factors that could cause results to differ include, but are not limited to, quarterly fluctuations in results; the management of growth; fluctuations in world oil prices or foreign currency; major changes in political, economic, regulatory or environmental conditions; the loss of key customers, suppliers or members of senior management; uninsured losses; competition; credit risk associated with accounts, notes and contracts receivable; and other risks detailed in this report and in World Fuel's other Securities and Exchange Commission filings. Actual results may differ materially from any forwardlooking statements set forth herein.

Results of Operations

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Profit from World Fuel's marine fuel services business is determined primarily by the volume and commission rate of brokering business generated and by the volume and gross profit achieved on trade sales, as well as the overall level of operating expenses. Profit from World Fuel's aviation fuel services business is directly related to the volume and the gross profit achieved on sales, as well as the overall level of operating expenses. Operating expenses in both segments may be significantly affected to the extent that World Fuel is required to provision for potential bad debts.

World Fuel's profitability during the comparable three and nine months ended December 31, 2001 was favored by an increase in metric tons traded and brokered in marine, an improvement in the gross profit per gallon sold in aviation, a lower provision for bad debts for both marine and aviation, and lower corporate overhead expenses. The nine months ended December 31, 2001 also did not include the executive severance charge of \$3.5 million recorded in the same period of the previous fiscal year. In addition, profitability for the nine months ended December 31, 2001 was favored by the insurance recovery during the first quarter related to the loss of product off the coast of Nigeria. Also contributing to the three and nine months profitability was the gain on the sale of a leasehold property during the third quarter. During the same three and nine months periods, earnings were adversely affected by a decrease in the gross profit per metric ton traded in marine, a decline in aviation sales volume, and increases in salaries and other operating expenses. Also contributing to the nine months variance was a non-recurring credit related to the closure in fiscal 2001 of the aviation joint venture in Ecuador.

The decline in aviation sales volume reflects management's decision to reduce its credit exposure and increase margins. The decrease in aviation sales volume is also related to lower demand resulting from a general slowdown in economic activity. For marine, the decrease in the gross profit per metric ton traded is due to competitive pressures stemming from the current recessionary economic environment, and by the recent acquisitions in the marine segment which resulted in the addition of lower margin trading and brokerage business. World Fuel may experience decreases in future sales volume, in both segments, as a result of the current deterioration in the economy, the military actions in response to the September 11th terrorist attacks, as well as possible future terrorist activity.

The increase in expenses is related, in part, to the business initiatives implemented during the latter part of fiscal years 2001 and 2002. These initiatives include the launch of World Fuel's new fuel management and fuel risk management divisions in the aviation segment, as well as increased spending in connection with information technology. Expenses have also increased due to the hiring of additional management personnel and the acquisitions in the marine segment.

The Three Months Ended December 31, 2001 Compared to the Three Months Ended

December 31, 2000

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World Fuel's revenue for the three months ended December 31, 2001 was \$326.0 million, a decrease of \$82.6 million, or 20.2%, as compared to revenue of \$408.6 million for the corresponding period of the prior year. This decrease is primarily attributed to a sharp decline in fuel prices soon after the September 11th terrorist attacks and lower volume of aviation gallons sold. World Fuel's revenue during these periods was attributable to the following segments:

(In thousands)	Three Months Ende 2001	ed December 31, 2000
Marine Fuel Services Aviation Fuel Services	\$ 240,336 85,628	\$ 276,916 131,651
Total Revenue	\$ 325,964 ======	\$ 408,567

The marine fuel services segment contributed \$240.3 million in revenue for the three months ended December 31, 2001, a decrease of \$36.6 million, or 13.2%, over the corresponding period of the prior year. The decrease in revenue was due to a lower average price per metric ton sold, partially offset by a higher volume of metric tons sold. The increase in volume is attributable to increased sales by World Fuel's existing subsidiaries, as well as the addition of sales from the marine companies acquired in February and April 2001. The aviation fuel services segment contributed \$85.6 million in revenue of \$46.0 million, or 35.0%, as compared to the same period of the prior year. The decrease in revenue was due to an 11.9% decrease in the volume of gallons sold and a 26.2% decrease in the average price per gallon sold. The decrease in sales volume reflects management's decision to reduce its credit exposure and increase margins, which began in the third quarter of fiscal 2001. Sales volume also decreased because of a general slowdown in economic activity.

World Fuel's gross profit of \$18.8 million for the three months ended December 31, 2001 increased \$740 thousand, or 4.1%, as compared to the same period of the prior year. World Fuel's gross margin increased to 5.8% for the three months ended December 31, 2001 from 4.4% for the same period of the prior year. World Fuel's marine fuel services segment achieved a 4.1% gross margin for the three months ended December 31, 2001, as compared to 3.5% for the same period of the prior year. This gross margin increase resulted from a drop in the average price per metric ton traded, which offset a lower gross profit per metric ton traded. The narrower gross profit per metric ton traded was caused by competitive pressures, and by the recent acquisitions in the marine segment which resulted in the addition of lower margin trading and brokerage business. By integrating these acquisitions into World Fuel's existing global network, World Fuel intends to use better buying practices and value-added services to maximize the gross profit of the newly acquired companies. World Fuel's aviation fuel services business achieved a 10.6% gross margin for the three months ended December 31, 2001, as compared to 6.4% for the same period during the prior year. This increase resulted from an overall increase in the gross profit per gallon sold and the decline in

the average price per gallon sold. The improvement in gross profit per gallon resulted, in part, from a revision in World Fuel's pricing strategy.

Total operating expenses for the three months ended December 31, 2001 were \$13.3 million, a decrease of \$79 thousand, or 0.6%, as compared to the same period of the prior year. This decrease resulted from a \$287 thousand reduction in the provision for bad debts and the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," which eliminated the amortization of goodwill effective April 1, 2001. Partially offsetting these improvements were operating expenses of the newly acquired companies, staff additions, and various business initiatives implemented over the past year.

World Fuel's income from operations for the three months ended December 31, 2001 was \$5.6 million, an increase of \$819 thousand, as compared to \$4.7 million for the same period of the prior year. Income from operations during these periods was attributable to the following segments:

(In thousands)	Thre	e Months 2001	Ended	Dec	cember 31, 2000
Marine Fuel Services Aviation Fuel Services Corporate Overhead	\$	4,298 3,353 (2,090)		\$	4,025 3,128 (2,411)
Total Income from Operations	\$ ====	5,561 ======	-	\$ ====	4,742

The marine fuel services segment earned \$4.3 million in income from operations for the three months ended December 31, 2001, an increase of \$273 thousand, or 6.8%, over the corresponding period of the prior year. This increase resulted primarily from a decrease in compensation. The aviation fuel services segment's income from operations was \$3.4 million for the three months ended December 31, 2001, an increase of \$225 thousand, or 7.2%, as compared to the same period of the prior year. This improvement is due to a higher gross profit and lower provision for bad debts, partially offset by increased compensation and other operating expenses as a result of staff additions and various business initiatives which were implemented over the past year. The decrease in corporate overhead is due to lower consulting and telecommunications expenses.

During the three months ended December 31, 2001, Other income, net, was \$579 thousand, a decrease of \$129 thousand, compared to \$708 thousand for the corresponding period of the prior year. This decrease is mainly due to foreign exchange losses for the three months ended December 31, 2001 as opposed to foreign exchange gains in the same period of the prior year. Partially offsetting were the equity in earnings of the PAFCO aviation joint venture, an increase in interest income, and a gain on the sale of a leasehold property.

World Fuel's effective tax rate for the three months ended December 31, 2001 was 27.1%, resulting in an income tax provision of \$1.7 million, as compared to 28.2% and \$1.5 million for the same quarter last year.

Net income from continuing operations for the three months ended December 31, 2001 was \$4.5 million, an increase of \$561 thousand as compared to net income from continuing operations of \$3.9 million for the same period of the prior year. Diluted earnings per share on income from continuing operations was \$0.42, an increase of \$0.05 as compared to the same period of the prior year.

During the three months ended December 31, 2000, the Company recorded additional income taxes of \$496 thousand in discontinued operations related to the gain on sale of the oil recycling segment. Such additional taxes were recorded based on the actual fiscal 2000 income tax returns filed. The net loss from discontinued operations for the three months ended December 31, 2000 was \$496 thousand, or \$0.05 per share. No expenses from discontinued operations were incurred for the three months ended December 31, 2001.

Net income for the three months ended December 31, 2001 was \$4.5 million, an increase of \$1.1 million, as compared to \$3.4 million for the same period of the prior year. Diluted earnings per share, including discontinued operations, was \$0.42, an increase of \$0.10, as compared to \$0.32 for the same period of the prior year.

The Nine Months Ended December 31, 2001 Compared to the Nine Months Ended

December 31, 2000

World Fuel's revenue for the nine months ended December 31, 2001 was \$1.01 billion, a decrease of \$147.4 million, or 12.7%, as compared to revenue of \$1.16 billion for the corresponding period of the prior year. This decrease is primarily attributed to a decline in fuel prices and a decrease in sales volume for the aviation fuel services segment. World Fuel's revenue during these periods was attributable to the following segments:

(In thousands)	Nine Months E 2001	nded December 31, 2000
Marine Fuel Services Aviation Fuel Services	\$ 727,035 286,746	\$ 769,166 392,014
Total Revenue	\$1,013,781 =======	\$ 1,161,180

The marine fuel services segment contributed \$727.0 million in revenue for the nine months ended December 31, 2001, a decrease of \$42.1 million, or 5.5%, over the corresponding period of the prior year. The decrease in revenue was due to a lower average price per metric ton sold, partially offset by an increase in the volume of metric tons sold. The aviation fuel services segment contributed \$286.7 million in revenue for the nine months ended December 31, 2001, a decrease in revenue of \$105.3 million, or 26.9%, as compared to the same period of the prior year. The revenue decline was due to an 18.4% decrease in the volume of gallons sold, and a 12.3% decrease in the average price per gallon sold. The decrease in sales volume reflects management's decision to reduce its credit exposure and increase margins, which began in the third quarter of fiscal 2001. Sales volume also decreased because of a general slowdown in economic activity.

World Fuel's gross profit of \$55.0 million for the nine months ended December 31, 2001 increased \$3.2 million, or 6.2%, as compared to the same period of the prior year. World Fuel's gross margin increased to 5.4% for the nine months ended December 31, 2001 from 4.5% for the same period of the prior year. World Fuel's marine fuel services segment achieved a 3.9% gross margin for the nine months ended December 31, 2001, as compared to a 3.5% gross margin for the same period of the prior year. The increase resulted from a drop in the average price per metric ton traded, which offset a lower gross profit per metric ton traded. The narrower gross profit per metric ton traded was caused by competitive pressures, and by the recent acquisitions in the marine segment, as noted in the analysis of the results of the quarter. World Fuel's aviation fuel services business achieved a 9.4% gross margin for the nine months ended December 31, 2001, as compared to 6.3% for the same period during the prior year. This increase

resulted from a higher gross profit per gallon sold and a lower average price per gallon sold. The improvement in gross profit per gallon resulted, in part, from a revision in World Fuel's pricing strategy.

Total operating expenses for the nine months ended December 31, 2001 were \$40.1 million, a decrease of \$5.0 million, or 11.1%, as compared to the same period of the prior year. This decrease resulted from a \$4.5 million decrease in the provision for bad debts, a \$3.5 million executive severance charge in the prior year, and the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," which eliminated the amortization of goodwill effective April 1, 2001. Partially offsetting this improvement were operating expenses of the newly acquired companies, staff additions, and various business initiatives implemented over the past year.

World Fuel's income from operations for the nine months ended December 31, 2001 was \$14.9 million, an increase of \$8.2 million, or 123.1%, as compared to the same period of the prior year. Income from operations during these periods was attributable to the following segments:

	==========	=========
Total Income from Operations	\$ 14,906	\$ 6,681
Corporate Overhead	(5,332)	(9,088)
Aviation Fuel Services	8,950	8,039
Marine Fuel Services	\$ 11,288	\$ 7,730
(In thousands)	2001	2000
		ded December 31,

The marine fuel services segment earned \$11.3 million in income from operations for the nine months ended December 31, 2001, an increase of \$3.6 million, or 46.0%, over the corresponding period of the prior year. This increase resulted from a \$3.8 million lower provision for bad debts and a higher gross profit, partially offset by operating expenses of the newly acquired companies and staff additions. The aviation fuel services segment's income from operations was \$9.0 million for the nine months ended December 31, 2001, an increase of \$911 thousand, or 11.3%, as compared to the same period of the prior year. This improvement is due to a higher gross profit and lower provision for bad debts, partially offset by increased operating expenses related to staff additions and various business initiatives which were implemented over the past year. The improvement in corporate overhead is due to the \$3.5 million executive severance charge incurred in the second quarter of the prior year and lower consulting and telecommunications expenses, partially offset by staff additions and higher compensation.

During the nine months ended December 31, 2001, Other income, net, was \$1.8 million, a decrease of \$234 thousand, or 11.3%, as compared to the nine months ended December 31, 2000. This decrease is mainly due to foreign exchange losses for the nine months ended December 31, 2001 as opposed to foreign exchange gains in the same period of the prior year, and a non-recurring credit recorded last year relating to the closure of the aviation joint venture in Ecuador. Largely offsetting were the equity in earnings of the PAFCO aviation joint venture, an increase in interest income, a gain on the sale of a leasehold property, and the insurance settlement recovery relating to the loss of product off the coast of Nigeria.

For the nine months ended December 31, 2001, our effective tax rate was 23.8%, for an income tax provision of \$4.0 million, as compared to a tax rate of 15.7% and an income tax provision of \$1.4 million for the same period a year ago. Income taxes for the nine months ended December 31, 2000 reflect the impact of the executive severance and the provision for bad debts, for which World Fuel received an income tax benefit.

Net income from continuing operations for the nine months ended December 31, 2001 was \$12.8 million, an increase of \$5.4 million from the same period of the prior year. Diluted earnings per share on income from continuing operations was \$1.20, an increase of \$0.51, or 73.9% from the same period of the prior year. Net loss from discontinued operations for the nine months ended December 31, 2000 was \$496 thousand, or \$0.05 per diluted share. No expenses from discontinued operations were incurred for the three months ended December 31, 2001.

Net income for the nine months ended December 31, 2001 was \$12.8 million, an increase of \$5.9 million, or 85.5%, as compared to the same period of the prior year. Diluted earnings per share was \$1.20, an increase of \$0.56, or 87.5%, as compared to the same period of the prior year.

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Liquidity and Capital Resources
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Cash and cash equivalents amounted to \$56.2 million at December 31, 2001, as compared to \$39.0 million at March 31, 2001. For the nine months ended December 31, 2001, cash provided by operations was \$23.4 million, plus approximately \$1.8 million each from stock options exercised and discontinued operations. The principal uses of cash were \$3.1 million for an acquisition in the marine segment, \$1.5 million for the repayment of debt, \$3.1 million in dividends, \$1.3 million for the repurchase of the Company's stock, and \$978 thousand in capital purchases. Components of changes in cash and cash equivalents, for the nine months ended December 31, 2001 and 2000, are detailed in the Condensed Consolidated Statements of Cash Flows. In connection with the January 2002 acquisition in the marine segment, the Company paid cash of approximately \$5.4 million plus working capital funding of approximately \$2.0 million in January 2002.

Working capital as of December 31, 2001 was \$80.7 million, representing an increase of \$4.9 million from working capital as of March 31, 2001. As of December 31, 2001, World Fuel's accounts and notes receivable, excluding the allowance for bad debts, amounted to \$106.6 million, a decrease of \$30.4 million, as compared to the balance at March 31, 2001. This decrease is mostly related to the decline in fuel prices. The allowance for bad debts as of December 31, 2001 amounted to \$11.0 million as compared to \$11.2 million at March 31, 2001. During the nine months ended December 31, 2001, World Fuel charged \$3.2 million to the provision for bad debts and had charge-offs in excess of recoveries of \$3.4 million.

Prepaid expenses and other current assets decreased \$2.0 million, due to the settlement payment received by World Fuel from EarthCare in April 2001 related to the sale of the recycling operations, and a decrease in prepaid fuel in the aviation fuel services segment. Partially offsetting was an increase in deferred income tax assets and the equity in earnings in the PAFCO aviation joint venture.

Capital expenditures for the nine months ended December 31, 2001 consisted primarily of computer equipment purchases and computer software development costs. Goodwill increased by \$5.1 million during the nine months ended December 31, 2001, to \$29.7 million, due to the marine acquisition consummated in April 2001. As a result of the January 2002 acquisition in the marine segment, the Company anticipates recording approximately \$6.0 million in intangible assets.

In the aggregate, accounts payable, accrued expenses and other current liabilities decreased \$23.1 million. Short-term debt and long-term liabilities, in the aggregate, increased by \$674 thousand as a result of the marine segment's April 2001 acquisition, partially offset by the second installment paid on the Bunkerfuels acquisition.

Stockholders' equity amounted to \$113.8 million, or \$10.88 in book value per share at December 31, 2001, compared to \$103.9 million, or \$9.98 in book value per share at March 31, 2001. The \$9.9 million increase in stockholders' equity was due to \$12.8 million in earnings and \$1.8 million received from the exercise of stock options, partially offset by the declaration of dividends of \$3.4 million and \$1.3 million for the repurchase of the Company's stock.

World Fuel expects to meet its working capital and capital expenditure requirements from existing cash, operations and additional borrowings, as necessary, under its existing revolving credit facility. World Fuel's business has been, and will continue to be, affected by fluctuations in fuel prices.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

World Fuel offers swaps and caps to customers in its marine and aviation businesses, as part of its fuel management services. World Fuel simultaneously enters into a commodity based derivative instrument with its customer and a counter-party. The counter-parties are major oil companies and derivative trading firms. Accordingly, World Fuel does not anticipate non-performance by such counter-parties. Pursuant to these transactions, World Fuel is not affected by market price fluctuations since the contracts have the same terms and conditions except for the fee or spread earned by World Fuel. Performance risk under these contracts is considered a credit risk. This risk is minimized by additional credit criteria established for these customers. As of December 31, 2001, World Fuel held eleven outstanding swap contracts for approximately 16 thousand metric tons, expiring monthly through March 31, 2002, and eight outstanding swap contracts for approximately 5.3 million gallons, expiring monthly through April 30, 2002.

The Company's policy is to not use derivative financial instruments for speculative purposes.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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In July 2001, World Fuel received a Summary Judgment from the United States District Court for the Southern District of Florida which ordered Donald F. Moorehead, Jr., Chairman of EarthCare Company ("EarthCare") to pay World Fuel compensatory damages of approximately \$5.0 million, plus interest from May 1, 2001. This judgment relates to Mr. Moorehead's default on his agreement to purchase all of the shares of EarthCare stock owned by World Fuel for approximately \$5.0 million. World Fuel received the EarthCare stock as part payment for the sale of World Fuel's oil recycling operations in February 2000. As of March 31, 2001, a contract receivable for approximately \$5.0 million is included in Prepaid expenses and other current assets in the accompanying Condensed Consolidated Balance Sheets. Since March 31, 2001, World Fuel received principal and interest payments totaling \$700 thousand from Mr. Moorehead. As of December 31, 2001, the balance due from Mr. Moorehead, excluding interest, was approximately \$4.3 million and is included in Prepaid expenses and other current assets in the accompanying Condensed Consolidated Balance Sheets. World Fuel continues to vigorously pursue collection of its judgment and currently is seeking to have a receiver appointed by the court to administer Mr. Moorehead's assets and to sell these assets. Although World Fuel believes that it will recover the remaining amount of the debt, our ability to recover the full amount remains subject to customary collection risks, including the risk that Mr. Moorhead may file for personal bankruptcy, and that his saleable assets will not produce sufficient sales proceeds to satisfy the debt.

World Fuel is also involved in other legal and administrative proceedings primarily arising in the normal course of its business. In the opinion of management, except as set forth in World Fuel's Annual Report on Form 10-K for the year ended March 31, 2001, or the quarterly reports on Form 10-Q for the periods ended September 30, 2001 and June 30, 2001, World Fuel's liability, if any, under any such legal or administrative proceedings, is not expected to materially affect its financial condition or results of operations.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

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None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS - ----

None

ITEM 5. OTHER INFORMATION

None

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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- The exhibit set forth in the following index of exhibits are filed as (a) part of this report:

EXHIBIT NO.	DESCRIPTION		
(10)	Material contracts filed with this Form 10-Q:		
	(a) Amended and Restated Employment Agreement with Michael Kasbar, Chief Executive Officer of the Marine Fuel Services Segment, dated October 11, 2001.		
	(b) Credit Agreement, dated as of December 7, 2001, between World Fuel Services Corporation and LaSalle Bank National Association.		

