

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark One)

() ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES ACT OF 1934
For The Fiscal Year Ended December 31, 1999

OR

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

For the Transition Period From _____ to _____
Commission File Number 0-22462

GIBRALTAR STEEL CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware 16-1445150
(State or other jurisdiction of incorporation organization (I.R.S. Employer
Identification No.)

3556 Lake Shore Road, P.O. Box 2028, Buffalo, New York 14219-0228
(address of principal executive offices) (Zip Code)
(716) 826-6500

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 par value	NASDAQ National Market System

Securities registered pursuant to Section 12(g) of the Act:

NONE

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 NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. ()

As of December 31, 1999, the aggregate market value of the voting stock held by nonaffiliates of the Registrant amounted to \$148,108,000.

As of December 31, 1999, the number of common shares outstanding was: 12,577,464.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Shareholders to be held May 23, 2000, are incorporated by reference into Part III of this report.

Exhibit Index is on Page 37

1

PART I

Item 1. Description of Business

General

The Company is a processor of a broad array of high value-added, technically sophisticated steel and other metal

products. The Company utilizes any one or a combination of several different processes at each of its operating facilities to add substantial margin and value to raw material acquired from primary steel and other metal producers. Underlying each of these processes is a common set of steel and metal processing core competencies. These core competencies are the foundation upon which all the Company's operations and customer offerings are based.

Industry Overview

Steel and metal processors occupy a market niche that exists between the primary steel and metal producers and end-users and others. Primary steel and metal producers typically focus on the sale of standard size and tolerance steel and other metals to large volume purchasers, including steel and metal processors. At the same time, end-users require steel with closer tolerances and with shorter lead times than the primary steel and metal producers can provide efficiently.

Metal Processes, Products and Services

The Company produces and delivers a variety of products and services on a just-in-time basis for industrial manufacturers, fabricators and other end-users in the automotive, automotive supply, building and construction, machinery, and steel industries.

The following table sets forth certain information regarding sales of products and services as a percentage of net sales for the past three years:

	Year ended December 31,		
Products and Services	1997	1998	1999
Cold-rolled strip steel	35%	30%	29%
Building and construction products	20%	32%	35%
Precision metal products	36%	31%	26%
Heat treating and other services	9%	7%	10%

The following steel and metal products, processes and services are provided by the Company:

Cold-Rolled Strip Steel

The Company produces a broad range of fully processed cold-rolled strip steel products. The Company buys wide, open tolerance sheet steel in coils from primary steel producers and processes it to specific customer orders by performing such computer-aided processes as cold reduction, annealing, temper rolling, edge rolling and slitting. Cold reduction is the rolling of steel to a specified thickness, tolerance and finish. Annealing is a thermal process which changes hardness and certain metallurgical characteristics of steel. Temper rolling is the rolling of steel to a specific hardness. Edge rolling involves conditioning edges of processed steel into square, fully round or partially round shapes. Slitting is the cutting of steel to specified widths. Depending on customer specifications, one or more of these processes are utilized to produce steel strip of a precise grade, temper, tolerance and finish.

The Company operates 10 rolling mills at its facilities in Cleveland, Ohio, Chattanooga, Tennessee and Buffalo, New York, all of which are QS9000 certified, and is capable of rolling widths of up to 50 inches. The Company has the capability to process coils up to a maximum of 72 inch outside diameter. The Company's rolling mills include automatic gauge control systems with hydraulic screwdowns allowing for microsecond adjustments during processing. The Company operates a 56 inch reversing mill which the Company believes is the widest of its type in the industry.

The Company's computerized mills produce products meeting the most stringent statistical quality control standards, enabling it to satisfy a growing industry demand for a range of steel from thicker to thinner, low carbons to alloy grades, all with precision gauge tolerances as close as +/- .0002 inches.

The Company's rolling facilities are further complemented by 15 high convection annealing furnaces, which shorten annealing times over conventional annealers. The Company's newest furnaces incorporate the use of a hydrogen atmosphere for the production of cleaner and more uniform steel. As a result of its annealing capabilities, the Company is able to produce cold-rolled strip steel with improved consistency in terms of hardness, molecular grain structure and surface.