Mr.

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(b)
Reports on Form 8-K.
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During the quarter ended December 31, 2001, World Fuel did not file any reports on Form 8-K.

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.

DATE: February 6, 2002 WORLD FU

WORLD FUEL SERVICES CORPORATION

/s/ Paul H. Stebbins.

PAUL H. STEBBINS PRESIDENT and CHIEF OPERATING OFFICER

/s/ Carlos A. Abaunza

CARLOS A. ABAUNZA CHIEF FINANCIAL OFFICER and TREASURER (Principal Financial and Accounting Officer)

Index to Exhibits

EXHIBIT NO.	DESCRIPTION

- 10 (a) Amended and Restated Employment Agreement with Mr. Michael Kasbar, Chief Executive Officer of the Marine Fuel Services Division, dated October 11, 2001.
- 10 (b) Credit Agreement, dated as of December 7, 2001, between World Fuel Services Corporation and LaSalle Bank National Association.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into effective as of the 11/th/ day of October, 2001, by and between World Fuel Services Corporation, a Florida corporation (the "Company"), the parent company of Trans-Tec Services, Inc., a Florida corporation ("Trans-Tec"), and Michael J. Kasbar (the "Executive").

RECITALS. Executive currently is employed by the Company pursuant to an

employment agreement dated January 3, 1995, as amended on June 10, 1997, that expires December 31, 2002 (the "Prior Employment Agreement") as the Chairman of Trans-Tec and the Chief Executive Officer of Trans-Tec, Trans-Tec Servicios S.A., Trans-Tec Services (Singapore) Pte., Ltd., Trans-Tec Services (UK), Ltd., Norse Bunker A.S., Marine Energy Arabia Establishment Ltd., Pacific Horizon Petroleum Services, Inc., Bunkerfuels Corporation, Bunkerfuels U.K. Ltd., and all other subsidiaries and affiliates of the Company engaged in the marine and related businesses, excluding aviation (the "Trans-Tec Group"). The Company and the Executive now wish to amend and restate the Prior Employment Agreement in its entirety.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree that the Prior Employment Agreement is hereby amended and restated in its entirety to read as follows:

1. Employment. The Company hereby employs Executive pursuant to the terms

and conditions of this Agreement for a term (the initial "Employment Term"), commencing as of October 1, 2001 and ending on March 31, 2005. At least one (1) year prior to each date on which the Employment Term otherwise would terminate, the Company and the Executive shall notify each other in writing whether they elect to extend the Employment Term for an additional year, and the Employment Term shall not be so extended unless both parties so elect to extend the Employment Term. If the Company is electing not to extend the Employment Term for Cause, or the Executive is electing not to extend the Employment Term for Good Reason, it or he shall so state in the notice. During the Employment Term, the Executive shall serve as the Chairman of Trans-Tec, Chief Executive Officer of the Trans-Tec Group, and Executive Vice President of the Company. The Executive shall faithfully and diligently perform all services as may be assigned to him by the President and Chief Operating Officer of the Company consistent with his position, shall report solely to the President and Chief Operating Officer of the Company (the "President and Chief Operating Officer") and shall exercise such power and authority as may from time to time be delegated to him by the President and Chief Operating Officer. The Executive shall devote his full business time and attention to the business and affairs of the Trans-Tec Group and the Company, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Trans-Tec Group and the Company. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for the Executive to (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, or (iii) manage personal investments, so long as such activities do not significantly interfere with or significantly detract from the performance of the Executive's responsibilities to the Company in accordance with this Agreement.

2. Compensation and Benefits. During the Employment Term, the Company shall

pay Executive the compensation and other amounts set forth below.

2.1 Base Salary. The Company shall pay Executive an annual salary ("Base

Salary") of Four Hundred and Thirty Seven Thousand Five Hundred Dollars (\$437,500), payable in equal installments according to the Company's regular payroll practices and subject to such deductions as may be required by law. The Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Board of Directors of the Company (the "Board") or the Compensation Committee of the Board (the "Compensation Committee"), be increased at any time or from time to time. Base Salary shall not be decreased and, if increased, shall not thereafter be decreased for any reason.

2.2 Bonus.

(a) For the period from January 1, 2001 through December 31, 2001, the Company shall pay Executive a bonus equal to 5% of the annual Pre-Tax Earnings (as hereunder defined) of the Trans-Tec Group for the calendar year 2001 that exceed \$4,000,000, payable on or before March 31, 2002. "Pre-Tax Earnings of the Trans-Tec Group" shall be the consolidated pre-tax earnings of the Company and its affiliates engaged in the marine and related business, excluding aviation, managed by the Executive, determined in accordance with generally accepted accounting principles, except that the following expenses shall not be deducted for purposes of computing Pre-Tax Earnings: (i) interest charged by World Fuel Services Corporation to the Trans-Tec Group on the purchase price paid under the Acquisition Agreement for the Assets and the UK Shares; (ii) the amortization of goodwill recognized by the Company related to the acquisition of the Assets and UK Shares.

(b) (i) Subject to subsections (c), (e), (f), (g) and (h) below, the Company shall pay Executive an annual bonus (the "Bonus") for the period beginning January 1, 2002 and ending March 31, 2002, and unless otherwise agreed to in writing by the Compensation Committee and the Executive, for each 12 month period beginning each April thereafter (each a "Bonus Period") equal to a percentage of the Executive's Base Salary as of the last day of the Bonus Period for which the Bonus is being calculated, determined as follows based upon the Growth in EPS for the Bonus Period:

Growth in EPS for Bo	nus Period	Bonus as Percentage of Base Salary for Fiscal		
		Year Ended		
Equal to or Greater Than	But Less Than	March 31, 2002	Each March 31 Thereafter	
	10%	0	0	
10%	12.5%	6.25%	25%	
12.5%	15%	12.5%	50%	
15%	17.5%	18.75%	75%	
17.5%		25%	100%	

(ii) For purposes of the foregoing formula, "Growth in EPS" for a Bonus Period shall mean the quotient obtained by dividing (x) the amount, if any, by which (i) the EPS for the 12 month period that ends on the last day of the Bonus Period exceeds (ii) the EPS for the 12 month period ending on the March 31 immediately preceding the Bonus Period (the "Prior Year's EPS"), by (y) the Prior Year's EPS. For purposes of the foregoing formula, EPS shall mean the Company's basic earnings per share, computed in accordance with FASB Statement 128. However, the Compensation Committee has the right to adjust financial results to eliminate the effect of certain accounting adjustments and other one-time events, so that the bonus payouts reflect ongoing operating results and are not artificially inflated, or deflated, due to unusual, one-time events.

(iii) After the Bonus Period ending March 31, 2002, the Compensation Committee and the Executive shall review the bonus formula and make such changes, if any, as they mutually agree in writing to be appropriate. If the Compensation Committee and the Executive fail to come to such a mutual agreement by June 30, 2002, then the bonus formula for each subsequent Bonus Period shall be the formula as set forth in Section 2.2(b)(i) and (ii) hereof, unless the Company notifies the Executive in writing by no later than July 15, 2002, of a different bonus formula that will apply for each subsequent Bonus Period.

(c) The requirement that the Company achieve the Growth in EPS goals under this Section 2.2 (the "Performance Goal") is intended as a `performance goal" for Executive, as that term is used in Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations promulgated thereunder. The Company hereby represents and warrants to Executive that such Performance Goal has been determined and approved by the Compensation Committee, consisting solely of at least two (2) outside directors, as required by Code (S) 162(m)(4)(C)(i) and Treasury Regulations promulgated thereunder.

(d) Notwithstanding anything to the contrary contained herein, in no event shall Executive receive any portion of his Bonus if and to the extent that the Company could not reasonably deduct such portion solely by operation of Code (S) 162(m). For purposes of this limitation: (i) no portion of the Executive's compensation or benefits, the receipt or enjoyment of which Executive shall have effectively waived in writing prior to the date of payment, shall be taken into account; (ii) no portion of any compensation or benefits shall be taken into account which, in the opinion of tax counsel selected by the Company's independent auditors and acceptable to Executive, does not constitute "applicable employee remuneration" within the meaning of Code (S)162(m) and Treasury Regulations promulgated thereunder; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Executive's remuneration shall be determined by the Company's independent auditors in accordance with the Code. This subsection (d) shall not prohibit the payment of any Bonus (or portion thereof) which is deferred in accordance with subsection (g) below.

(e) At any time during the Employment Term, upon written request of Executive, the Company shall submit the Performance Goal and other material compensation terms provided herein for approval by the Company's shareholders so as to comply with Code (S) 162(m)(4)(C)(ii) and Regulations promulgated thereunder, and the Company shall use reasonable efforts to secure such shareholder approval; provided, (i) the Company shall not be required to call a special shareholders meeting for the sole purpose of complying with this

section; and (ii) in order to have such approval sought at the Company's annual shareholders meeting, Executive shall provide written notice thereof to the Company no less than ninety (90) days prior to the scheduled date of the annual meeting. If any executive officer of the Company requests that his Performance Goal and compensation terms be submitted for shareholder approval pursuant to this Agreement, the Company shall have the right to submit the Performance Goals and compensation arrangements of all executive officers for shareholder approval at the same meeting.

(f) If required to comply with Code (S)162(m)(4)(C)(iii), the Company's Compensation Committee shall, before the payment of any Bonus, certify in writing, if applicable, that the Performance Goal and any other material terms hereof were satisfied, as necessary to comply with Code (S) 162(m)(4)(C)(iii).

(g) Unless the Company's shareholders have approved the Performance Goal and other material compensation terms provided herein, the payment of any portion of the Bonus causing Executive's compensation to exceed the limitation under Section 162(m)(i) of the Code during any fiscal year of the Company (the "Excess Amount") will be deferred until a fiscal year during the Employment Term in which Executive earns less than the limitation under Section 162(m)(i) of the Code; provided, however, that in the event of Executive's death, the termination

of Executive for any reason, or the expiration of this Agreement, any Excess Amount, including any interest earned thereon, shall be paid to Executive within ten (10) days of such death, termination, or expiration. Any Excess Amount shall earn interest at the prime rate as published in the Wall Street Journal until such amount is paid to the Executive. The Company shall hold any Excess Amount, including any interest earned thereon, in trust for Executive until such amount is paid to Executive in accordance with the terms hereof; provided, that all amounts held in trust for Executive shall be subject to the claims of the creditors of the Company.

(h) The provisions of this Section 2.2 are intended, and shall be interpreted, to comply with the requirements of Code (S) 162(m) so as to permit the Company to deduct all payments of applicable employee remuneration made to Executive pursuant to this Agreement.

2.3 Stock Options.

(a) Upon the execution of this Agreement, the Company shall grant to the Executive options (the "Initial Options") to purchase up to 55,000 shares of common stock (the "Common Stock") of the Company under (and therefore subject to all terms and conditions of) the World Fuel Services Corporation 1996 Employee Stock Option Plan and the 2001 Omnibus Plan, and any successor plan thereto, and all rules of regulation of the Securities and Exchange Commission applicable to stock option plans then in effect. The option price per share for the Initial Options shall be \$11.90. Those Initial Options that are incentive Stock Options (as described below) become exercisable at the rate of one-third per year commencing on the first anniversary of the date of grant, and those Initial Options that are non-qualified stock options become exercisable in full on the second anniversary of the date of grant. In addition to the Initial Options, the Executive shall be eligible to receive additional option grants under the 2001 Omnibus Plan in such number and on such terms and conditions as shall be determined by the

Board or the Compensation Committee of the Board. The options granted to the Executive shall be incentive stock options, within the meaning of Section 422(b) of the Internal Revenue Code of 1986 as amended (the "Code"), to the extent that such options do not exceed the limitations imposed by Section 422(d) of the Code, and the balance of the options granted to the Executive shall be non-gualified stock options.

(b) The Initial Options shall become fully vested immediately in the event that: (i) a Change of Control of the Company as defined in Section 3.1 hereof occurs, or (ii) the Executive terminates his employment with the Company for Good Reason, as defined in Section 3.4 hereof, or (iii) the Company terminates the Executive's employment with the Company, other than for Cause, as defined in Section 3.2 hereof. In the event the Executive's employment terminates for any of the reasons set forth in subsections (ii) or (iii) of this Section 2.3, the Executive may exercise all vested rights under the Initial Options at any time after vesting and until the earlier of: (1) the date that is two (2) years after the date on which the Executive's employment terminates for the reasons provided above, and (2) the Expiration Date for the options as defined in the applicable option agreement.

 $\ensuremath{\texttt{2.4}}$ Restricted Stock. Upon execution of this Agreement, the Company

shall grant to the Executive 25,000 shares of restricted Common Stock of the Company (the "Restricted Stock"), which shall vest 25% on October 1, 2002, 25% on October 1, 2003, 25% on October 1, 2004, and 25% on March 31, 2005, and subject to such terms and conditions as are set forth in a Restricted Stock Agreement to be entered into by and between the Company and the Executive in the form attached as Exhibit A hereto (the "Restricted Stock Agreement"). The Executive's rights with respect to the Restricted Stock shall become fully vested immediately in the event that (i) a Change or Control of the Company as defined in Section 3.1 hereof occurs, or (ii) the Executive terminates his employment with the Company for Good Reason, as defined in Section 3.4 hereof, or (iii) the Company terminates the Executive's employment with the Company, other than for Cause, as defined in Section 3.2 hereof.

2.5 Other Benefits. Executive: (i) shall be entitled to receive all

medical, health, disability, life and dental insurance, and other similar employee benefit programs, which may be provided by the Company to its executive employees from time-to-time; (ii) shall be entitled to reimbursement for reasonable and necessary out-of-pocket expenses incurred in the performance of his duties hereunder, including but not limited to travel and entertainment expenses (such expenses shall be reimbursed by the Company, from time to time, upon presentation of appropriate receipts therefor); (iii) shall be paid an auto allowance of \$1,000.00 per month; (iv) shall be entitled to six (6) weeks paid vacation each calendar year, and any vacation time not taken during any calendar year shall be carried over into subsequent calendar years if and to the extent such carried over vacation time does not exceed six (6) weeks; and (v) shall be entitled to reimbursement from the Company for all of his legal fees and expenses incurred in connection with the preparation of this Employment Agreement.

3. Certain Definitions.

3.1 Change of Control. For purposes of this Agreement, a "Change of Control" shall be deemed to have occurred if:

(a) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding any employee benefit plan or plans of the Company and its subsidiaries and affiliates, becomes the beneficial owner, directly or indirectly, of twenty percent (20%) or more of the combined voting power of the Company's outstanding voting securities ordinarily having the right to vote for the election of directors of the Company; or

(b) the individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Board" generally and as of the date hereof the "Incumbent Board") cease for any reason to constitute at least two-thirds (2/3) of the Board, or in the case of a merger or consolidation of the Company, do not constitute or cease to constitute at least two-thirds (2/3) of the board of directors of the surviving company (or in a case where the surviving corporation is controlled, directly or indirectly by another corporation or entity, do not constitute or cease to constitute at least two-thirds (2/3) of the board of such controlling corporation or do not have or cease to have at least two-thirds (2/3) of the voting seats on any body comparable to a board of directors of such controlling entity, or if there is no body comparable to a board of directors, at least two-thirds (2/3) voting control of such controlling entity); provided that any person becoming a director (or, in the case of a controlling non-corporate entity, obtaining a position comparable to a director or obtaining a voting interest in such entity) subsequent to the date hereof whose election, or nomination for election, was approved by a vote of the persons comprising at least two-thirds (2/3) of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest), shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; or

(c) there is a liquidation or dissolution of the Company or all or substantially all of the assets of the Company have been sold; or

(d) if the Company enters into an agreement or series of agreements or the Board passes a resolution which will result in the occurrence of any of the matters described in Subsections (a), (b) or (c), and the Executive's employ is terminated subsequent to the date of execution of such agreement or series of agreements or the passage of such resolution, but prior to the occurrence of any of the matters described in Subsection (a), (b) or (c), then, upon the occurrence of any of the matters described in Subsection (a), (b) or (c), then, upon the occurrence of any of the matters described in Subsections (a), (b) or (c), a Change of Control shall be deemed to have retroactively occurred on the date of the execution of the earliest of such agreement(s) or the passage of such resolution.

3.2 Cause. For purposes of this Agreement, "Cause" means (i) an act or

acts of fraud, misappropriation, or embezzlement on the Executive's part which result in or are intended to result in his personal enrichment at the expense of the Company or its subsidiaries or affiliates, (ii) conviction of a felony, or (iii) willful failure to report to work for more than thirty (30) continuous days not attributable to eligible vacation or supported by a licensed physician's statement.

3.3 Disability. For purposes of this Agreement, "Disability" means

disability which after the expiration of more than twelve (12) months after its commencement is determined to be total and permanent by an independent physician mutually agreeable to the

parties. Notwithstanding any disability of Executive, he shall continue to receive all compensation and benefits provided under Section 2 until his employment is actually terminated, by a Notice of Termination pursuant to Section 4.2.

3.4 Good Reason. For purposes of this Agreement, "Good Reason" means:

 (a) any failure by the Company to comply with any of the provisions of Section 2 of this Agreement other than an insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company within five (5) business days after receipt of notice thereof given by the Executive;

(b) following a Change in Control, any failure by the Company and/or its subsidiaries or affiliates to furnish the Executive and/or where applicable, his family, with: (i) total annual cash compensation (including annual bonus), (ii) total aggregate value of perquisites, (iii) total aggregate value of benefits, or (iv) total aggregate value of long term compensation, including but not limited to stock options, in each case at least equal to or exceeding or otherwise comparable to in the aggregate, the highest level received by the Executive from the Company and/or its subsidiaries or affiliates during the six (6) month period (or the one (1) year period for compensation, perquisites and benefits which are paid less frequently than every six (6) months) immediately preceding the Change of Control, other than an insubstantial and inadvertent failure remedied by the Company within five (5) business days after receipt of notice thereof given by the Executive;

(c) the Company's and/or its subsidiaries' or affiliates' requiring the Executive to be based or to perform services at any site or location more than fifteen (15) miles from Miami, Florida, except for travel reasonably required in the performance of the Executive's responsibilities (which does not materially exceed the level of travel previously required of the Executive);

(d) any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Section 9;

(e) without the express prior written consent of the Executive (which consent the Executive has the absolute right to withhold), (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including titles and reporting relationships), authority, responsibilities or status, or (ii) any other material adverse change in such position, authority, responsibility or status; or

(f) the Executive's termination of employment for any reason by no later than August 15, 2002, in the event that the Company and the Executive fail to mutually agree pursuant to Section 2.2(b)(iii) upon a bonus formula for fiscal years ending after March 31, 2002, and the Executive does not accept a formula selected by the Company that differs from the formula set forth in Section 2.2(b).

For the purposes of this Section 3.4, any good faith interpretation by the Executive of the foregoing definitions of "Good Reason" shall be conclusive on the Company. No termination by

Executive for Good Reason shall be deemed a voluntary termination by Executive for purposes of any stock option, employee benefit or similar plan of the Company.

3.5 Notice of Termination. For purposes of this Agreement, a "Notice

of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the Date of Termination (which date shall be not more than fifteen (15) days after the giving of such notice).

3.6 Date of Termination. Date of Termination means the date of

receipt of the Notice of Termination or any later date specified therein, as the case may be.

4. Termination.

4.1 Events of Termination. The Executive may terminate his

employment with the Company, for Good Reason, at any time, and may terminate his employment with the Company without Good Reason upon thirty (30) days written notice to the Company. The Company may terminate Executive's employment with the Company at any time upon the occurrence of one or more of the events set forth in subsections (a) through (c) below. The death or Disability of Executive shall in no event be deemed a termination of employment by Executive.

- (a) The death of Executive.
- (b) The Disability of Executive.
- (c) The discharge of Executive by the Company for Cause.

4.2 Notice of Termination. Any termination of the Executive's

employment by the Executive for Good Reason or otherwise, or by the Company for Cause or otherwise, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 10(h).

5. Obligations Upon Termination.

5.1 Voluntary Termination by Executive and Termination For Cause. If

the Executive's employment with the Company is terminated (i) voluntarily by the Executive, for any reason other than Good Reason, or (ii) by the Company for Cause, the Company shall pay Executive, within five (5) business days after his Date of Termination, his Base Salary, unused vacation entitlement and car allowance through the Date of Termination (if not already paid), and the Company shall have no further obligation to provide compensation or benefits to Executive under this Agreement; except that, to the extent that the Company's insurance, stock option and other benefit plans provide certain rights and benefits after an employee's termination, Executive shall continue to receive such rights and benefits in accordance with the terms of such plans.

5.2 Termination for Death or Disability. If $\ensuremath{\mathsf{Executive's}}\xspace$ employment is

terminated by the Company due to the Executive's death or Disability, the Company shall pay Executive (or his heirs and/or personal representatives): (i) Executive's Base Salary, unused vacation entitlement and car allowance through the Date of Termination (if not already paid); and (ii) the Bonus payable under Section 2.2, if any, for the fiscal year in which Executive's termination occurred, as if Executive had been employed by the Company for the full fiscal year; and the Company shall have no further obligation to provide compensation or benefits to Executive under this Agreement; except that, to the extent that the Company's insurance, stock option and other benefit plans provide certain rights and benefits after an employee's termination, Executive shall continue to receive such rights and benefits in accordance with the terms of such plans. Amounts payable under subsection (i) of this Section 5.2 shall be paid within five (5) business days after the Date of Termination, and the Bonus payable under subsection (ii) shall be paid on or before May 15 of the fiscal year following the fiscal year in which the termination occurred.

5.3 Termination by the Company in Default of Agreement; Termination of Employment by the Executive for Good Reason. If (i) the Executive's employment

with the Company is terminated by the Company prior to, or more than three (3) years after, a Change of Control for any reason other than the Executive's death or Disability, and other than for Cause, or (ii) the Executive terminates employment with the Company for Good Reason prior to, or more than three (3) years after, a Change of Control, then the Company shall pay and provide Executive:

(a) an amount equal to the cash payment described in Section I of Exhibit A attached hereto and made a part hereof; plus

(b) the benefits described in Sections II through IV of Exhibit A.

The amounts payable under subsection (a) of this Section 5.3 shall be paid to Executive by cashier's check within five (5) business days after his Date of Termination. The payments and benefits paid and provided pursuant to this Section 5.3 (the "Default Payments") shall be in lieu of all other compensation and benefits payable to Executive under this Agreement, and as liquidated damages and in full settlement of any and all claims by Executive against the Company as a result of the Company's breach of this Agreement; except that, to the extent that the Company's insurance, stock option and other benefit plans provide certain rights and benefits after an employee's termination, Executive shall continue to receive such rights and benefits in accordance with the terms of such plans. Such Default Payments: (i) are not contingent on the occurrence of any change in the ownership or effective control of the Company; (ii) are not intended as a penalty; and (iii) are intended to compensate Executive for his damages are difficult to ascertain.

5.4 Termination Following a Change in Control. In the event that (i) a

Change in Control in the Company shall occur during the Employment Term, and (ii) on or before the third anniversary of the Change of Control, either (x) the Term of Employment is terminated by the Company without Cause (or the Term of Employment expires because the Company has refused to extend the Term without Cause), or (y) the Executive terminates the Term of Employment (or refuses to extend the Term) for Good Reason, the Company shall pay

and provide Executive, within five (5) business days after the Date of Termination, as severance compensation, the cash amounts and benefits (collectively, "Severance Benefits") payable to the Executive under Section 5.3 hereof. For this purpose, termination of employment by the Executive for any reason during the 30 day period that begins 6-months after the Change in Control occurs shall be deemed to be a termination by the Executive for Good Reason. The Severance Benefits so paid and provided shall be in lieu of all other compensation and benefits payable to Executive under this Agreement, and in full settlement of any and all claims by Executive for such compensation or benefits; except that, to the extent that the Company's insurance, stock option and other employee benefit plans provide certain rights and benefits after an employee's termination, Executive shall continue to receive such rights and benefits in accordance with the terms of such plans. The Company agrees that following a Change of Control, the Company shall not, without the Executive's consent, amend any employee insurance or benefit plan or program of the Company or its subsidiaries or affiliates in any manner that would adversely affect the Executive's rights under such plan or program.

5.5 Termination Prior to a Change of Control as a Result of Company's Non-Extension of Employment Term Without Cause. If the Company elects not to

extend the Employment Term pursuant to Section 1 hereof other than for Cause. and the Employment Term expires prior to, or more than three (3) years after, the date on which a Change of Control has occurred, then the Company shall pay and provide to the Executive (a) Executive's Base Salary, unused vacation entitlement and car allowance through the Date of Termination (if not already paid), by cashier's check within five (5) business days after his Date of Termination; (b) continue to pay for a period of one year after the Date of Termination (the "Continuation Period"), an amount equal to the sum of (i) the Executive's Base Salary as of the Date of Termination and (ii) the average of the Executive's bonuses for each of the three (3) fiscal years of the Company ending on or immediately before the Date of Termination, such sum to be payable in twenty-six (26) consecutive bi-weekly installments commencing two weeks from the Date of Termination; and (c) continue to provide the benefits described in Sections (II) and (IV) of Exhibit A hereto through the end of the Continuation Period. In addition, the Executive shall be entitled to exercise his Stock Rights, as defined in Section III of Exhibit A hereto, for the period specified in said Section III. The Company may discontinue the payment of any amounts and provision of any benefits required under this Section 5.5 in the event that, during the Continuation Period, either (i) the Executive fails to comply in any material respect with any provision of Section 6 of this Agreement other than an insubstantial and an inadvertent failure not occurring in bad faith and which is remedied by the Executive within five (5) business days after receipt of notice thereof given by the Company, or (ii) if requested by the Company to do so, the Executive fails to provide up to ten hours per calendar month of consulting services (including any travel time) to the Company as reasonably requested by the Company, at such times and places as shall be mutually agreeable to the Company and the Executive so as not to materially interfere with any other obligations or commitments of the Executive and subject to the Company's reimbursement to the Executive of his reasonable expenses incurred in providing such consulting services.

5.6 Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that a Change of Control occurs prior to January 1, 2003, and it shall be determined that, as a result of such Change of Control, any payment, distribution or other action by the Company to

or for the benefit of the Executive (whether paid or pavable or distributed or distributable pursuant to the terms of this Agreement or otherwise, including any additional payments required under this Section 5.6) (a "Payment") would be subject to an excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or any interest or penalties are incurred by the Executive with respect to any such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company shall make a payment to the Executive (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains (or has had paid to the Internal Revenue Service on his behalf) an amount of the Gross-Up Payment equal to the sum of (x) the Excise Tax imposed upon the Payments and (y) the product of any deductions disallowed because of the inclusion of the Gross-Up Payment in the Executive's adjusted gross income and the highest applicable marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is to be made. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to (i) pay federal income taxes at the highest marginal rates of federal income (i) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(b) Subject to the provisions of paragraph (c) of this Section 5.6, all determinations required to be made under this Section 5.6, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen & Co. (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 5.6, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 5.6 and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given no later than fifteen (15) business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 5.6(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 5.6(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 5.6(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 5.6(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

6. Covenant Against Unfair Competition.

(a) Executive agrees that while he is employed by the Company, and for a period of three (3) years following any termination of his employment, for any reason, he will not, for his own account or jointly with another, directly or indirectly, for or on behalf of any individual, partnership, corporation or other legal entity, as principal, agent or otherwise:

(i) own, control, manage, be employed by, consult with, or otherwise participate in, a business (other than that of the Company) involved within the Trade Area (as hereinafter defined) with any of the following businesses (the "Businesses"): (1) the storage, handling, delivery, marketing, sale, distribution or brokerage of aviation fuel, marine fuel or lubricants, aviation flight services, or marine fuel services, or (2) any other service or activity which is competitive with the services or activities which are or have been performed by the Company or its subsidiaries or affiliates since January 1, 1995;

(ii) solicit, call upon, or attempt to solicit, the patronage of any individual, partnership, corporation or other legal entity to whom the Company or its subsidiaries or affiliates sold products or provided services, or from whom the Company or its subsidiaries or affiliates purchased products or services, at any time since January 1, 1995, for the purpose of obtaining the patronage in any of the Businesses of any such individual, partnership, corporation or other legal entity;

(iii) solicit or induce, or in any manner attempt to solicit or induce, any person employed by the Company or its subsidiaries or affiliates to leave such employment, whether or not such employment is pursuant to a written contract and whether or not such employment is at will; or

(iv) use, directly or indirectly, on behalf of himself or any other person or business entity, any trade secrets or confidential information concerning the business activities of the Company or any of the Company's subsidiaries or affiliates. Trade secrets and confidential information shall include, but not be limited to, lists of names and addresses of customers and suppliers, sources of leads and methods of obtaining new business, methods of marketing and selling products and performing services, and methods of pricing.

(b) As used herein, the term "Trade Area" shall mean: (i) the States of Florida, Louisiana, Georgia, Delaware, Pennsylvania, New York, California, Virginia, New Jersey, and Maryland, (ii) Singapore, Greece, South Korea, England and Costa Rica, and (iii) any airports or seaports throughout the world which are or were serviced by the Company or its subsidiaries or affiliates at any time since January 1, 1995.

(c) Executive recognizes the importance of the covenant contained in this Section 6 and acknowledges that, based on his past experience and training as an executive of the Company, the projected expansion of the Company's business, and the nature of his services to be provided under this Agreement, the restrictions imposed herein are: (i) reasonable as to scope, time and area; (ii) necessary for the protection of the Company's legitimate business interests, including without limitation, the Company's trade secrets, goodwill, and its relationship with customers and suppliers; and (iii) not unduly restrictive of Executive's rights as an individual. Executive acknowledges and agrees that the covenants contained in this Section 6 are essential elements of this Agreement and that but for these covenants, the Company would not have agreed to enter into this Agreement.

(d) If Executive commits a breach or threatens to commit a breach of any of the provisions of this Section 6, the Company shall have the right and remedy, in addition to any others that may be available, at law or in equity, to have the provisions of this Section 6 specifically enforced by any court having equity jurisdiction, through injunctive or other relief, it being acknowledged that any such breach or threatened breach will cause irreparable injury to the Company, the amount of which will be difficult to determine, and that money damages will not provide an adequate remedy to the Company.

(e) If any covenant contained in this Section 6, or any part thereof, is hereafter construed to be invalid or unenforceable, the same shall not affect the remainder of the covenants, which shall be given full effect, without regard to the invalid portions, and any court having jurisdiction shall have the power to reduce the duration, scope and/or area of such covenant and, in its reduced form, said covenant shall then be enforceable.

(f) The provisions of this Section 6 shall survive the expiration and termination of this Agreement, and the termination of Executive's employment hereunder, for any reason.

7. Non-Exclusivity of Rights. Nothing in this Agreement shall prevent or

limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its subsidiaries or affiliates and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any employment, stock option or other agreements with the Company or any of its subsidiaries or affiliates. In the event there are any amounts which represent vested benefits or which the Executive is otherwise entitled to receive under any other plan or program of the Company or any of its subsidiaries or affiliates at or subsequent to the Date of Termination, the Company shall pay or cause the relevant plan or program to pay such amounts, to the extent not already paid, in accordance with the provisions of such plan or program.
8. Full Settlement. Except as specifically provided otherwise in this

Agreement, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any setoff, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others. The Executive shall not be obligated to seek other employment by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement. Except as expressly provided in Section II of Exhibit A, the Severance Benefits shall not be reduced by any compensation or benefits earned by the Executive as the result of employment by another employer after the Date of Termination, or otherwise. The Company agrees to pay all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company or others of the validity or enforceability of, or liability under any provision of this Agreement or any guarantee of performance thereof, in each case plus interest, compounded daily, on the total unpaid amount determined to be payable under this Agreement, such interest to be calculated on the basis of two percent (2%) over the base or prime rate announced by Bank of America in effect from time during the period of such nonpayment, but in no event greater than the highest interest rate permitted by law for such payments.

9. Successors. This Agreement is personal to the Executive and without the

prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives, executors, heirs and legatees This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall require any successor to all or substantially all of the business and/or assets of the Company, whether directly or indirectly, by purchase, merger, consolidation, acquisition of stock, or otherwise, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform if no such succession had taken place, by a written agreement in form and substance reasonably satisfactory to the Executive, delivered to the Executive within five (5) business days after such succession.

10. Miscellaneous.

(a) Modification and Waiver. Any term or condition of this

Agreement may be waived at any time by the party hereto that is entitled to the benefit thereof; provided, however, that any such waiver shall be in writing and signed by the waiving party, and no such waiver of any breach or default hereunder is to be implied from the omission of the other party to take any action on account thereof. A waiver on one occasion shall not be deemed to be a waiver of the same or of any other breach on a future occasion. This Agreement may be modified or amended only by a writing signed by all of the parties hereto.

(b) Governing Law. The validity and effect of this Agreement

shall be governed by and construed and enforced in accordance with the laws of the State of Florida. In any action or proceeding arising out of or relating to this Agreement (an "Action"), each of the parties hereby irrevocably submits to the non-exclusive jurisdiction of any federal or state court sitting in Miami, Florida, and further agrees that any Action may be heard and determined in such federal court or in such state court. Each party hereby irrevocably waives, to the fullest

extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any action in Miami, Florida.

(c) Tax Withholding. The payments and benefits under this

Agreement may be compensation and as such may be included in either the Executive's W-2 earnings statements or 1099 statements. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation, as well as any other deductions consented to in writing by the Executive.

(d) Section Captions. Section and other captions contained in

this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

(e) Severability. Every provision of this Agreement is intended

to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

(f) Integrated Agreement. This Agreement constitutes the entire

understanding and agreement among the parties hereto with respect to the subject matter hereof, and supersedes any other employment agreements executed before the date hereof. There are no agreements, understandings, restrictions, representations or warranties among the parties other than those set forth herein or herein provided for.

(g) Interpretation. No provision of this Agreement is to be

interpreted for or against any party because that party or that party's legal representative drafted such provision. For purposes of this Agreement: "herein", "hereby", "hereunder", "herewith", "hereafter" and "hereinafter" refer to this Agreement in its entirety, and not to any particular subsection or paragraph. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

(h) Notices. All notices and other communications hereunder shall

be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

> If to the Company: World Fuel Services Corporation 700 S. Royal Poinciana Blvd. Suite 800 Miami Springs, FL 33166

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by addressee.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals the day and year first above written.

WITNESSES:	WORLD FUEL SERVICES CORPORATION
	By: /s/ Paul Stebbins Title: President and Chief Operating Officer
	/s/ Michael J. Kasbar Michael J. Kasbar Executive
	17

EXHIBIT A

SEVERANCE BENEFITS

(I) Cash Payment. The Company shall pay to the Executive the aggregate of the amounts determined pursuant to clauses (A) through (C) below:

(A) if not already paid, the Executive's Base Salary, unused vacation entitlement and car allowance through the Date of Termination; and

(B) an amount equal to the annual Base Salary (the "Base Amount") payable to the Executive immediately prior to the Date of Termination, multiplied by three (3) if the termination is pursuant to Section 5.4 hereof on or before the third anniversary following a Change of Control, or otherwise multiplied by two (2);

(C) an amount equal to the product of (x) the average annual bonus payable to the Executive for the three (3) fiscal years beginning on or after April 1, 2001 (or such lesser number of full fiscal years as shall have been completed after April 1, 2001) immediately preceding the fiscal year of termination, multiplied by (y) three (3) if the termination is pursuant to Section 5.4 hereof on or before the third anniversary following a Change of Control, or otherwise multiplied by two (2); provided, however, that for these purposes, the bonus payable by the Company to the Executive for the fiscal year ending March 31, 2002 shall be equal to the sum of (i) 75% of the bonus payable to the Executive pursuant to Section 2.2(a) for the calendar year 2001 plus the bonus payable by the Company to the Executive under Section 2.2(b) for the period from January 1, 2002 through March 31, 2002 and provided further that if the Date of Termination occurs prior to April 1, 2002, the amount payable pursuant to this clause (C) shall be \$500,000.

The Company shall pay to the Executive the aggregate of the amounts determined pursuant to clauses (A) through (C) above in a lump sum by cashier's check within five (5) business days after the Executive's Date of Termination.

(II) Medical, Dental, Disability, Life Insurance and Other Similar

Plans and Programs. Until the earlier to occur of (i) the last day of the

Severance Period, (ii) the date on which the Executive becomes eligible for the designated or comparable coverage as an employee of another employer which provides or offers such coverage to its employees, or (iii) in the case of benefits requiring employee contributions, the date the Executive fails to make such contributions pursuant to the Company's or the plan's instructions (which instructions shall be reasonable and given to the Executive by the Company within five (5) business days following the Executive's Date of Termination) or otherwise cancels his coverage in accordance with plan provisions, the Company shall continue to provide all benefits which the Executive and/or his family is or would have been entitled to receive under all medical, dental, disability, supplemental life, group life, accidental death and executive accident insurance, and other similar plans and programs of the Company and/or its subsidiaries or affiliates not otherwise provided for in this Agreement, in each case on a basis providing the Executive and/or his family with the opportunity to receive benefits at least equal to the greatest level of benefits provided by

the Company and/or its subsidiaries or affiliates for the Executive under such plans and programs as in effect at any time during the six (6) month period immediately preceding the Notice of Termination. The benefits will be paid for by the Company and, to the extent applicable, will be provided in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). If the Executive's participation in any such plan or program is barred by COBRA or for any other reason, the Company shall pay or provide for payment of such benefits or substantially similar benefits to the Executive and/or his family.

(III) Stock Options and Rights. If the Executive is a participant in

any stock option or stock purchase plan of the Company, or if the Executive is the holder of any options, warrants or rights to acquire capital stock of the Company (collectively "Stock Rights"), the Executive shall have all of the rights set forth in the relevant plans and Stock Rights.

(IV) Deferred Compensation. The Company shall pay to the Executive the

Executive's salary or incentive compensation awards that have been previously deferred, if any, in accordance with the terms of the Executive's individual deferred compensation agreement(s) or the applicable plan(s), as appropriate. The last day of the Severance Period will be considered to be the Executive's termination date for purposes of such agreement(s).

(V) Definition of Severance Period. For purposes of this Exhibit A,

the term "Severance Period" shall mean the three (3) year period immediately following the Date of Termination, if the termination is pursuant to Section 5.4 of the Agreement following a Change of Control, or the two (2) year period immediately following the Date of Termination in the case of any other termination.

(VI) Taxes. Notwithstanding anything in the foregoing to the contrary,

if (x) a Change of Control occurs on or after January 1, 2003, and (y) the Executive's employment with the Company terminates on or before the third anniversary of such Change of Control, then the Company shall not be obligated to pay any portion of the amounts otherwise payable to the Executive pursuant to Section 5.4 of this Agreement (the "Section 5.4 Severance Benefits"), on account of such termination, if and only to the extent that the Company could not reasonably deduct such portion solely by operation of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"). For purposes of this limitation: (i) no portion of the Section 5.4 Severance Benefits, the receipt or enjoyment of which the Executive shall have effectively waived in writing prior to the date of payment, shall be taken into account; (ii) no portion of any Section 5.4 Severance Benefits shall be taken into account which, in the opinion of tax counsel selected by the Company's independent auditors and acceptable to the Executive shall be reduced only to the extent necessary so that the total Section 5.4 Severance Benefits (other than those referred to in clause (i) or (ii)) in their entirety constitute reasonable compensation for services actually rendered within the meaning of Section 280G(b) (4) of the Code, in the opinion of the tax counsel referred to in clause (ii); and (iv) the value of any non-cash benefit or any deferred payment or benefit included in the Section 5.4 Severance Benefits shall be determined by the Company's independent auditors in accordance with the principles of Section 280G(d) (3) and (4) of the Code.