The Company can produce certain of its strip steel products on oscillated coils which wind the steel strip in a manner similar to the way thread is wound on a spool. Oscillating the steel enables the Company to put at least six times greater volume of finished product on a coil than standard ribbon winding, allowing customers to achieve longer production runs by reducing the number of equipment shut-downs to change coils. Customers are thus able to increase productivity, reduce downtime, improve yield and lengthen die life.

Building and Construction Products

The Company processes steel and other metal to manufacture a wide array of products for the building and construction industry. Building and construction industry products are manufactured primarily from galvanized steel, as well as from aluminum, copper and other metals. Building and construction products manufactured include metal trims, utility sheds, steel lumber connectors, metal roofing, drywall products, gutters and down spouts, ventilation products and storm panel systems for residential and commercial properties.

The Company's existing building and construction products operations - comprised of Southeastern Metals Manufacturing Company, Inc. (SEMCO), with facilities located in Florida, Tennessee, Texas and Mississippi, The Solar Group (Solar), with three facilities located in Mississippi, Appleton Supply Co., Inc. (Appleton), with facilities located in Wisconsin and Missouri, and United Steel Products Company (USP), with facilities located in Minnesota, California, North Carolina and New Jersey - expanded during 1999 with the acquisition of two additional building and construction products companies. K & W Metal Fabricators, Inc., d/b/a Weather Guard Building Products (Weather Guard), acquired in July 1999, manufactures and distributes a full line of metals building products for industrial, commercial and residential applications. With operations based in Colorado, Weather Guard strengthens the Company's business in the Western United States and provides a strong presence in the fast-growing Rocky Mountain region. Hughes Manufacturing, Inc. (Hughes), acquired in December 1999, manufactures a broad line of fully engineered, code-approved steel lumber connectors and other metal hardware products at its Florida facility which compliment those produced by SEMCO. Hughes' lumber connector products also compliment those produced at USP.

Precision Metal Products

The Company's precision metal products are comprised primarily of higher value-added flat-rolled sheet steel, as well as steel strapping and other products.

Precision Metal Processing. The Company operates precision metals facilities in New York and Tennessee which primarily process flat-rolled sheet steel. In addition to slitting and cutting to length, these precision metals facilities can produce higher value-added products which are held to close tolerances and tight specifications through cold-rolling, annealing, blanking, oscillating and edge rolling.

The Company also operates precision metals facilities in Illinois and Alabama which process galvanized, Galvalume and prepainted steel and can slit and cut to length material based upon customer specifications.

Steel Strapping. Steel strapping is banding and packaging material that is used to close and reinforce shipping units such as bales, boxes, cartons, coils, crates and skids. The Company manufactures high tensile strapping that is subject to strength requirements imposed by the American Society for Testing and Materials for packaging of different products for common carrier transport. This high tensile steel strapping is essential to producers of large, heavy products such as steel, paper and lumber where reliability of the packaging material is critical to the safe transport of the product.

The Company's QS9000 certified strapping facility manufactures high tensile steel strapping by slitting, oscillating, heat treating, painting and packaging cold-rolled coils.

Steel strapping is cold-rolled to precise gauge on one of the Company's rolling mills, which incorporates hydraulic screw downs and automatic gauge controls with statistical charting. This process ensures strapping product of the most uniform gauge available and produces the maximum amount of strapping per pound of steel. All products are tested by on-site laboratory personnel for width, thickness and other physical and metallurgical properties.

To meet the differing needs of its customers, the Company offers its strapping products in various thicknesses, widths and coil sizes. The Company also manufactures custom color and printed strapping. In addition, the Company offers related strapping products, such as seals and tools, and is able to manufacture tensional strapping for lighter duty applications.

Other Products. The Company's Solar operation produces a complete line of mailboxes manufactured primarily with galvanized steel.

Heat Treating and Other Services

Metallurgical Heat Treating Services. The Company provides a wide range of metallurgical heat treating services in which customer-owned parts are exposed to precise temperatures, atmospheres and quenchants and other conditions to improve their mechanical properties, durability and wear resistance. These services include case-hardening, neutral-hardening and through-hardening processes for customers in a wide variety of industries. Using methods such as annealing, normalizing, vacuum hardening, carbonizing, nitriding and brazing, as well as a host of other services, these heat treating processes can harden, soften or otherwise impart desired properties on parts made of steel, copper and various alloys and other metals.