/s/ Michael J. Kasbar Michael J. Kasbar

WORLD FUEL SERVICES CORPORATION

By: /s/ Paul Stebbins Title: President and Chief Operating Officer

Exhibit (10)(b)

CREDIT AGREEMENT

dated as of December 7, 2001

between

WORLD FUEL SERVICES CORPORATION

and

LASALLE BANK NATIONAL ASSOCIATION

TABLE OF CONTENTS

	DEFINITIONS	1 1
	Other Interpretive Provisions	10
SECTION 2	COMMITMENT OF THE BANK; BORROWING, CONVERSION AND LETTER OF CREDIT PROCEDURES	11
	Commitment	11
2.1	2.1.1 Revolving Loan Commitment	11
	2.1.2 Letter of Credit Commitment	11
2 2	Loan Procedures	11
2.2	2.2.1 Various Types of Loans	12
	2.2.2 Borrowing Procedures	12
	2.2.3 Conversion and Continuation Procedures	12
2.2		13
2.3	Letter of Credit Procedures	13
	2.3.2 Reimbursement Obligations	13
	2.3.3 Limitation on Obligations of Bank	14
	Certain Conditions	14
	NOTES EVIDENCING LOANS	14
	Notes	14
	Recordkeeping	14
	INTEREST	15
	Interest Rates	15
	Interest Payment Dates	15
	Setting and Notice of Eurodollar Rates	15
4.4	Computation of Interest	15
	FEES	16
	Non-Use Fee	16
	Letter of Credit Fees	16
	Facility Fee	16
SECTION 6	PREPAYMENTS	17
6.1	Voluntary Prepayments	17
	All Prepayments	17
SECTION 7	MAKING AND PRORATION OF PAYMENTS; SETOFF; TAXES	17
	Making of Payments	17
7.2	Application of Certain Payments	17
7.3	Due Date Extension	17
7.4	Setoff	17
7.5	Taxes	17
	INCREASED COSTS; SPECIAL PROVISIONS FOR EURODOLLAR LOANS	18
	Increased Costs	18
	Basis for Determining Interest Rate Inadeguate or Unfair	19

8.3 Changes in Law Rendering Eurodollar Loans Unlawful	20
8.4 Funding Losses	
8.5 Right of Bank to Fund through Other Offices	20
8.6 Discretion of Bank as to Manner of Funding	21
8.7 Mitigation of Circumstances	21
8.8 Conclusiveness of Statements; Survival of Provisions	
SECTION 9 SECURITY	21
SECTION 10 WARRANTIES	
10.1 Organization	22
10.2 Authorization; No Conflict	22
10.3 Validity and Binding Nature	
10.4 Financial Condition	
10.5 No Material Adverse Change	
10.6 Litigation and Contingent Liabilities	
10.7 Ownership of Properties; Liens	
10.8 Subsidiaries	
10.9 Pension Plans	
10.10 Investment Company Act	
10.11 Public Utility Holding Company Act	
10.13 Taxes	24
10.14 Solvency, etc.	
10.15 Environmental Matters	
10.16 Insurance	
10.17 Real Property	
10.18 Information	
10.19 Intellectual Property	
10.20 Burdensome Obligations	
10.21 Labor Matters	
10.22 No Default	27
SECTION 11 COVENANTS	27
11.1 Reports, Certificates and Other Information	27
11.1.1 10-К	27
11.1.2 10-0	27
11.1.3 Compliance Certificates	27
11.1.4 Reports to the SEC and to Shareholders	
11.1.5 Notice of Default, Litigation and ERISA Matters	
11.1.6 Management Reports	
11.1.7 Intentionally Omitted	29
11.1.8 Other Information	29
11.2 Books, Records and Inspections	
11.3 Maintenance of Property; Insurance	
11.4 Compliance with Laws; Payment of Taxes and Liabilities	
11.5 Maintenance of Existence, etc	30

ii

	11.6	Financial Covenants	30
		11.6.1 Fixed Charge Coverage Ratio	31
		11.6.2 Leverage Ratio	31
		11.6.3 Dividends	31
		11.6.4 Capital Expenditures	31
		11.6.5 Tangible Net Worth	31
		Limitations on Debt	31
		Liens	32
		Intentionally Omitted	33 33
		. Mergers, Consolidations, Sales	33 33
		Modification of Organizational Documents	33 33
		Use of Proceeds	33
		Further Assurances	33
		Transactions with Affiliates	34
		Employee Benefit Plans	34
		Environmental Matters	34
		Unconditional Purchase Obligations	34
		Inconsistent Agreements	34
		Business Activities	35
		Investments	35
		Fiscal Year	36
		Cancellation of Debt	36
	11.24	Intentionally Omitted	36
	11.25	Accounts	36
		New Subsidiaries	36
	11.27	' Sale and Leaseback Transactions	37
		Repurchase Stock	37
SECT		PEFFECTIVENESS; CONDITIONS OF LENDING, ETC	37
	12.1	Initial Credit Extension	37
		12.1.1 Note	37
		12.1.2 Resolutions	37
		12.1.3 Consents, etc	37
		12.1.4 Incumbency and Signature Certificates	38
		12.1.5 Pledge Agreement	38
		12.1.6 Opinions of Counsel	38
		12.1.7 Insurance	38
		12.1.8 Payment of Fees	38
		12.1.9 Solvency Certificate, Certificate of No Material Adverse Change	38 38
		12.1.10 Search Results; Lien Terminations 12.1.11 Filings, Registrations and Recordings	38 39
		12.1.11 Filings, Registrations and Recordings	39 39
		12.1.12 Closing Certificate	39 39
		12.1.13 Governmental Approvals	
		12	33

iii

	12.1.15 Guaranty	39
	12.1.16 Organizational Documents	39
	12.1.17 Master Letter of Credit Agreement	39
	12.1.18 Other	39
12.2	Conditions	39
	12.2.1 Compliance with Warranties, No Default, etc	40
	12.2.2 Confirmatory Certificate	40
SECTION 13	EVENTS OF DEFAULT AND THEIR EFFECT	40
13.1	Events of Default	40
	13.1.1 Non-Payment of the Loans, etc	40
	13.1.2 Non-Payment of Other Debt	40
	13.1.3 Other Material Obligations	41
	13.1.4 Bankruptcy, Insolvency, etc	41
	13.1.5 Non-Compliance with Loan Documents	41
	13.1.6 Warranties	41
	13.1.7 Pension Plans	41
	13.1.8 Judgments	42
	13.1.9 Invalidity of Collateral Documents, etc	42
13.2	Effect of Event of Default	42
	GENERAL	42
14.1	Waiver; Amendments	42
14.2	Notices	42
14.3	Computations	43
14.4	Regulation U	43
14.5	Costs, Expenses and Taxes	43
14.6	Subsidiary References	44
14.7	Captions	44
14.8	Assignments; Participations	44
2.10	14.8.1 Assignments	44
	14.8.2 Participations	44
14.9	Governing Law	45
	Counterparts	45
	Successors and Assigns	45
	Indemnification by the Company	45
	Nonliability of Bank	46
14.14	Forum Selection and Consent to Jurisdiction	47
14.15	Waiver of Jury Trial	47

iv

SCHEDULES

SCHEDULE 11.7Permitted Existing DebtSCHEDULE 11.8Permitted Existing LiensSCHEDULE 11.21InvestmentsSCHEDULE 12.1Debt to be RepaidSCHEDULE 14.2Addresses for Notices	SCHEDULE 10.8SubsidiarieSCHEDULE 10.15EnvironmentSCHEDULE 10.16InsuranceSCHEDULE 10.17Real ProperSCHEDULE 10.19IntellectuaSCHEDULE 10.21Labor MattelSCHEDULE 11.7Permitted ESCHEDULE 11.8Permitted E	and Contingent Liabilities es cal Matters ty cl Property ers existing Debt existing Liens
--------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

v

EXHIBITS

EXHIBIT A	Form of Revolving Loan Note (Section 3.1)
EXHIBIT B	Form of Compliance Certificate (Section 10.1.3)
EXHIBIT C	Form of Pledge Agreement (Section 1.1)
EXHIBIT D	Form of Guaranty (Section 12.1.17)
EXHIBIT E	Form of Opinion of Shutts & Bowen, LLP (Section 11.1.11)
EXHIBIT F	Form of Master Letter of Credit Agreement (Section 12.1.17)
EXHIBIT F-1	Letter of Credit Application (Standby)
EXHIBIT F-2	Letter of Credit Application (Commercial)
EXHIBIT G	Form of Certificate of No Material Adverse Change (Section 12.1.9)
EXHIBIT H	Form of Solvency Certificate - Guarantors (Section 12.1.9)

vi

THIS CREDIT AGREEMENT dated as of December 7, 2001 (this "Agreement") is

entered into between WORLD FUEL SERVICES CORPORATION (the "Company") and LASALLE

- - - - - -

BANK NATIONAL ASSOCIATION (the "Bank").

WHEREAS, the Bank has agreed to make available to the Company a revolving credit facility and other financial accommodations upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

SECTION 1 DEFINITIONS.

1.1 Definitions. When used herein the following terms shall have the

following meanings:

- - - - - - - - -

Affected Loan - see Section 8.3.

Affiliate of any Person means (i) any other Person which, directly or

indirectly, controls or is controlled by or is under common control with such Person and (ii) any officer or director of such Person. A Person shall be deemed to be "controlled by" any other Person if such Person possesses, directly or indirectly, power to vote 20% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Agreement - see the Preamble.

Asset Sale means the sale, lease, assignment or other transfer for value

(each a "Disposition") by the Company or any Subsidiary to any Person (other

than the Company or any Subsidiary) of any asset or right of the Company or such Subsidiary other than (a) the Disposition of any asset which is to be replaced, and is in fact replaced, within 180 days with another asset performing the same or a similar function, and (b) the sale or lease of inventory in the ordinary course of business.

Attorney Costs means, with respect to any Person, all reasonable fees and

charges of any counsel to such Person, the reasonable allocable cost of internal legal services of such Person, all reasonable disbursements of such internal counsel and all court costs and similar legal expenses.

Bank - see the Preamble.

Business Day means any day on which the Bank is open for commercial banking

business in Chicago, Illinois and, in the case of a Business Day which relates to a Eurodollar Loan, on which dealings are carried on in the London interbank eurodollar market.

Capital Expenditures means any expenditure which, in accordance with $\ensuremath{\mathsf{GAAP}}$,

would be required to be capitalized and shown on the consolidated balance sheet of the Company, but excluding an expenditure made in connection with the replacement, substitution or restoration of assets to the extent financed (i) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

Capital Lease means, with respect to any $\ensuremath{\mathsf{Person}}$, any lease of (or other

agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

Cash Collateralize means to deliver cash collateral to the Bank, to be held

as cash collateral for outstanding Letters of Credit, pursuant to documentation satisfactory to the ${\rm Bank}\,.$

Cash Equivalent Investment means, at any time, (a) any evidence of Debt,

maturing not more than one year after such time, issued or guaranteed by the United States Government or any agency thereof, (b) commercial paper, maturing not more than one year from the date of issue, or corporate demand notes, in each case (unless issued by the Bank or its holding company) rated at least A-1 by Standard & Poor's Ratings Group or P-1 by Moody's Investors Service, Inc., (c) any certificate of deposit (or time deposits represented by such certificates of deposit) or banker's acceptance, maturing not more than one year after such time, or overnight Federal Funds transactions that are issued or sold by the Bank or its holding company or by a commercial banking institution that is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than \$500,000,000 and (d) any repurchase agreement entered into with the Bank (or other commercial banking institution of the stature referred to in clause (c)) which (i) is secured by a fully perfected

security interest in any obligation of the type described in any of clauses (a)

through (c) and (ii) has a market value at the time such repurchase agreement is \cdots

entered into of not less than 100% of the repurchase obligation of the Bank (or other commercial banking institution) thereunder.

CERCLA - see Section 10.15.

Closing Date - see Section 12.1.

Code means the Internal Revenue Code of 1986.

Collateral means collectively, the property of the Company, any Subsidiary

or any other Person in which the Bank is granted a Lien as security for all or any portion of the Obligations under any Pledge Agreement.

-2-

Collateral Documents means the Pledge Agreement, each UCC financing

statement, and any other agreement or instrument pursuant to which the Company, any Subsidiary or any other Person grants collateral to the Bank.

Commitment means the Bank's commitment to make Loans and issue Letters of Credit under this Agreement.

Company - see the Preamble. ---------

Computation Period means each period of four consecutive Fiscal Quarters

ending on the last day of a Fiscal Quarter.

Consolidated Net Income means, with respect to the Company and its

Subsidiaries for any period, the net income (or loss) of the Company and its Subsidiaries for such period determined in accordance with GAAP applied on a basis consistent with the financial statements delivered pursuant to Section

11.1 and Section 11.2. ----

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Controlled Group means all members of a controlled group of corporations

and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

Debt of any Person means, without duplication, (a) all indebtedness of such

Person for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) all obligations of such Person as lessee under Capital Leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (c) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (d) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker's acceptances issued for the account of such Person, (f) all Hedging Obligations of such Person, (g) all Suretyship Liabilities of such Person and (h) all Debt of any partnership of which such Person is a general partner; provided, however, that Debt shall not include (a)

accrued expenses, (b) customer deposits, (c) income taxes payable, (d) deferred compensation or (e) deferred tax.

Debt to be Repaid means Debt listed on Schedule 12.1.

Disposal - see the definition of "Release".

Dollar and the sign "\$" mean lawful money of the United States of America. - - - - - -

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-3-

Domestic Subsidiary means any Subsidiary of the Company organized under the

laws of the United States of America, any state or territory thereof or the District of Columbia.

Environmental Claim means a claim, however asserted, by any governmental,

regulatory or judicial authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

Environmental Laws means all present or future federal, state or local

laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any governmental authority, in each case relating to Environmental Matters.

Environmental Matter means any matter arising out of or relating to health

and safety, or pollution or protection of the environment or workplace, including any of the foregoing relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, discharge, release, control or cleanup of any Hazardous Substance.

ERISA means the Employee Retirement Income Security Act of 1974.

Eurocurrency Reserve Percentage means, with respect to any Eurodollar Loan

for any Interest Period, a percentage (expressed as a decimal) equal to the daily average during such Interest Period of the percentage in effect on each day of such Interest Period, as prescribed by the FRB, for determining the aggregate maximum reserve requirements applicable to "Eurocurrency Liabilities" pursuant to Regulation D or any other then applicable regulation of the FRB which prescribes reserve requirements applicable to "Eurocurrency Liabilities" as presently defined in Regulation D.

Eurodollar Loan means any Loan which bears interest at a rate determined by

reference to the Eurodollar Rate (Reserve Adjusted).

Eurodollar Margin - see the Pricing Schedule.

Eurodollar Office means the office or offices of the Bank which shall be

making or maintaining the Eurodollar Loans of the Bank hereunder. A Eurodollar Office of the Bank may be, at the option of the Bank, either a domestic or foreign office.

Eurodollar Rate means, with respect to any Eurodollar Loan for any Interest

Period, a rate per annum equal to the offered rate for deposits in Dollars for a period equal or comparable to such Interest Period which appears on Telerate page 3750 as of 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period. "Telerate Page 3750" means the display designated as "Page 3750" on the Telerate Service (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 as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for Dollar deposits).

-4-

Loan for any Interest Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/16th of 1%) determined pursuant to the following formula:

Eurodollar Rate	=	Eurodollar Rate
(Reserve Adjusted)		1-Eurocurrency
		Reserve Percentage.

Event of Default means any of the events described in Section 13.1.

Fiscal Quarter means a fiscal quarter of a Fiscal Year.

Fiscal Year means the fiscal year of the Company and its Subsidiaries,

which period shall be the 12-month period ending on March 31 of each year. References to a Fiscal Year with a number corresponding to any calendar year (e.g., "Fiscal Year 1998") refer to the Fiscal Year ending on March 31 of such calendar year.

Fixed Charge Coverage Ratio means, with respect to the Company and its

Subsidiaries for any Computation Period, on a consolidated basis, the ratio of (i) earnings before Interest Expense, plus taxes, plus depreciation and amortization, less Capital Expenditures, to (ii) interest expense, plus current maturities of long-term debt and Capital Leases, plus dividends.

Foreign Subsidiary means a Subsidiary other than a Domestic Subsidiary.

FRB means the Board of Governors of the Federal Reserve System or any

successor thereto.

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GAAP means generally accepted accounting principles set forth from time to

time in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

Guarantors mean all Material Domestic Subsidiaries.

Guaranty means the Guaranty, substantially in the form of Exhibit D,

executed by the Guarantors in favor of the Bank, together with any other guaranty executed and delivered to the Bank in connection with the Obligations.

Hazardous Substances - see Section 10.15.

-5-

Hedging Agreement means any interest rate, currency or commodity swap

agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

Hedging Obligation means, with respect to any Person, any liability of such

Person under any Hedging Agreement.

Interest Expense means for any period the consolidated interest expense of

the Company and its Subsidiaries for such period (including all imputed interest on Capital Leases).

Interest Period means, as to any Eurodollar Loan, the period commencing on

the date such Loan is borrowed or continued as, or converted into, a Eurodollar Loan and ending on the date one, two, three or six months thereafter as selected by the Company pursuant to Section 2.2.2 or 2.2.3, as the case may be; provided

that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) the Company may not select any Interest Period for a Revolving Loan which would extend beyond the scheduled Termination Date.

Investment means, relative to any Person, any investment in another Person,

whether by acquisition of any debt or equity security, by making any loan or advance or by becoming obligated with respect to a Suretyship Liability in respect of obligations of such other Person (other than travel and similar advances to employees in the ordinary course of business).

Letter of Credit - see Section 2.1.2

Letter of Credit Application means with respect to the request for the

issuance of a Letter of Credit, a letter of credit application in the form being used by Bank at the time of such request for the type of letter of credit requested (in accordance with and subject to the terms and conditions of the Master Letter of Credit Agreement), substantially in the form of Exhibit F-1 or

Exhibit F-2, as applicable.

Letter of Credit Fee Rate - see the Pricing Schedule.

-6-

Letter of Credit Outstandings means, at any time, the aggregate amount

remaining undrawn under all Letters of Credit plus Reimbursement Obligations then outstanding.

Lien means, with respect to any Person, any interest granted by such Person

in any real or personal property, asset or other right owned or being purchased or acquired by such Person which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance, charge or other security interest of any kind, whether arising by contract, as a matter of law, by judicial process or otherwise.

Loan Documents means this Agreement, the Note, the Master Letter of Credit Agreement, the Guaranty, the Collateral Documents and all other documents

executed in connection therewith.

Loan Party means the Company, each Guarantor and each Subsidiary pledging

Loans mean Revolving Loans.

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Margin Stock means any "margin stock" as defined in Regulation U.

Master Letter of Credit Agreement means the Master Letter of Credit

Agreement, dated as of the date hereof, substantially in the form of Exhibit F.

Material Adverse Effect means (a) a material adverse change in, or a

material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Company and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Company or any Loan Party to perform any of its obligations under any Loan Document or (c) a material adverse effect upon any substantial portion of the Collateral under the Collateral Documents or upon the legality, validity, binding effect or enforceability against the Company or any Loan Party of any Loan Document, or upon the validity, enforceability, perfection or priority of the Bank's Lien in any of the Collateral covered by any Collateral Document.

Material Domestic Subsidiary means a Domestic Subsidiary which is a "Significant Subsidiary" of the Company as defined in Regulation S-X of the SEC.

Material Foreign Subsidiary means a Foreign Subsidiary which is a "Significant Subsidiary" of the Company as defined in Regulation S-X of the SEC.

Material Subsidiary means a Subsidiary which is a "Significant Subsidiary"

of the Company as defined in Regulation S-X of the SEC.

Controlled Group may have any liability.

-7-

Non-Use Fee Rate - see the Pricing Schedule.

Note - see Section 3.1. - - - ------

Obligations shall mean the obligations, liabilities and indebtedness of the

Company with respect to (i) the principal and interest on Loans, (ii) all obligations with respect to the Letters of Credit, including the Reimbursement Obligations, (iii) all liabilities of the Company to Bank which arise under any Hedging Agreement, and (iv) the payment and performance of all other obligations, liabilities and Indebtedness of the Company to the Bank hereunder, under any of the other Loan Documents or with respect to the Loans.

PBGC means the Pension Benefit Guaranty Corporation and any entity

succeeding to any or all of its functions under ERISA.

Pension Plan means a "pension plan", as such term is defined in Section

3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Pension Plan), and to which the Company or any member of the Controlled Group may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

Person means any natural person, corporation, partnership, trust, limited liability company, association, governmental authority or unit, or any other entity, whether acting in an individual, fiduciary or other capacity.

Pledge Agreement means each Securities Pledge Agreement between the Company

and the Bank, or any Subsidiary and the Bank, pursuant to which the Company and the Subsidiaries shall pledge to the Bank sixty-five percent (65%) of the capital stock of the each existing or hereafter acquired or organized Material Foreign Subsidiary.

Pricing Schedule - see Schedule 1. - - - - - - - -

Prime Rate means, for any day, the rate of interest in effect for such day

as publicly announced from time to time by Bank as its prime rate (whether or announced by Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

Prime Rate Loan means any Loan which bears interest at or by reference to

the Prime Rate.

Prime Rate Margin - see the Pricing Schedule. - - - - -

RCRA - see Section 10.15. - - - ------

-8-

Regulation D means Regulation D of the FRB.

Regulation U means Regulation U of the FRB.

Reimbursement Obligation shall mean at any time, the obligation of the

Company with respect to any Letter of Credit to reimburse the Bank for amounts theretofore paid by the Bank pursuant to a drawing under such Letter of Credit.

Release has the meaning specified in CERCLA and the term "Disposal" (or

"Disposed") has the meaning specified in RCRA; provided that in the event either

CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply as of the effective date of such amendment; and provided, further, that to the extent that the laws of a state % f(x) = 0

wherein any affected property lies establish a meaning for "Release" or

"Disposal" which is broader than is specified in either CERCLA or RCRA, such

broader meaning shall apply.

Revolving Commitment Amount means \$30,000,000.

Revolving Loan - see Section 2.1.1.

Revolving Outstandings means, at any time, the sum of the aggregate

principal amount of all outstanding Revolving Loans.

SEC means the United States Securities and Exchange Commission or any other

governmental authority succeeding to any of the principal functions thereof.

Subsidiary means, with respect to any Person, a corporation, partnership,

limited liability company or other entity of which such Person and/or its other Subsidiaries own, directly or indirectly, such number of outstanding shares or other ownership interests as have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of the Company.

Suretyship Liability means any agreement, undertaking or arrangement by

which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) any indebtedness, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation in respect of any Suretyship Liability shall (subject to any limitation set forth therein) be deemed to be the principal amount of the debt, obligation or other liability supported thereby.

-9-

Tangible Net Worth means, with respect to the Company and its Subsidiaries,

consolidated shareholders' equity (including retained earnings) less the book value of all intangible assets, all as determined pursuant to GAAP applied on a basis consistent with the financial statements delivered pursuant to Section

11.1.1 and Section 11.1.2.

Termination Date means the earlier to occur of (a) the third anniversary of

the Closing Date, or (b) such other date on which the Commitment terminates pursuant to this Agreement; provided, that, upon written request delivered to

the Bank no later than sixty (60) days after delivery by the Company to the Bank of the Company's 10-K for any fiscal year, and provided, further that no Event

of Default or Unmatured Event of Default then exists, the Bank, in its sole discretion, may extend the Termination Date for one (1) additional year. The Bank shall provide written notice of its decision to the Company within thirty (30) days of receipt of the Company's request therefor.

Total Liabilities means, with respect to the Company and its Subsidiaries,

the aggregate amount of liabilities required to be reflected on the balance sheet of the Company and its Subsidiaries, on a consolidated basis after eliminating all intercompany items, determined in accordance with GAAP on a consistent basis less any such amounts constituting Obligations.

UCC means the Uniform Commercial Code as enacted in the State of Florida

and each other applicable jurisdiction.

Unmatured Event of Default means any event that, if it continues uncured,

will, with lapse of time or notice or both, constitute an Event of Default.

Wholly-Owned Subsidiary means, as to any Person, another Person all of the

shares of capital stock or other ownership interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by such Person and/or another Wholly-Owned Subsidiary of such Person.

1.2 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) Section, Schedule and Exhibit references are to this Agreement

unless otherwise specified.

(c) The term "including" is not limiting and means "including without limitation." $% \left({{{\left[{{{C_{\rm{B}}}} \right]}_{\rm{cl}}}} \right)$

(d) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

-10-

(e) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement), documents and other contractual instruments shall be deemed to include all subsequent amendments, restatements, and other modifications thereto, but only to the extent such amendments, restatements and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation.

(f) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and each shall be performed in accordance with its terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among, and have been reviewed by, counsel to the Bank, the Company and the other parties thereto and are the products of all parties. Accordingly, they shall not be construed against the Bank merely because of the Bank's involvement in their preparation.

SECTION 2 COMMITMENT OF THE BANK; BORROWING PROCEDURES.

2.1 Commitment. On and subject to the terms and conditions of this

Agreement, the Bank agrees to make loans to the Company and issue letters of credit for the account of the Company as follows:

2.1.1 Revolving Loan Commitment. The Bank will make loans on a revolving

basis ("Revolving Loans") from time to time until the Termination Date in such

aggregate amounts as the Company may request from the Bank; provided that the

sum of (x) Revolving Outstandings and (y) the Letter of Credit Outstandings will not at any time exceed the Revolving Commitment Amount.

2.1.2 Letter of Credit Commitment. The Bank will issue standby and

documentary letters of credit, in each case containing such terms and conditions as are permitted by this Agreement and the applicable Letter of Credit Application and are reasonably satisfactory to the Bank (each a "Letter of

Credit"), at the request of and for the account of the Company and certain of

its Subsidiaries, from time to time, before the date which is 30 days prior to the Termination Date; provided that (i) the Letter of Credit Outstandings shall

not at any time exceed \$15,000,000 and (ii) the sum of (x) Revolving Outstandings and (y) Letter of Credit Outstandings will not at any time exceed the Revolving Commitment Amount. At the option of the Company, the Bank will use reasonable efforts to cause Letters of Credit hereunder to be issued by the Bank's affiliate ABN AMRO Bank, N.V.

2.2 Loan Procedures.

-11-

2.2.1 Various Types of Loans. Each Revolving Loan shall be divided into

tranches which are either a Prime Rate Loan or a Eurodollar Loan (each a "type"

of Loan), as the Company shall specify in the related notice of borrowing or conversion pursuant to Section 2.2.2 or 2.2.3. Prime Rate Loans and Eurodollar

Loans may be outstanding at the same time, provided that not more that five (5)

Eurodollar Loans having different Interest Periods shall be outstanding at any one time. Notwithstanding anything to the contrary herein, no Eurodollar Loan shall be for a period other than one, two, three or six months.

2.2.2 Borrowing Procedures. The Company shall give written notice or

telephonic notice (followed immediately by written confirmation thereof) to the Bank of each proposed borrowing not later than (a) in the case of a Prime Rate borrowing, 11:00 A.M., Chicago time, on the proposed date of such borrowing, and (b) in the case of a Eurodollar borrowing, 11:00 A.M., Chicago time, at least three Business Days prior to the proposed date of such borrowing. Each such notice shall be effective upon receipt by the Bank, shall be irrevocable, and shall specify the date, amount and type of borrowing and, in the case of a Eurodollar borrowing, the initial Interest Period therefor. Promptly upon receipt of such notice, so long as the conditions precedent set forth in Section

12 with respect to such borrowing have been satisfied, the Bank shall pay over - --

the funds to the Company on the requested borrowing date. Each borrowing shall be on a Business Day. Each borrowing shall be in an aggregate principal amount of at least \$100,000 or a higher integral multiple of \$100,000.

2.2.3 Conversion and Continuation Procedures.

(a) Subject to Section 2.2.1, the Company may, upon irrevocable

written notice to the Bank in accordance with clause (b) below:

(i) elect, as of any Business Day, to convert any Loans (or any part thereof in an aggregate amount not less than \$100,000 or a higher integral multiple of \$100,000) into Loans of the other type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Eurodollar Loans having Interest Periods expiring on such day (or any part thereof in an aggregate amount not less than \$100,000 or a higher integral multiple of \$100,000) for a new Interest Period;

provided that after giving effect to any prepayment, conversion or continuation, - -----the aggregate principal amount of all Eurodollar Loans having the same Interest Period shall be at least \$100,000 or an integral multiple of \$100,000.

(b) The Company shall give written or telephonic (followed immediately by written confirmation thereof) notice to the Bank of each proposed conversion or continuation not later than (i) in the case of conversion into Prime Rate Loans, 11:00 A.M., Chicago time, on the proposed date of such conversion and (ii) in the case of conversion into or

-12-

continuation of Eurodollar Loans, 11:00 A.M., Chicago time, at least three Business Days prior to the proposed date of such conversion or continuation, specifying in each case:

(i) the proposed date of conversion or continuation;

(ii) the aggregate amount of Loans to be converted or continued;

 $(\ensuremath{\text{iii}})$ the type of Loans resulting from the proposed conversion or continuation; and

(iv) in the case of conversion into, or continuation of, Eurodollar Loans, the duration of the requested Interest Period therefor.

(c) If, upon the expiration of any Interest Period applicable to Eurodollar Loans, the Company has failed to select timely a new Interest Period to be applicable to such Eurodollar Loans, the Company shall be deemed to have elected to convert such Eurodollar Loans into Prime Rate Loans effective on the last day of such Interest Period.

(d) Any conversion of a Eurodollar Loan on a day other than the last day of an Interest Period therefor shall be subject to Section 8.4.

2.3 Letter of Credit Procedures

2.3.1 Letter of Credit Applications. The Company shall give notice to the

Bank of the proposed issuance of each Letter of Credit on a Business Day which is at least two (2) Business Days (or such lesser number of days as the Bank shall agree in any particular instance in its sole discretion) prior to the proposed date of issuance of such Letter of Credit. Each such notice shall be accompanied by a Letter of Credit Application, duly executed by the Company and in all respects satisfactory to the Bank, together with such other documentation as the Bank may request in support thereof, it being understood that each Letter of Credit Application shall specify, among other things, the date on which the proposed Letter of Credit is to be issued, the expiration date of such Letter of Credit (which shall not be later than the earlier to occur of (x) one year after the date of issuance thereof and (y) thirty (30) days prior to the scheduled Termination Date) and whether such Letter of Credit is to be transferable in whole or in part. A Letter of Credit may provide for renewal thereof for additional one-year periods, provided that in no event shall it extend beyond the date referred to in clause (y) above. So long as the Bank has not received

written notice that the conditions precedent set forth in Section 12 with

respect to the issuance of such Letter of Credit have not been satisfied, the Bank shall issue such Letter of Credit on the requested issuance date. In the event of any inconsistency between the terms of any Letter of Credit Application and the terms of this Agreement, the terms of this Agreement shall control.

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2.3.2 Reimbursement Obligations. The Company hereby unconditionally and

irrevocably agrees to reimburse the Bank for each payment or disbursement made by the Bank under any Letter

-13-

of Credit honoring any demand for payment made by the beneficiary thereunder, in each case on the date that such payment or disbursement is made. Any amount not reimbursed on the date of such payment or disbursement shall bear interest from the date of such payment or disbursement to the date that the Bank is reimbursed by the Company therefor, payable on demand, at a rate per annum equal to the Prime Rate from time to time in effect plus the Prime Rate Margin from time to

time in effect plus, beginning on the third Business Day after receipt of notice

from the Bank of such payment or disbursement, two percent (2%). The Bank shall notify the Company whenever any demand for payment is made under any Letter of Credit by the beneficiary thereunder; provided that the failure of the Bank to

so notify the Company shall not affect the rights of the Bank in any manner whatsoever.

2.3.3 Limitation on Obligations of Bank. In determining whether to pay

under any Letter of Credit, the Bank shall not have any obligation to the Company other than to confirm that any documents required to be delivered under such Letter of Credit have been delivered and comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the Bank under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence and willful misconduct, shall not impose upon the Bank any liability to the Company and shall not reduce or impair the Company's reimbursement obligations set forth in Section 2.3.2.

2.4 Certain Conditions. Notwithstanding any other provision of this

Agreement, the Bank shall not have any obligation to make any Loan, or to permit the continuation of or any conversion into any Eurodollar Loan or issue a Letter of Credit if an Event of Default or Unmatured Event of Default exists.

SECTION 3 NOTE EVIDENCING LOANS.

3.1 Note. The Loans of the Bank shall be evidenced by a promissory note

(the "Note") substantially in the form set forth in Exhibit A, payable to the order of the Bank in a face principal amount equal to the Revolving Commitment Amount. The Note shall be paid in full on the Termination Date.

3.2 Recordkeeping. The Bank shall record in its records, or at its

option on the schedule attached to the Note, the date and amount of each Loan made by the Bank, each repayment or conversion thereof and, in the case of each Eurodollar Loan, the dates on which each Interest Period for such Loan shall begin and end. The aggregate unpaid principal amount so recorded shall be rebuttable presumptive evidence of the principal amount owing and unpaid on the Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Company hereunder or under the Note to repay the principal amount of the Loans evidenced by the Note together with all interest accruing thereon.

-14-

SECTION 4 INTEREST.

4.1 Interest Rates. The Company promises to pay interest on the unpaid

principal amount of each Loan for the period commencing on the date of such Loan until such Loan is paid in full as follows:

(a) at all times while such Loan is a Prime Rate Loan, at a rate per annum equal to the sum of the Prime Rate from time to time in effect plus the Prime Rate Margin from time to time in effect;

(b) at all times while such Loan is a Eurodollar Loan, at a rate per annum equal to the sum of the Eurodollar Rate (Reserve Adjusted) applicable to each Interest Period for such Loan plus the Eurodollar Margin from time to time in effect; and

(c) any overdue interest, fees and other amounts payable hereunder shall (to the extent permitted by applicable law) accrue interest at a rate equal to the Prime Rate plus two percent (2%). Such interest shall be payable on demand.

4.2 Interest Payment Dates. Accrued interest on each Prime Rate Loan shall

be payable in arrears on the last day of each calendar quarter, commencing on the last day of the quarter in which the closing of such Prime Rate Loan takes place and at maturity. Accrued interest on each Eurodollar Loan shall be payable on the last day of each Interest Period relating to such Loan (and, in the case of a Eurodollar Loan with a six-month Interest Period, on the three-month anniversary of the first day of such Interest Period) and at maturity. After maturity, accrued interest on all Loans shall be payable on demand.

4.3 Setting and Notice of Eurodollar Rates. The applicable Eurodollar Rate

for each Interest Period shall be determined by the Bank, and notice thereof shall be given by the Bank promptly to the Company. Each determination of the applicable Eurodollar Rate by the Bank shall be conclusive and binding upon the parties hereto, in the absence of demonstrable error. The Bank shall, upon written request of the Company, deliver to the Company a statement showing the computations used by the Bank in determining any applicable Eurodollar Rate hereunder.

4.4 Computation of Interest. Interest shall be computed for the actual

number of days elapsed on the basis of a year of 360 days. The applicable interest rate for each Prime Rate Loan shall change simultaneously with each change in the Prime Rate.

SECTION 5 FEES.

-15-

5.1 Non-Use Fee. The Company agrees to pay to the Bank a non-use fee, for

the period from the Closing Date to the Termination Date, at the Non-Use Fee Rate (as set forth in the Pricing Schedule) in effect from time to time on the daily unused amount of the Revolving Commitment Amount. For purposes of calculating usage under this Section, the Revolving Commitment Amount on any day shall be deemed used to the extent of the sum of (x) Revolving Outstandings and (y) Letter of Credit Outstandings at the close of business of the Bank on the next preceding Business Day. Such non-use fee shall be payable in arrears on the last day of each calendar quarter, and on the Termination Date, for any period then ending for which such non-use fee shall not have previously been paid. The non-use fee shall be computed for the actual number of days elapsed on the basis of a year of 360 days.

5.2 Letter of Credit Fees.

(a) The Company agrees to pay to the Bank a letter of credit fee for each Letter of Credit equal to the Letter of Credit Fee Rate (as set forth in the Pricing Schedule) in effect from time to time on the undrawn amount of such Letter of Credit (computed for the actual number of days elapsed on the basis of a year of 360 days); provided, that the rate applicable to

each Letter of Credit shall be increased by two percent (2%) at any time an Event of Default exists until such time as Borrower has complied with its obligations to provide to Bank cash collateral pursuant to Section 13.2.

Such letter of credit fee shall be payable in arrears on the last day of each calendar quarter and on the Termination Date, for the period from the date of issuance of each Letter of Credit (or the last day on which such letter of credit fee was paid with respect thereto) to the date such payment is due or, if earlier, the date on which such Letter of Credit expired or is terminated.

(b) In addition, with respect to each Letter of Credit, the Company agrees to pay the Bank such fees and expenses the Bank customarily requires in connection with the negotiation, processing, amending and/or administration of letters of credit in similar situations.

5.3 Facility Fee. The Company agrees to pay to the Bank a facility fee of

75,000, of which one-half has been paid and the balance of which will be paid on the Closing Date.

SECTION 6 PREPAYMENTS.

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6.1 Voluntary Prepayments. The Company may from time to time prepay the

Loans in whole or in part; provided that the Company shall give the $\ensuremath{\mathsf{Bank}}$ notice

thereof not later than 11:00 A.M., Chicago time, on the day of such prepayment (which shall be a Business Day), specifying the Loans to be prepaid and the date and amount of prepayment.

6.2 All Prepayments. Each voluntary partial prepayment shall be in a

principal amount of \$100,000 or a higher integral multiple of \$100,000. Any partial prepayment of Eurodollar Loans shall be subject to the proviso to Section 2.2.3(a). Any prepayment of a Eurodollar Loan on a day

-16-

other than the last day of an Interest Period therefor shall include interest on the principal amount being repaid and shall be subject to Section 8.4.

SECTION 7 MAKING AND PRORATION OF PAYMENTS; SETOFF; TAXES.

7.1 Making of Payments. All payments of principal of or interest on the

Notes, and of all fees, shall be made by the Company to the Bank in immediately available funds at the office specified by the Bank not later than noon, Chicago time, on the date due; and funds received after that hour shall be deemed to have been received by the Bank on the following Business Day.

7.2 Application of Certain Payments. Each payment of principal shall be

applied to such Loans as the Company shall direct by notice to be received by the Bank on or before the date of such payment or, in the absence of such notice, as the Bank shall determine in its discretion.

7.3 Due Date Extension. If any payment of principal or interest with

respect to any of the Loans, or of any fees, falls due on a day which is not a Business Day, then such due date shall be extended to the immediately following Business Day (unless, in the case of a Eurodollar Loan, such immediately following Business Day is the first Business Day of a calendar month, in which case such due date shall be the immediately preceding Business Day) and, in the case of principal, additional interest shall accrue and be payable for the period of any such extension.

7.4 Setoff. The Company agrees that the Bank has all rights of set-off and

bankers' lien provided by applicable law, and in addition thereto, the Company agrees that at any time any Event of Default exists, the Bank may apply to the payment of any Obligations, whether or not then due, any and all balances, credits, deposits, accounts or moneys of the Company then or thereafter with the Bank.

7.5 Taxes. All payments of principal of, and interest on, the Loans and

all other amounts payable hereunder shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority, excluding franchise taxes and taxes imposed on or measured by Bank's net income or receipts (all non-excluded items being called "Taxes"). If any withholding or deduction from any payment to be

made by the Company hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Company will:

 (a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the Bank an official receipt or other documentation satisfactory to the Bank evidencing such payment to such authority; and

-17-

(c) pay to the Bank such additional amount as is necessary to ensure that the net amount actually received by Bank will equal the full amount Bank would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Bank with respect to any payment received by the Bank hereunder, the Bank may pay such Taxes and the Company will promptly pay such additional amounts (including any penalty, interest or expense) as is necessary in order that the net amount received by such Person after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such Person would have received had such Taxes not been asserted.

If the Company fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Bank the required receipts or other required documentary evidence, the Company shall indemnify the Bank for any incremental Taxes, interest or penalties that may become payable by Bank as a result of any such failure. For purposes of this Section 7.5, a distribution hereunder by the

Bank to or for the account of the Bank shall be deemed a payment by the Company.

SECTION 8 INCREASED COSTS; SPECIAL PROVISIONS FOR EURODOLLAR LOANS.

8.1 Increased Costs. (a) If, after the date hereof, the adoption of, or any

change in, any applicable law, rule or regulation, or any change in the interpretation or administration of any applicable law, rule or regulation by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any Eurodollar Office of the Bank) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject the Bank (or any Eurodollar Office of the Bank) to any tax, duty or other charge with respect to its Eurodollar Loans, its Note or its obligation to make Eurodollar Loans, or shall change the basis of taxation of payments to the Bank of the principal of or interest on its Eurodollar Loans or any other amounts due under this Agreement in respect of its Eurodollar Loans or its obligation to make Eurodollar Loans (except for changes in the rate of tax on the overall net income of the Bank or its Eurodollar Office imposed by the jurisdiction in which the Bank's principal executive office or Eurodollar Office is located);

(ii) shall impose, modify or deem applicable any reserve (including any reserve imposed by the FRB), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank (or any Eurodollar Office of the Bank); or

(iii) shall impose on the Bank (or its Eurodollar Office) any other condition affecting its Eurodollar Loans, its Note or its obligation to make Eurodollar Loans;

-18-

and the result of any of the foregoing is to increase the cost to (or to impose a cost on) the Bank (or any Eurodollar Office of the Bank) of making or maintaining any Eurodollar Loan, or to reduce the amount of any sum received or receivable by the Bank (or its Eurodollar Office) under this Agreement or under its Note with respect thereto, then upon demand by the Bank (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail, a copy of which shall be furnished to the Bank), the Company shall pay directly to the Bank such additional amount as will compensate the Bank for such increased cost or such reduction.

(b) If the Bank shall reasonably determine that any change in, or the adoption or phase-in of, any applicable law, rule or regulation regarding capital adequacy, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or any Person controlling the Bank with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bank's or such controlling Person's capital as a consequence of the Bank's obligations hereunder to a level below that which the Bank or such controlling Person could have achieved but for such change, adoption, phase-in or compliance (taking into consideration the Bank's or such controlling Person's policies with respect to capital adequacy) by an amount deemed by the Bank or such controlling Person to be material, then from time to time, upon demand by the Bank (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail), the Company shall pay to the Bank such additional amount as will compensate the Bank or such controlling Person for such reduction.

8.2 Basis for Determining Interest Rate Inadequate or Unfair. If with respect to any Interest Period:

(a) deposits in Dollars (in the applicable amounts) are not being offered to the Bank in the interbank eurodollar market for such Interest Period, or the Bank otherwise reasonably determines (which determination shall be binding and conclusive on the Company) that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable Eurodollar Rate; or

(b) the Bank advises the Company that the Eurodollar Rate (Reserve Adjusted) as determined by the Bank will not adequately and fairly reflect the cost to the Bank of maintaining or funding Eurodollar Loans for such Interest Period (taking into account any amount to which the Bank may be entitled under Section 8.1) or that the making or funding of Eurodollar

Loans has become impracticable as a result of an event occurring after the date of this Agreement which in the opinion of the Bank materially affects such Loans:

-19-

then and, so long as such circumstances shall continue, (i) the Bank shall not - ----

be under any obligation to make or convert into Eurodollar Loans and (ii) on the last day of the current Interest Period for each Eurodollar Loan, such Loan shall, unless then repaid in full, automatically convert to a Prime Rate Loan.

8.3 Changes in Law Rendering Eurodollar Loans Unlawful. If any change

in, or the adoption of any new, law, rule or regulation, or any change in the interpretation of any applicable law, rule or regulation by any governmental or other regulatory body charged with the administration thereof, should make it (or in the good faith judgment of the Bank cause a substantial question as to whether it is) unlawful for the Bank to make, maintain or fund Eurodollar Loans, then the Bank shall promptly notify each of the other parties hereto and, so long as such circumstances shall continue, (a) the Bank shall have no obligation to make or convert into Eurodollar Loans (but shall make Prime Rate Loans concurrently with the making of or conversion into Eurodollar Loans by the Bank which are not so affected, in each case in an amount equal to the amount of Eurodollar Loans which would be made or converted into by the Bank at such time in the absence of such circumstances) and (b) on the last day of the current Interest Period for each Eurodollar Loan of the Bank (or, in any event, on such earlier date as may be required by the relevant law, regulation or interpretation), such Eurodollar Loan shall, unless then repaid in full, automatically convert to a Prime Rate Loan. Each Prime Rate Loan made by the Bank which, but for the circumstances described in the foregoing sentence, would be a Eurodollar Loan (an "Affected Loan") shall remain outstanding for the same

period as the Eurodollar Loans of which such Affected Loan would be a part absent such circumstances.

8.4 Funding Losses. The Company hereby agrees that upon demand by the

Bank (which demand shall be accompanied by a statement setting forth the basis for the amount being claimed, the Company will indemnify the Bank against any net loss or expense which the Bank may sustain or incur (including any net loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by the Bank to fund or maintain any Eurodollar Loan), as reasonably determined by the Bank, as a result of (a) any payment, prepayment or conversion of any Eurodollar Loan of the Bank on a date other than the last day of an Interest Period for such Loan (including any conversion pursuant to Section 8.3) or (b) any failure of the Company to borrow, prepay, convert or

continue any Loan on a date specified therefor in a notice of borrowing, prepayment, conversion or continuation pursuant to this Agreement.

8.5 Right of Bank to Fund through Other Offices. The Bank may, if it so

elects, fulfill its commitment as to any Eurodollar Loan by causing a foreign branch or Affiliate of the Bank to make such Loan; provided that in such event

for the purposes of this Agreement such Loan shall be deemed to have been made by the Bank and the obligation of the Company to repay such Loan shall nevertheless be to the Bank and shall be deemed held by it, to the extent of such Loan, for the account of such branch or Affiliate.

-20-

8.6 Discretion of Bank as to Manner of Funding. Notwithstanding any

provision of this Agreement to the contrary, the Bank shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if the Bank had actually funded and maintained each Eurodollar Loan during each Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the Eurodollar Rate for such Interest Period.

8.7 Mitigation of Circumstances. (a) The Bank shall promptly notify the

Company of any event of which it has knowledge which will result in, and will use reasonable commercial efforts available to it (and not, in the Bank's sole judgment, otherwise disadvantageous to the Bank) to mitigate or avoid, (i) any obligation by the Company to pay any amount pursuant to Section 7.5 or 8.1 or

(ii) the occurrence of any circumstances described in Section 8.2 or 8.3 (and,

if the Bank has given notice of any such event described in clause (i) or (ii) $% \left(\left({{{\bf{n}}} \right)^2} \right)$

above and thereafter such event ceases to exist, the Bank shall promptly so notify the Company). Without limiting the foregoing, the Bank will designate a different funding office if such designation will avoid (or reduce the cost to the Company of) any event described in clause (i) or (ii) of the preceding

sentence and such designation will not, in the Bank's sole judgment, be otherwise disadvantageous to the Bank.

8.8 Conclusiveness of Statements; Survival of Provisions.

Determinations and statements of the Bank pursuant to Section 8.1, 8.2, 8.3 or

8.4 shall be conclusive absent demonstrable error. The Bank may use reasonable - --averaging and attribution methods in determining compensation under Sections 8.1

and 8.4, and the provisions of such Sections shall survive repayment of the

Loans, cancellation of the Note, and termination of this Agreement.

SECTION 9 SECURITY

9.1 Security. As security for the full and timely payment and

performance of all Obligations, the Company shall, and shall cause all other Loan Parties to, on or before the Closing Date, do or cause to be done all things necessary in the opinion of the Bank and its counsel to grant to the Bank a duly perfected first priority security interest in all Collateral subject to no prior Lien or other encumbrance or restriction on transfer (other than restrictions on transfer imposed by applicable securities laws). Without limiting the foregoing, the Company shall on the Closing Date deliver to the Bank, in the form and substance reasonably acceptable to the Bank, (a) Pledge Agreements pursuant to which the Company and certain of its Subsidiaries shall pledge to the Bank sixty-five percent (65%) of the capital stock of each existing, and each hereafter organized or acquired, Material Foreign Subsidiary, (b) if such securities are in the form of certificated securities, such certificated securities, together with undated stock powers or other appropriate transfer documents endorsed in blank pertaining thereto, and (c) if such securities do not constitute certificated securities, the Company shall take such further action and deliver or cause to be delivered such further documents as required to effect the transactions contemplated by this Section 9.1.

-21-

9.2 Further Assurances. At the request of the Bank, the Company will or

will cause all other Loan Parties, as the case may be to execute, by its duly authorized officers, alone or with the Bank, any certificate, instrument, financing statement, control agreement, statement or document, or to procure any such certificate, instrument, statement or document, or to take such other action (and pay all connected costs) which the Bank reasonably deems necessary from time to time to create, continue or preserve the liens and security interests (and the perfection and priority thereof) in the Collateral (as defined in the Collateral Documents) including all Collateral acquired by the Company or other Loan Party after the Closing Date. The Bank is hereby irrevocably authorized to execute and file or cause to be filed, with or if permitted by applicable law without the signatures of the Company or other Loan Party, as applicable, Uniform Commercial Code financing statements reflecting the Company or any other Loan Party as "debtor" and the Bank as "secured party", and continuations thereof and amendments thereto, as the Bank reasonably deems necessary or advisable to give effect to the transactions contemplated hereby and by the other Loan Documents.

SECTION 10 WARRANTIES.

To induce the Bank to enter into this Agreement and to induce the Bank to make Loans hereunder, the Company warrants to the Bank that:

10.1 Organization. The Company is a corporation validly existing and in

good standing under the laws of the State of Florida; each Subsidiary is validly existing and in good standing under the laws of the jurisdiction of its organization; and each of the Company and each Subsidiary is duly qualified to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required, except for such jurisdictions where the failure to so qualify would not have a Material Adverse Effect.

10.2 Authorization; No Conflict. Each of the Company and each other Loan $% \left({{\left[{{L_{\rm{D}}} \right]} \right]} \right)$

Party is duly authorized to execute and deliver each Loan Document to which it is a party, the Company is duly authorized to borrow monies hereunder and each of the Company and each other Loan Party is duly authorized to perform its obligations under each Loan Document to which it is a party. The execution, delivery and performance by the Company of this Agreement and by each of the Company and each other Loan Party of each Loan Document to which it is a party, and the borrowings by the Company hereunder, do not and will not (a) require any consent or approval of any governmental agency or authority (other than any consent or approval of any governmental agency or authority (other than any consent or approval which has been obtained and is in full force and effect), (b) conflict with (i) any provision of law, (ii) the charter, by-laws or other organizational documents of the Company or any other Loan Party or (iii) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Company or any other Loan Party or any of their respective properties or (c) require, or result in, the creation or imposition of any Lien on any asset of the Company, any Subsidiary or any other Loan Party (other than Liens in favor of the Bank created pursuant to the Collateral Documents).

-22-

10.3 Validity and Binding Nature. Each of this Agreement and each other

Loan Document to which the Company or any other Loan Party is a party is the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

10.4 Financial Condition. The audited consolidated financial statements of

the Company and its Subsidiaries as at March 31, 2001, copies of each of which have been delivered to Bank, were prepared in accordance with GAAP and present fairly the consolidated financial condition of the Company and its Subsidiaries as at such date and the results of their operations and cash flows for the period then ended.

10.5 No Material Adverse Change. Since March 31, 2001 there has been no

material adverse change in the financial condition, operations, assets, business, properties or prospects of the Company and its Subsidiaries taken as a whole.

10.6 Litigation and Contingent Liabilities. No litigation (including

derivative actions), arbitration proceeding or governmental investigation or proceeding is pending or, to the Company's knowledge, threatened against the Company or any Subsidiary which might reasonably be expected to have a Material Adverse Effect, except as set forth in Schedule 10.6. Other than any liability

incident to such litigation or proceedings, neither the Company nor any Subsidiary has any material contingent liabilities not listed on Schedule 10.6

or permitted by Section 11.7.

10.7 Ownership of Properties; Liens. Each of the Company and each

Subsidiary owns good and, in the case of real property, marketable title to all of its properties and assets, real and personal, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), free and clear of all Liens, charges and claims (including infringement claims with respect to patents, trademarks, service marks, copyrights and the like) except as permitted by Section 11.8.

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10.8 Subsidiaries. As of the Closing Date, the Company has no Subsidiaries

other than those issued on Schedule 10.0.

10.9 Pension Plans.

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(a) During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement or the making of any Loan, (i) no steps have been taken to terminate any Pension Plan and (ii) no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could result in the incurrence by the Company of any material liability, fine or penalty.

-23-
(b) All contributions (if any) have been made to any Multiemployer Pension Plan that are required to be made by the Company or any other member of the Controlled Group under the terms of the plan or of any collective bargaining agreement or by applicable law; neither the Company nor any member of the Controlled Group has withdrawn or partially withdrawn from any Multiemployer Pension Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, might result in a withdrawal or partial withdrawal from any such plan; and neither the Company nor any member of the Controlled Group has received any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of any excise tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

10.10 Investment Company Act. Neither the Company nor any Subsidiary is an

"investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940.

10.11 Public Utility Holding Company Act. Neither the Company nor any

Subsidiary is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935.

10.12 Regulation U. The Company is not engaged principally, or as one of

its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

10.13 Taxes. Each of the Company and each Subsidiary has filed all tax

returns and reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on its books.

10.14 Solvency, etc. On the Closing Date, and immediately prior to and

after giving effect to the issuance of each Letter of Credit and each borrowing hereunder and the use of the proceeds thereof, (a) each of the Company's and each other Loan Party's assets will exceed its liabilities and (b) each of the Company and each other Loan Party will be solvent, will be able to pay its debts as they mature, will own property with fair saleable value greater than the amount required to pay its debts (including Suretyship Liabilities) and will have capital sufficient to carry on its business as then constituted.

10.15 Environmental Matters.

-24-

(a) No Violations. Except as set forth on Schedule 10.15,

neither the Company nor any Subsidiary, nor any operator of the Company's or any Subsidiary's properties, is in violation, or alleged violation, of any judgment, decree, order, law, permit, license, rule or regulation pertaining to environmental matters, including those arising under the Resource Conservation and Recovery Act ("RCRA"), the

Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of

1986 or any other Environmental Law which (i) in any single case, requires expenditures in any three-year period of \$250,000 or more by the Company and its Subsidiaries in penalties and/or for investigative, removal or remedial actions or (ii) individually or in the aggregate otherwise might reasonably be expected to have a Material Adverse Effect.

(b) Notices. Except as set forth on Schedule 10.15 and for

matters arising after the Closing Date, in each case none of which could singly or in the aggregate be expected to have a Material Adverse Effect, neither the Company nor any Subsidiary has received notice from any third party, including any Federal, state or local governmental authority: (a) that any one of them has been identified by the U.S. Environmental Protection Agency as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B; (b) that any hazardous waste, as defined by 42 U.S.C. (S)6903(5), any hazardous substance as defined by 42 U.S.C. (S)9601(14), any pollutant or contaminant as defined by 42 U.S.C. (S)9601(33) or any toxic substance, oil or hazardous material or other chemical or substance regulated by any Environmental Law (all of the foregoing, "Hazardous Substances") which any one of them has

generated, transported or disposed of has been found at any site at which a Federal, state or local agency or other third party has conducted a remedial investigation, removal or other response action pursuant to any Environmental Law; (c) that the Company or any Subsidiary must conduct a remedial investigation, removal, response action or other activity pursuant to any Environmental Law; or (d) of any Environmental Claim.

(c) Handling of Hazardous Substances. Except as set forth on

Schedule 10.15, (i) no portion of the real property or other assets of

the Company or any Subsidiary has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance in all material respects with applicable Environmental Laws; and no underground tank or other underground storage receptacle for Hazardous Substances is located on such properties; (ii) in the course of any activities conducted by the Company, any Subsidiary or the operators of any real property of the Company or any Subsidiary, no Hazardous Substances have been generated or are being used on such properties except in accordance in all material respects with applicable Environmental Laws; (iii) there have been no Releases or threatened Releases of Hazardous Substances on, upon, into or from any real property or other assets of the Company or any Subsidiary, which Releases singly or in the aggregate might reasonably be expected to have a material adverse effect on the value of such real property or assets; (iv) there have been no Releases on, upon, from or into any real property in the vicinity of the real property or other assets of the Company or any Subsidiary which,

-25-

through soil or groundwater contamination, may have come to be located on, and which might reasonably be expected to have a material adverse effect on the value of, the real property or other assets of the Company or any Subsidiary; and (v) any Hazardous Substances generated by the Company and its Subsidiaries have been transported offsite only by properly licensed carriers and delivered only to treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws, which transporters and facilities have been and are operating in compliance in all material respects with such permits and applicable Environmental Laws.

10.16 Insurance. Set forth on Schedule 10.16 is a complete and accurate

summary of the liability, life and business interruption insurance carried by the Company and its Subsidiaries as of the Closing Date (including the names of all insurers, policy numbers, expiration dates, amounts and types of coverage, annual premiums, exclusions, deductibles, self-insured retention, and a description in reasonable detail of any self-insurance program, retrospective rating plan, fronting arrangement or other risk assumption arrangement involving the Company or any Subsidiary).

10.17 Real Property. Set forth on Schedule 10.17 is a complete and accurate list, as of the Closing Date, of the addresses of all real property owned or leased by the Company or any Subsidiary, together with, in the case of leased property, the name and mailing address of the lessor of such property.

10.18 Information. All information heretofore or contemporaneously herewith

furnished in writing by the Company or any other Loan Party to the Bank for purposes of or in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby is, and all written information hereafter furnished by or on behalf of the Company or any Subsidiary to the Bank pursuant hereto or thereto or in connection herewith or therewith will be, true and accurate in every material respect on the date as of which such information is dated or certified, and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which made (it being recognized by the Bank that any projections and forecasts provided by the Company are based on good faith estimates and assumptions believed by the Company to be reasonable as of the date of the applicable projections or assumptions and that actual results during the period or periods covered by any such projections and forecasts may differ from projected or forecasted results).

10.19 Intellectual Property. The Company and each Subsidiary owns and

possesses or has a license or other right to use all patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as are necessary for the conduct of the business of the Company and its Subsidiaries, without any infringement upon rights of others which could reasonably be expected to have a Material Adverse Effect. Attached hereto as Schedule 10.19 is a true, correct and complete

listing of all such patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights.

-26-

10.20 Burdensome Obligations. Neither the Company nor any Subsidiary is a

party to any agreement or contract or subject to any corporate, partnership or other entity restriction which might reasonably be expected to have a Material Adverse Effect.

10.21 Labor Matters. Except as set forth on Schedule 10.21, neither the

Company nor any Subsidiary is subject to any labor or collective bargaining agreement. There are no existing or threatened strikes, lockouts or other labor disputes involving the Company or any Subsidiary that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Company and its Subsidiaries are not in violation of the Fair Labor Standards Act or any other applicable law, rule or regulation dealing with such matters.

10.22 No Default. No Event of Default or Unmatured Event of Default exists or would result from the incurring by the Company or any Subsidiary of any Debt or the granting of any Lien hereunder or under any other Loan Document.

SECTION 11 COVENANTS.

Until the expiration or termination of the Commitment and thereafter until all Obligations are paid in full, the Company agrees that, unless at any time the Bank shall otherwise expressly consent in writing, it will:

11.1 Reports, Certificates and Other Information. Furnish to the Bank:

11.1.1 10-K. Promptly when available and in any event within 105 days

after the close of each Fiscal Year, a copy of the Company's Annual Report on Form 10-K as filed with the SEC.

11.1.2 10-Q Promptly when available and in any event within 60 days after

the close of each Fiscal Quarter, a copy of the Company's Quarterly Report on Form 10-Q as filed with the SEC.

11.1.3 Compliance Certificates. Contemporaneously with the furnishing of a

copy of each report pursuant to Section 11.1.1 and Section 11.1.2 and the

financial statements required therein, a duly completed compliance certificate in the form of Exhibit B, with appropriate insertions, dated the date of such

annual report or such quarterly reports and signed by the Chief Financial Officer of the Company, containing (i) a computation of each of the financial ratios and restrictions required to demonstrate compliance with the covenants set forth in Section 11.6 and a statement to the effect that such officer has

not become aware of any Event of Default or Unmatured Event of Default that has occurred and is continuing or, if there is any such event, describing it and the steps, if any, being taken to cure it and (ii) a summary aging of all accounts receivable of the Company and its Subsidiaries, without regard to any specific account debtor (provided, that if so requested by Bank, in Bank's sole

discretion, the Company shall provide an aging of all accounts receivable of the Company and its Subsidiaries with detailed reference to specific account debtors).

-27-

11.1.4 Reports to the SEC and to Shareholders. Promptly upon the filing or

sending thereof, copies of all regular, periodic or special reports of the Company or any Subsidiary filed with the SEC, copies of all registration statements of the Company or any Subsidiary filed with the SEC, and copies of all proxy statements or other communications made to security holders generally.

11.1.5 Notice of Default, Litigation and ERISA Matters. Promptly upon

becoming aware of any of the following, written notice describing the same and the steps being taken by the Company or the Subsidiary affected thereby with respect thereto:

(a) the occurrence of an Event of Default or an Unmatured Event of Default;

(b) any litigation, arbitration or governmental investigation or proceeding not previously disclosed by the Company to the Bank which has been instituted or, to the knowledge of the Company, is threatened against the Company or any Subsidiary or to which any of the properties of any thereof is subject which might reasonably be expected to have a Material Adverse Effect;

(c) the institution of any steps by any member of the Controlled Group or any other Person to terminate any Pension Plan, or the failure of any member of the Controlled Group to make a required contribution to any Pension Plan (if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA) or to any Multiemployer Pension Plan, or the taking of any action with respect to a Pension Plan which could result in the requirement that the Company furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any event with respect to any Pension Plan or Multiemployer Pension Plan which could result in the incurrence by any member of the Controlled Group of any material liability, fine or penalty (including any claim or demand for withdrawal liability or partial withdrawal from any Multiemployer Pension Plan), or any material increase in the contingent liability of the Company with respect to any post-retirement welfare plan benefit, or any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of an excise tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent;

(d) any material cancellation or material change in any insurance maintained by the Company or any Subsidiary; or

(e) any other event (including (i) any violation of any Environmental Law or the assertion of any Environmental Claim or (ii) the enactment or effectiveness of any law, rule or regulation) which might reasonably be expected to have a Material Adverse Effect.

11.1.6 Management Reports. Promptly upon the request of the Bank, copies of

all detailed financial and management reports submitted to the Company by independent auditors in connection

-28-

with each annual or interim audit made by such auditors of the books or financial statements of the Company.

11.1.7 Intentionally omitted.

11.1.8 Other Information. Promptly from time to time, such other

information concerning the Company and its Subsidiaries as the Bank may reasonably request.

11.2 Books, Records and Inspections. Keep, and cause each Subsidiary to

keep, its books and records in accordance with sound business practices sufficient to allow the preparation of financial statements in accordance with GAAP; permit, and cause each Subsidiary to permit, the Bank or any representative thereof to inspect the properties and operations of the Company or such Subsidiary; and permit, and cause each Subsidiary to permit, at any reasonable time and with reasonable notice (or at any time without notice if an Event of Default exists), the Bank or any representative thereof to visit any or all of its offices, to discuss its financial matters with its officers and its independent auditors (and the Company hereby authorizes such independent auditors to discuss such financial matters with the Bank or any representative thereof), and to examine (and, at the expense of the Company or the applicable Subsidiary, photocopy extracts from) any of its books or other records; and permit, and cause each Subsidiary to permit, the Bank and its representatives to inspect, audit, check and make copies of and extracts from the books, records, computer data, computer programs, journals, orders, receipts, correspondence and other data. All such inspections or audits by the Bank shall be at the Company's expense.

11.3 Maintenance of Property; Insurance.

(a) Keep, and cause each Subsidiary to keep, all property useful and necessary in the business of the Company or such Subsidiary in good working order and condition, ordinary wear and tear excepted.

(b) Maintain, and cause each Subsidiary to maintain, with responsible insurance companies, such insurance as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent and against such hazards and liabilities, as is customarily maintained by companies similarly situated, but which shall insure against all risks and liabilities of the type identified on Schedule 10.16 and shall have insured amounts no less than, and deductibles no higher than, those set forth on such schedule; and, upon request of the Bank, furnish to the Bank a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by the Company and its Subsidiaries. The Company shall cause each issuer of an insurance policy to provide the Bank with an endorsement (i) showing loss payable to the Bank with respect to each policy of business interruption insurance for business interruption damage, (ii) providing that 30 days' notice will be given to the Bank prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy and (iii) reasonably acceptable in

-29-

all other respects to the Bank. The Company shall execute and deliver to the Bank a collateral assignment, in form and substance satisfactory to the Bank, of each business interruption insurance policy maintained by the Company.

(C) UNLESS THE COMPANY PROVIDES THE BANK WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS AGREEMENT, THE BANK MAY PURCHASE INSURANCE AT THE COMPANY'S EXPENSE. THIS INSURANCE MAY, BUT NEED NOT, PROTECT THE COMPANY'S INTERESTS. THE COVERAGE THAT THE BANK PURCHASES MAY NOT PAY ANY CLAIM THAT IS MADE AGAINST THE COMPANY. THE COMPANY MAY LATER CANCEL ANY INSURANCE PURCHASED BY THE BANK, BUT ONLY AFTER PROVIDING THE BANK WITH EVIDENCE THAT THE COMPANY HAS OBTAINED INSURANCE AS REQUIRED BY THIS AGREEMENT. IF THE BANK PURCHASES INSURANCE, THE COMPANY WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT MAY BE IMPOSED WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE PRINCIPAL AMOUNT OF THE LOANS OWING HEREUNDER. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF THE INSURANCE THE COMPANY MAY BE ABLE TO OBTAIN ON ITS OWN.

11.4 Compliance with Laws; Payment of Taxes; Liabilities. (a) Comply, and

cause each Subsidiary to comply, in all material respects with all applicable laws, rules, regulations, decrees, orders, judgments, licenses and permits, except where failure to comply could not reasonably be expected to have a Material Adverse Effect; (b) pay, and cause each Subsidiary to pay, prior to delinquency, all taxes and other governmental charges against it or any of its property, as well as claims of any kind which, if unpaid, might become a Lien on any of its property; provided that the foregoing shall not require the Company

or any Subsidiary to pay any such tax or charge so long as it shall contest the validity thereof in good faith by appropriate proceedings and shall set aside on its books adequate reserves with respect thereto in accordance with GAAP; and (c) inform the Bank of all contingent liabilities in excess of \$1,000,000 that are not reflected in the Company's financial statements.

11.5 Maintenance of Existence, etc. Maintain and preserve, and cause each

Material Subsidiary to maintain and preserve, (a) its existence and good standing in the jurisdiction of its organization and (b) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary (except in those instances in which the failure to be qualified or in good standing does not, and is not reasonably expected to, have a Material Adverse Effect). The Company and each Material Subsidiary shall not change its jurisdiction of organization except upon 30 days' prior written notice to the Bank.

11.6 Financial Covenants.

-30-

11.6.1 Fixed Charge Coverage Ratio. Not permit the Fixed Charge Coverage

Ratio for any Computation Period to be less than 1.50 to 1.00.

11.6.2 Leverage Ratio. Not permit the ratio of Total Liabilities to

Tangible Net Worth at any time to be greater than 3.00 to 1.00.

11.6.3 Dividends. Not declare dividends during any fiscal quarter in excess

of thirty-five percent (35%) of the Consolidated Net Income for the immediately preceding four-quarter period.

11.6.4 Capital Expenditures. Not permit the aggregate amount of all Capital

Expenditures made by the Company and its Subsidiaries in any Fiscal Year to exceed \$6,000,000, other than those made or deemed made as part of a transaction contemplated in Section 11.11.

11.6.5 Tangible Net Worth. Not permit Tangible Net Worth at any time to be less than \$55,000,000.

11.7 Limitations on Debt. Without the prior written consent of Bank, not, nor permit any Subsidiary to, create, incur, assume or suffer to exist any Debt, except:

(a) The Obligations;

(b) Debt secured by Liens permitted by Section 11.8, and extensions,

renewals and refinancings thereof;

(c) Debt of majority controlled or Wholly-Owned Subsidiaries to the Company in an amount not to exceed 30,000,000 in the aggregate at any time outstanding;

(d) Debt of Subsidiaries other than those described in Section

11.7(c) to the Company in an amount not to exceed \$10,000,000 in the

aggregate at any time outstanding;

(e) New additional indebtedness for borrowed money, secured or unsecured, or in the form of purchase money obligations in an aggregate amount at any one time outstanding not to exceed \$5,000,000, other than Obligations or indebtedness made or deemed made as part of a transaction contemplated in Section 11.11;

(f) Non-speculative fuel Hedging Obligations incurred in the normal course of business; provided, however, that the Company may incur

speculative fuel Hedging Obligations so long as such Hedging Obligations do not exceed \$10,000,000 in the aggregate at any time outstanding;

(g) Debt described on Schedule 11.7 and any extension, renewal or

refinancing thereof so long as the principal amount thereof is not increased; and

-31-

11.8 Liens. Not, and not permit any Subsidiary to, create or permit to

exist any Lien on any of its real or personal properties, assets or rights of whatsoever nature (whether now owned or hereafter acquired), except:

(a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(b) Liens arising in the ordinary course of business (such as (i) Liens of carriers, warehousemen, mechanics, landlords and materialmen and other similar Liens imposed by law and (ii) Liens incurred in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves;

(c) Liens described on Schedule 11.8;

(d) Liens existing on property at the time of the acquisition thereof by the Company or any Subsidiary (and not created in contemplation of such acquisition);

(e) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$100,000 arising in connection with court proceedings, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(f) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of the Company or any Subsidiary;

(g) Liens arising under the Loan Documents;

(h) the replacement, extension or renewal of any Lien permitted by Section 11.8(c) upon or in the same property theretofore subject thereto

arising out of the extension, renewal or replacement of the Debt secured thereby (without increase in the amount thereof); and

(i) Liens arising in connection with new indebtedness permitted under Section 11.7(e).

-32-

11.10 Restricted Payments. Except as expressly permitted by this Agreement,

not (a) make any distribution to any of its shareholders, (b) purchase or redeem any of its capital stock interests or other equity interests or any warrants, options or other rights in respect thereof, (c) pay any management fees or similar fees to any of its shareholders or any Affiliate thereof which is not a Wholly-Owned Subsidiary of the Company, or (d) set aside funds for any of the foregoing; provided, however, that the Company may make loans or advances to

shareholders, officers or directors in an aggregate amount at any time outstanding not to exceed \$1,000,000.

11.11 Mergers, Consolidations, Sales. Not, and not permit any Subsidiary

to, be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership, membership, equity or joint venture interest in, any other Person if such Person is not engaged in the same line of business as the Company, or in instances where such Person(s) are in the same business as the Company, in an amount not to exceed \$25,000,000 in the aggregate per annum, or sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any receivables, except for (a) any such merger, consolidation, sale, transfer, conveyance, lease or assignment of or by any Wholly-Owned Subsidiary into the Company or into, with or to any other Wholly-Owned Subsidiary (b) any such purchase or other acquisition by the Company or any Wholly-Owned Subsidiary of the assets or stock of any Wholly-Owned Subsidiary (subject to the limits of this Agreement); and (c) sales and dispositions of assets (including the stock of Subsidiaries) for at least fair market value (as determined by the Board of Directors of the Company) so long as the net book value of all assets sold or otherwise disposed of in any Fiscal Year does not exceed \$5,000,000 in the aggregate and such sales and dispositions are in the ordinary course of business and are consistent with past practices.

11.12 Modification of Organizational Documents. Not permit the Certificate

or Articles of Incorporation, By-Laws or other organizational documents of the Company or any Subsidiary to be amended or modified in any way which might reasonably be expected to materially adversely affect the interests of the Bank.

11.13 Use of Proceeds. Use the proceeds of the Loans solely for the

short-term working capital requirements of the Company, to refinance the Debt to be Repaid, for Capital Expenditures (subject to the limits of Section 11.6.4),

to repurchase common stock of the Company (subject to the limits of Section

11.28), or for acquisitions of companies in the same business of the Company

(subject to the limits of Section 11.11); and not use or permit any proceeds of

any Loan to be used, either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing or carrying" any Margin Stock.

11.14 Further Assurances. Take such actions as are necessary or as the Bank

may reasonably request from time to time (including the execution and delivery of guaranties, security $% \left({\left[{{{\rm{cl}}_{\rm{cl}}} \right]_{\rm{cl}}} \right)$

-33-

agreements, pledge agreements, mortgages, deeds of trust, financing statements and other documents, the filing or recording of any of the foregoing, and the delivery of stock certificates and other collateral with respect to which perfection is obtained by possession) to ensure that the Obligations are secured by a first priority perfected security interest in the Collateral in favor of the Bank.

11.15 Transactions with Affiliates. Not, and not permit any Subsidiary

to, enter into, or cause, suffer or permit to exist any transaction, arrangement or contract with any of its Affiliates (other than the Company and its Subsidiaries) which is on terms that are less favorable to the Company or such Subsidiary than are obtainable from any Person which is not such an Affiliate.

11.16 Employee Benefit Plans. Maintain, and cause each Subsidiary to

maintain, each $\mbox{Pension}$ \mbox{Plan} in substantial compliance with all applicable requirements of law and regulations.

11.17 Environmental Matters.

(a) If any Release or Disposal of Hazardous Substances shall occur or shall have occurred on any real property or any other assets of the Company or any Subsidiary, the Company shall, or shall cause the applicable Subsidiary to, cause the prompt containment and removal of such Hazardous Substances and the remediation of such real property or other assets as necessary to comply with all Environmental Laws and to preserve the value of such real property or other assets. Without limiting the generality of the foregoing, the Company shall, and shall cause each Subsidiary to, comply with any valid Federal or state judicial or administrative order requiring the performance at any real property of the Company or any Subsidiary of activities in response to the Release or threatened Release of a Hazardous Substance.

(b) To the extent that the transportation of "hazardous waste" as defined by RCRA is permitted by this Agreement, the Company shall, and shall cause its Subsidiaries to, dispose of such hazardous waste only at licensed disposal facilities operating in compliance with Environmental Laws.

11.18 Unconditional Purchase Obligations. Not, and not permit any

Subsidiary to, enter into or be a party to any contract for the purchase of materials, supplies or other property or services if such contract requires that payment be made by it regardless of whether delivery is ever made of such materials, supplies or other property or services; provided, however, that this

Section shall not prohibit the Company from entering into forward commitments for fuel purchases in the ordinary course of business.

11.19 Inconsistent Agreements. Not, and not permit any Subsidiary to,

enter into any agreement containing any provision which would (a) be violated or breached by any borrowing by the Company hereunder or by the performance by the Company or any Subsidiary of any of its obligations hereunder or under any other Loan Document, (b) prohibit the Company or any

-34-

Subsidiary from granting to the Bank, a Lien on any of its assets or (c) create or permit to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (i) pay dividends or make other distributions to the Company or any other applicable Subsidiary, or pay any Debt owed to the Company or any other Subsidiary, (ii) make loans or advances to the Company or (iii) transfer any of its assets or properties to the Company.

11.20 Business Activities; Name; Change of Control.

(a) Not, and not permit any Subsidiary to, engage in any line of business other than the businesses engaged in on the date hereof and businesses reasonably related thereto.

(b) Not, and not permit any Material Subsidiary to, change its legal name except upon thirty (30) days' prior written notice to the Bank.

11.21 Investments.

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11.21.1 Except as expressly set forth in this Agreement, not, and not permit any Subsidiary to, make or permit to exist any Investment in any other Person, except (without duplication) the following:

> (a) contributions by the Company to the capital of any of its Wholly-Owned Subsidiaries that are Guarantors, or by any such Subsidiary to the capital of any of its Wholly-Owned Subsidiaries that are Guarantors;

> (b) in the ordinary course of business, Investments by the Company in any Subsidiary or by any Subsidiary in the Company, by way of intercompany loans, advances or guaranties, all to the extent permitted by Section 11.7;

(c) Suretyship Liabilities not to exceed \$100,000 in the aggregate at any one time outstanding (except as otherwise permitted hereunder);

(d) Cash Equivalent Investments;

(e) Investments in securities of account debtors received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such account debtors; and

(f) Investments listed on Schedule 11.21.

11.21.2 Not, and not permit any subsidiary to guaranty any obligations or purchase surety bonds to secure or assume any indebtedness of (i) its Subsidiaries other than trade credit from suppliers in an aggregate amount not to exceed \$15,000,000 per supplier at any one time

-35-

outstanding, or (ii) third parties in an aggregate amount at any one time outstanding not to exceed \$1,000,000.

11.21.3 Notwithstanding the foregoing provisions of this Section

11.21, no Investment otherwise permitted hereunder shall be permitted to be made

if, immediately before or after giving effect thereto, any Event of Default or Unmatured Event of Default exists.

11.22 Fiscal Year. Not change its Fiscal Year.

11.23 Cancellation of Debt. Not, and not permit any Subsidiary to,

cancel any claim or debt owing to it, except for reasonable consideration or in the ordinary course of business.

11.24 Intentionally omitted.

11.25 Accounts. The Company shall maintain its primary investment

accounts with the Bank, so long as the costs of Bank's products and services remain competitive. As soon as possible, but in no event later than one hundred and eighty (180) days after the Closing Date, the Company shall open and thereafter maintain its primary operating account with the Bank, so long as the Bank's products and services remain competitive.

11.26 New Subsidiaries. In the event of an acquisition or creation of

any Domestic Subsidiary or Material Foreign Subsidiary, the Company shall deliver, or cause to be delivered as the case may be, to the Bank within thirty (30) days (provided, in the case of a Material Foreign Subsidiary, such time

period shall be extended to sixty (60) days with regards to (b), (c) and (d) below) of such acquisition or creation:

- (a) in the case of a Domestic Subsidiary, a Guaranty executed by such Subsidiary substantially in the form of Exhibit D;
- (b) in the case of a Material Foreign Subsidiary, a Pledge Agreement substantially in the form of Exhibit C executed by the Company or

a Subsidiary, as applicable, (unless, in Bank's sole discretion, such Pledge Agreement is not required as the Collateral to be pledged thereby is already covered by an existing Pledge Agreement) together with (x) stock certificates or other appropriate evidence of ownership representing sixty-five percent (65%) of the voting stock of such Material Foreign Subsidiary, (y) duly executed stock powers of assignment or stock transfer forms in blank affixed thereto and (z) such other documents as Bank may request including UCC-1 financing statements;

(c) an opinion of counsel to such Material Foreign Subsidiary and the Company or a Subsidiary, as applicable, in form and substance acceptable to Bank; and

-36-

(d) copies of all current entity documents, including articles of incorporation or organization, By-laws, operating or partnership agreements, certificates of good standing or active status, resolutions of the Board of Directors, members, managers, partners or appropriate committees thereof (each as applicable) of such Material Foreign Subsidiary.

11.27 Sale and Leaseback Transactions. Not, and not permit any Subsidiary to, enter into asset sale and leaseback transactions; provided,

however, that the Company and Subsidiaries may enter into such transactions in - -----an aggregate amount not to exceed \$5,000,000 in any Fiscal Year.

11.28 Repurchase Stock. Not, and not permit any Subsidiary to, purchase

Subsidiaries may purchase common stock of the Company in an aggregate amount not to exceed 10,000,000.

SECTION 12 EFFECTIVENESS; CONDITIONS OF LENDING, ETC.

The obligation of the Bank to make Loans and to issue Letters of Credit is subject to the following conditions precedent:

12.1 Initial Credit Extension. The obligation of the Bank to make

available the initial Loan and issue any initial Letters of Credit is, in addition to the conditions precedent specified in Section 12.2, subject to the

conditions precedent that (1) all Debt to be Repaid has been (or concurrently with the initial borrowing will be) paid in full, and that all agreements and instruments governing the Debt to be Repaid and that all Liens securing the Debt to be Repaid have been (or concurrently with the initial borrowing will be) terminated, (2) the Bank has received a counterpart copy of this Agreement executed by the Company and (3) the Bank shall have received all of the following, each duly executed and dated the Closing Date (or such earlier date as shall be satisfactory to the Bank), in form and substance satisfactory to the Bank (and the date on which all such conditions precedent have been satisfied or waived in writing by the Bank is called the "Closing Date"):

12.1.1 Note. The Note executed by the Company.

12.1.2 Resolutions. Certified copies of resolutions of the Board of

Directors of the Company authorizing the execution, delivery and performance by the Company of this Agreement, the Note, the Pledge Agreement and the other Loan Documents to which the Company is a party; and certified copies of resolutions of the Board of Directors of each other Loan Party authorizing the execution, delivery and performance by such Loan Party of each Loan Document to which such entity is a party.

12.1.3 Consents, etc. Certified copies of all documents evidencing any

necessary corporate, limited liability company, partnership or other entity action, consents and governmental approvals (if any) required for the execution, delivery and performance by the Company and each other Loan Party of the documents referred to in Section 12.

-37-

12.1.4 Incumbency and Signature Certificates. A certificate of the

Secretary or an Assistant Secretary (or other appropriate representative) of each Loan Party certifying the names of the officer or officers of such entity authorized to sign the Loan Documents to which such entity is a party, together with a sample of the true signature of each such officer (it being understood that the Bank may conclusively rely on each such certificate until formally advised by a like certificate of any changes therein).

12.1.5 Pledge Agreement. A counterpart of each Pledge Agreement, executed by the Company or a Subsidiary, as applicable.

12.1.6 Opinions of Counsel. The opinion of Shutts & Bowen, LLP

substantially in the form of Exhibit E, and such other opinions of counsel as

the Bank may reasonably require including the opinion of legal counsel, acceptable by the Bank, from an attorney licensed to practice in each country where such Material Foreign Subsidiaries whose stock or other securities are being pledged pursuant to any Pledge Agreement are organized.

12.1.7 Insurance. Evidence satisfactory to the Bank of the existence of

insurance required to be maintained pursuant to Section 11.3(b), together with

evidence that the Bank has been named as a lender's loss payee and an additional insured on all related insurance policies.

12.1.8 Payment of Fees. Evidence of payment by the Company of all

accrued and unpaid fees (including fees under Section 5), costs and expenses to

the extent due and payable on the Closing Date, including any documentary stamp taxes and intangible taxes, together with all Attorney Costs of the Bank to the extent invoiced prior to the Closing Date, plus such additional amounts of

Attorney Costs as shall constitute the Bank's reasonable estimate of Attorney Costs incurred or to be incurred by the Bank through the closing proceedings; provided that in the absence of unforeseen circumstances or prolonged

negotiations as determined by the Bank in its reasonable discretion, such Attorney Costs, exclusive of disbursements, shall not exceed \$25,000; provided,

further that such estimate shall not thereafter preclude final settling of accounts between the Company and the Bank.

12.1.9 Solvency Certificate, Certificate of No Material Adverse Change.

(i) a Certificate of No Material Adverse Change, substantially in the form of Exhibit G, executed by the Chief Executive Officer of the Company, (ii) Solvency

Certificates, substantially in the form of Exhibit H, executed by the Chief

Financial Officer of each Guarantor, and (iii) such additional certificates as Bank may from time to time require.

12.1.10 Search Results; Lien Terminations. Certified copies of Uniform

Commercial Code Requests for Information or Copies (Form UCC-11), or a similar search report certified by a party acceptable to the Bank, dated a date reasonably near to the Closing Date, listing all effective financing statements which name the Company and each Subsidiary (under their present names and any previous names or trade names) as debtors, together with (i) copies of such financing statements, (ii) executed copies of proper Uniform Commercial Code Form UCC 3 termination statements, if

-38-

any, necessary to release all Liens and other rights of any Person in any property or rights of the Company or any Subsidiary including in any Collateral described in the Collateral Documents, previously granted by any Person (other than Liens permitted by Section 11.8) and (iii) such other Uniform Commercial

Code Form UCC 3 termination statements as the Bank may reasonably request.

12.1.11 Filings, Registrations and Recordings. The Bank shall have

received each document (including Uniform Commercial Code financing statements) required by the Collateral Documents or under law or reasonably requested by the Bank to be filed, registered or recorded in order to create in favor of the Bank, a perfected Lien in the Collateral described therein, prior and superior to any other Person, in proper form for filing, registration or recording.

12.1.12 Closing Certificate. A certificate signed by a vice president

of the Company dated as of the Closing Date, affirming the matters set forth in Section 12.2.1 as of the Closing Date.

12.1.13 Governmental Approvals. All governmental and third party

approvals, if any, necessary in connection with the financings contemplated herein and the continuing operations of the Company and its Subsidiaries shall have been obtained on terms reasonably satisfactory to the Bank and shall be in full force and effect.

12.1.14 Financial Statements. Copies of the consolidated financial

statements of the Company for the Fiscal Quarter ended September 30, 2001, and such financial statements shall not disclose, in the judgment of the Bank, any material adverse change from what was reflected in the financial statements furnished to Bank prior to the date hereof.

12.1.15 Guaranty. Counterpart copies of the Guaranty, executed by each

of the Guarantors.

12.1.16 Organizational Documents. Such evidence as the Bank may

reasonably require to verify that the Company and each Loan Party are duly organized or formed, validly existing, in good standing or with active status and qualified to engage in business (in each's jurisdiction of organization and each other jurisdiction where the failure to be so qualified would have a Material Adverse Effect), including certified copies of the Articles of Incorporation and Bylaws (or other similar entity documents, as applicable), certificates of good standing/active status and/or qualification to engage in business.

12.1.17 Master Letter of Credit Agreement. A copy of the Master Letter of Credit Agreement, executed by the Company.

12.1.18 Other. Such other documents as the Bank may reasonably request.

12.2 Conditions. The obligation of the Bank to make each Loan and issue

each Letter of Credit is subject to the following further conditions precedent that:

-39-

12.2.1 Compliance with Warranties, No Default, etc. Both before and

after giving effect to any borrowing and the issuance of any Letter of Credit the following statements shall be true and correct:

(a) the representations and warranties of the Company, and each Loan Party set forth in this Agreement and the other Loan Documents (including the material adverse change and litigation representations) shall be true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date); and

(b) no Event of Default or Unmatured \mbox{Event} of Default shall have then occurred and be continuing.

12.2.2 Confirmatory Certificate. If requested by the Bank, the Bank

shall have received a certificate dated the date of such requested Loan or Letter of Credit and signed by a duly authorized representative of the Company as to the matters set out in Section 12.2.1 (it being understood that each

request by the Company for the making of a Loan or issuance of a Letter of Credit shall be deemed to constitute a warranty by the Company that the conditions precedent set forth in Section 12.2.1 will be satisfied at the time

of the making of such Loan or issuance of a Letter of Credit), together with such other documents as the Bank may reasonably request in support thereof.

SECTION 13 EVENTS OF DEFAULT AND THEIR EFFECT.

13.1 Events of Default. Each of the following shall constitute an

Event of Default under this Agreement:

13.1.1 Non-Payment of the Loans, etc. Default in the payment when due

of the principal of any Loan; or default, and continuance thereof for five days, in the payment when due of any interest, fee, Reimbursement Obligation with respect to any Letter of Credit or other amount payable by the Company hereunder or under any other Loan Document.

13.1.2 Non-Payment or other Default of Other Debt. Any default shall

occur under the terms applicable to any Debt of the Company or any Subsidiary and such default shall (a) consist of the failure to pay such Debt when due, whether by acceleration or otherwise, or (b) accelerate the maturity of such Debt or permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such Debt to become due and payable (or require the Company or any Subsidiary to purchase or redeem such Debt) prior to its expressed maturity. Any other default shall occur under the terms applicable to any Debt of the Company or any Subsidiary which might reasonably be expected to have a Material Adverse Effect.

-40-

13.1.3 Other Material Obligations. Default in the payment when due, or

in the performance or observance of, any material obligation of, or condition agreed to by, the Company or any Subsidiary with respect to any material purchase or lease of goods or services where such default, singly or in the aggregate with all other such defaults, might reasonably be expected to have a Material Adverse Effect.

13.1.4 Bankruptcy, Insolvency, etc. The Company or any Subsidiary

becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or the Company or any Subsidiary applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for the Company or such Subsidiary or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Company or any Subsidiary or for a substantial part of the property of any thereof and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of the Company or any Subsidiary, and if such case or proceeding is not commenced by the Company or such Subsidiary, or remains for 30 days undismissed; or the Company or any Subsidiary takes any action to authorize, or in furtherance of, any of the foregoing.

13.1.5 Non-Compliance with Loan Documents. (a) Failure by the Company to comply with or to perform any covenant set forth in Sections 11.1.5(a), 11.5 through 11.15, and 11.20 through 11.22 and 11.26; or (b) failure by the Company

or any Loan Party to comply with or to perform any other provision of this Agreement or any other Loan Document (and not constituting an Event of Default under any other provision of this Section 13) and continuance of such failure

described in this Section 13.1.5, clause (b) for 30 days.

13.1.6 Warranties. Any warranty, representation or certification made

by the Company or, any Loan Party herein or any other Loan Document is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by the Company or any Loan Party to the Bank in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

13.1.7 Pension Plans. (i) Institution of any steps by the Company or

any other Person to terminate a Pension Plan if as a result of such termination the Company could be required to make a contribution to such Pension Plan, or could incur a liability or obligation to such Pension Plan, in excess of \$250,000; (ii) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA; or (iii) there shall occur any withdrawal or partial withdrawal from a Multiemployer Pension Plan and the withdrawal liability (without unaccrued interest) to Multiemployer Pension Plans as a result of such withdrawal (including any outstanding withdrawal liability that the Company and the Controlled Group have incurred on the date of such withdrawal) exceeds \$250,000.

-41-

13.1.8 Judgments. Final judgments which, in the aggregate at any one

time outstanding, exceed applicable insurance coverage by \$1,000,000 or more shall be rendered against the Company or any Subsidiary and shall not have been paid, discharged or vacated or had execution thereof stayed pending appeal within 90 days after entry or filing of such judgments.

13.1.9 Invalidity of Collateral Documents, etc. Any Collateral Document

shall cease to be in full force and effect; or the Company or any Subsidiary (or any Person by, through or on behalf of the Company or any Subsidiary) shall contest in any manner the validity, binding nature or enforceability of any Collateral Document.

13.2 Effect of Event of Default. If any Event of Default described in Section 13.1.4 shall occur, the Commitment (if they have not theretofore

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terminated) shall immediately terminate and the Loans and all other obligations hereunder shall become immediately due and payable, and the Company shall be required to Cash Collateralize all Letters of Credit, all without presentment, demand, protest or notice of any kind; and, if any other Event of Default shall occur and be continuing, the Bank shall declare the Commitment (if they have not theretofore terminated) to be terminated and/or declare all Loans and all other obligations hereunder to be due and payable, and/or demand that the Company Cash Collateralize all Letters of Credit whereupon the Commitment (if they have not theretofore terminated) shall immediately terminate and/or all Loans and all other obligations hereunder shall become immediately due and payable, all without presentment, demand, protest or notice of any kind. The Bank shall promptly advise the Company of any such declaration, but failure to do so shall not impair the effect of such declaration. Notwithstanding the foregoing, the effect as an Event of Default of any event described in this Section 13 may be

waived by the Bank. Any cash collateral delivered hereunder shall be held by the Bank (without liability for interest thereon) and applied to the Obligations arising in connection with any drawing under a Letter of Credit. At the expiration or termination of all Letters of Credit, such cash collateral shall be applied to any remaining Obligations hereunder and any excess shall be delivered to the Company or as a court of competent jurisdiction may direct.

SECTION 14 GENERAL.

14.1 Waiver; Amendments. No delay on the part of the Bank in the

exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or the Notes shall in any event be effective unless the same shall be in writing and signed and delivered by the Bank, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

14.2 Notices. Except as otherwise provided in Sections 2.2.2 and

2.2.3, all notices hereunder shall be in writing (including facsimile

transmission) and shall be sent to the applicable

-42-

party at its address shown on Schedule 14.2 or at such other address as such

party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received. For purposes of Sections 2.2.2 and 2.2.3, the Bank shall be entitled to rely on telephonic

instructions from any person that the Bank in good faith believes is an authorized officer or employee of the Company, and the Company shall hold the Bank harmless from any loss, cost or expense resulting from any such reliance.

14.3 Computations. Where the character or amount of any asset or

liability or item of income or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purpose of this Agreement, such determination or calculation shall, to the extent applicable and except as otherwise specified in this Agreement, be made in accordance with GAAP, consistently applied; provided that if the Company

notifies the Bank that the Company wishes to amend any covenant in Section 11 to

eliminate or to take into account the effect of any change in GAAP on the operation of such covenant (or if the Bank notifies the Company that the Bank wishes to amend Section 11 for such purpose), then the Company's compliance with

such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Bank.

14.4 Regulation U. The Bank represents that it in good faith is not

relying, either directly or indirectly, upon any Margin Stock as collateral security for the extension or maintenance by it of any credit provided for in this Agreement.

14.5 Costs, Expenses and Taxes. Subject to the limits expressly set

forth in this Agreement, the Company agrees to pay on demand all reasonable out-of-pocket costs and expenses of the Bank (including Attorney Costs) in connection with the preparation, execution, syndication, delivery and administration of this Agreement, the other Loan Documents and all other documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including any amendment, supplement or waiver to any Loan Document), and all reasonable out-of-pocket costs and expenses (including Attorney Costs) incurred by the Bank after an Event of Default in connection with the enforcement of this Agreement, the other Loan Documents or any such other documents. In addition, the Company agrees to pay, and to save the Bank harmless from all liability for, (a) any stamp or other taxes (including documentary stamp taxes and intangible taxes, but excluding income taxes and franchise taxes based on net income) which may be payable in connection with the execution and delivery of this Agreement, the borrowings hereunder, the issuance of the Notes or the execution and delivery of any other Loan Document or any other document provided for herein or delivered or to be delivered hereunder or in connection herewith and (b) any fees of the Company's auditors in connection with any reasonable exercise by the Bank of its rights pursuant to Section 11.2.

All obligations provided for in this Section 14.5 shall survive repayment of the

Loans, cancellation of the Notes, and termination of this Agreement.

-43-

14.6 Subsidiary References. The provisions of this Agreement

relating to Subsidiaries shall apply only during such times as the Company has one or more Subsidiaries.

14.7 Captions. Section captions used in this Agreement are for ______ convenience only and shall not affect the construction of this Agreement.

onventence only and shall not affect the construction of this Agreemen

14.8 Assignments; Participations.

14.8.1 $\,$ Assignments. Subject to the approval of the Company, such

approval not to be unreasonably withheld or delayed, the Bank may at any time assign and delegate to one or more commercial banks or financial institutions (any Person to whom such an assignment and delegation is to be made being herein called an "Assignee") all or any fraction of the Bank's Loans and Commitment

(which assignment and delegation shall be of a constant, and not a varying, percentage of all the Bank's Loans and Commitment); provided that no assignment

and delegation may be made to any Person if, at the time of such assignment and delegation, the Company would be obligated to pay any greater amount under Section 7.5 or Section 8 to the Assignee than the Company is then obligated to

pay to the Bank under such Sections (and if any assignment is made in violation of the foregoing, the Company will not be required to pay the incremental amounts).

From and after the date on which the conditions described above have been met, such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned and delegated to such Assignee pursuant to such Assignment Agreement, shall have the rights and obligations of the Bank hereunder and the Bank, to the extent that rights and obligations hereunder have been assigned and delegated by it pursuant to such Assignment Agreement, shall be released from its obligations hereunder.

Notwithstanding the foregoing provisions of this Section 14.8.1 or any

other provision of this Agreement, the Bank may at any time assign all or any portion of its Loans and its Note to a Federal Reserve Bank (but no such assignment shall release the Bank from any of its obligations hereunder).

14.8.2 Participations. Subject to the approval of the Company, such

approval not to be unreasonably withheld or delayed, the Bank may at any time sell to one or more commercial banks or other Persons participating interests in any Loan owing to the Bank, the Note held by the Bank, the Commitment of the Bank, the interest of the Bank in any Letter of Credit or any other interest of such Bank hereunder (any Person purchasing any such participating interest being herein called a "Participant"). In the event of the sale by the Bank of a

participating interest to a Participant, (x) the Bank shall remain the holder of the Note for all purposes of this Agreement, (y) the Company shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations hereunder and (z) all amounts payable by the Company shall be determined as if the Bank had not sold such participation and shall be paid directly to the Bank. No Participant shall have any direct or indirect voting rights hereunder. The Bank agrees to incorporate the requirements of the preceding sentence into each

-44-

participation agreement which the Bank enters into with any Participant. The Company agrees that if amounts outstanding under this Agreement and the Note are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement, to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement or Note or a Letter of Credit; provided that such right of setoff

shall be subject to the obligation of each Participant to share with the Bank, and the Bank agrees to share with each Participant, as provided in Section 7.4.

The Company also agrees that each Participant shall be entitled to the benefits of Section 7.5 and Section 8 as if it were the Bank (provided that no

Participant shall receive any greater compensation pursuant to Section 7.5 or

Section 8 than would have been paid to the Bank if no participation had been - -----

sold).

14.9 Governing Law. This Agreement shall be a contract made under and

governed by the internal laws of the State of Florida applicable to contracts made and to be performed entirely within such State. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Company and rights of the Bank expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law.

14.10 Counterparts. This Agreement may be executed in any number of

counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

14.11 Successors and Assigns. This Agreement shall be binding upon the

Company, the Bank and their respective successors and assigns, and shall inure to the benefit of the Company, the Bank and the successors and assigns of the Bank.

14.12 Indemnification by the Company. In consideration of the

execution and delivery of this Agreement by the Bank and the agreement to extend the Commitment provided hereunder, the Company hereby agrees to indemnify, exonerate and hold the Bank and each of the officers, directors, employees, Affiliates and agents of the Bank (each a "Bank Party") free and harmless from

and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including Attorney Costs (collectively, the "Indemnified

Liabilities"), incurred by the Bank Parties or any of them as a result of, or

arising out of, or relating to (i) any tender offer, merger, purchase of stock, purchase of assets or other similar transaction financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any of the Loans, (ii) the use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any hazardous substance at any property owned or leased by the Company or any Subsidiary, (iii) any violation of any Environmental Laws with respect to conditions at any property owned or leased by the Company or the operations conducted thereon, (iv) the investigation, cleanup or remediation of offsite locations at which the Company

-45-

or any Subsidiary or their respective predecessors are alleged to have directly or indirectly disposed of hazardous substances or (v) the execution, delivery, performance or enforcement of this Agreement or any other Loan Document by any of the Bank Parties, except for any such Indemnified Liabilities arising on account of the applicable Bank Party's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Company hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. All obligations provided for in this Section

14.12 shall survive repayment of the Loans, cancellation of the Notes, any

foreclosure under, or any modification, release or discharge of, any or all of the Collateral Documents and termination of this Agreement.

14.13 Nonliability of Bank. The relationship between the Company on

the one hand and the Bank on the other hand shall be solely that of borrower and lender. The Bank shall not have any fiduciary responsibility to the Company. The Bank does not undertake any responsibility to the Company to review or inform the Company of any matter in connection with any phase of the Company's business or operations. The Company agrees that the Bank shall have no liability to the Company (whether sounding in tort, contract or otherwise) for losses suffered by the Company in connection with, arising out of, or in any way related to the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the Bank. The Bank shall have no liability with respect to, and the Company hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Company in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

-46-

14.14 Forum Selection and Consent to Jurisdiction. ANY LITIGATION

BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF FLORIDA OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST

ANY GUARANTOR, ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE BANK'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH GUARANTOR, COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF FLORIDA AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF FLORIDA. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

14.15 Waiver of Jury Trial. EACH OF THE COMPANY AND THE BANK HEREBY

WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Signatures appear on following page

-47-

Delivered as of the day and year first above written.

WORLD FUEL SERVICES CORPORATION

By: /s/ CARLOS ABAUNZA Title: Carlos Abaunza, Chief Financial Officer

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ ROBERT LOZANO Title: Robert Lozano, First Vice President

- - - -

STATE OF NEW YORK

COUNTY OF BRONX

The foregoing instrument was acknowledged before me this 7th day of December, 2001 by Carlos Abaunza, Chief Financial Officer of World Fuel Services Corporation.

Personally Known_____OR Produced Identification X

))SS:

)

Type of Identification Produced Driver's License

Print or Stamp Name: Miriam L. Mercado Notary Public, State of New York at Large Commission No.:01ME6019692 My Commission Expires: February 16, 2003

-48-

STATE OF FLORIDA

STATE OF FLORIDA)) SS: COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 6th day of December, 2001 by Robert Lozano, First Vice President of LaSalle Bank National Association.

Personally Known X OR Produced Identification ____

Type of Identification Produced ____

Print or Stamp Name: Stuart D. Ames, Esq. Notary Public, State of Florida at Large Commission No.: CC884570 My Commission Expires: November 26, 2003

-49-

PRICING SCHEDULE

The Eurodollar Margin, the Prime Rate Margin, the Non-Use Fee Rate and the Letter of Credit Fee Rate shall be determined as set forth below.

The Eurodollar Margin, the Prime Rate Margin, the Non-Use Fee Rate and the Letter of Credit Fee Rate shall be equal to the applicable rate per annum set forth in the table below opposite the applicable Total Liabilities to Tangible Net Worth Ratio:

		Non-Use Fee Rate	Letter of Credit Fee Rate
		. 375%	1.00%
1.375%	-1.00%	.325%	. 95%
		.250%	.85%
1.25%	-1.50%	. 200%	.75%
	argin 1.50% 1.375% 1.325%	argin Margin* 1.50% -0.75% 1.375% -1.00% 1.325% -1.25%	argin Margin* Rate 1.50% -0.75% .375% 1.375% -1.00% .325% 1.325% -1.25% .250%

The Eurodollar Margin, the Prime Rate Margin, the Non-Use Fee Rate and the Letter of Credit Fee Rate shall be adjusted, to the extent applicable, on the 60th (or, in the case of the last Fiscal Quarter of each Fiscal Year, 105th) day after the end of each Fiscal Quarter based on the Total Liabilities to Tangible Net Worth Ratio as of the last day of such Fiscal Quarter. Notwithstanding the foregoing, no reduction to the foregoing interest rate margins or fee rates shall become effective at any time when an Event of Default or Unmatured Event of Default has occurred and is continuing.

* Minus sign indicates a negative number.

** less than *** more than or equal to

-50-