During 1999, the Company acquired three heat treating companies - Southeastern Heat Treating, Inc. in April 1999, Hi-Temp Incorporated (Hi-Temp) in August 1999 and Brazing Concepts Company (Brazing Concepts) in November 1999 - and now operates fifteen heat treating facilities in North Carolina, South Carolina, Tennessee, Georgia, Alabama, Michigan, Indiana and Illinois. The Company maintains a metallurgical laboratory at each facility with trained metallurgists providing a range of testing capabilities to add value to treated parts and enhance quality control. Consistent quality control is maintained by application of a statistical process control system and registered to QS/ISO 9002. Additionally, the Company maintains a fleet of trucks and trailers to provide rapid turnaround time for its customers.

Due to time and costs associated with transporting materials and customers' need for just-in-time delivery of heat treated products, the commercial heat treating industry has developed as a regional industry concentrated in major industrial areas of the country. In addition, the commercial heat treating industry has realized significant growth in recent years as many companies involved in the manufacture of metal components outsource their heat treating requirements. The Company believes that its heat treating facilities are strategically located to meet the needs of customers from a geographically diverse base of operations and to capitalize on the growing trend in outsourcing of heat treating operations.

Materials Management Services. The Company operates two materials management facilities that link primary steel producers and end-user manufacturers by integrating the inventory purchasing, receiving, inspection, billing, storage and shipping functions and producing true just-in-time delivery of materials. These facilities receive shipments of steel by rail and truck from steel producers, which retain ownership of the steel until it is delivered to the end-user manufacturer. The Company inspects the steel and stores it in a climate-controlled environment through the use of a specialized stacker crane and racking system. When an order is placed, the Company often delivers the steel to the end-user manufacturer within one hour using Company-owned trucks that have been custom designed to facilitate the loading and unloading process.

Steel Pickling Joint Venture. The Company is a minority partner with a 31% interest in two steel pickling operations in Ohio. After the hot-rolling process, the surface of sheet steel is left with a residue known as scale, which must be removed prior to further processing by a cleaning process known as pickling. This joint venture pickles steel on a toll basis, receiving fees for its pickling services without acquiring ownership of the steel.

Quality Control

The Company carefully selects its raw material vendors and uses computerized inspection and analysis to assure that the steel and other metals which it processes will be able to meet the most critical specifications of its customers. The Company uses documented procedures during the production process, along with statistical process control computers linked directly to processing equipment, to monitor that such specifications are met. Physical, chemical and metallographic analyses are performed during the production process to verify that mechanical and dimensional properties, cleanliness, surface characteristics and chemical content are within specification.

Suppliers and Raw Materials

Steel and metal processing companies are required to maintain substantial inventories of raw materials in order to accommodate the short lead times and just-in-time delivery requirements of their customers. Accordingly, the Company generally maintains its inventory of raw materials at levels that it believes are sufficient to satisfy the anticipated needs of the customers based upon historic buying practices and market conditions. The primary raw material processed by the Company is flat rolled steel purchased at regular intervals primarily from approximately 20 major North American suppliers and a limited number of foreign steel companies. The Company has no long-term commitments with any of its suppliers.

Technical Services

The Company employs a staff of engineers and other technical personnel and maintains fully-equipped, modern laboratories to support its operations. These laboratories enable the Company to verify, analyze and document the physical, chemical, metallurgical and mechanical properties of its raw materials and products. Technical service personnel also work in conjunction with the sales force to determine the types of steel required for the particular needs of the Company's customers.

Sales and Marketing

The Company's products and services are sold primarily by Company sales personnel and outside sales representatives located throughout the United States and Mexico.

Customers and Distribution

The Company has approximately 9,000 customers located throughout the United States, Canada and Mexico principally in the automotive, automotive supply, appliance, building and construction, machinery and steel industries. Major customers include automobile manufacturers and suppliers, building and construction product distributors, and commercial and residential contractors. No customer of the Company represented 10% or more of the Company's net sales for 1997, 1998 or 1999.

The Company manufactures its products exclusively to customer order rather than for inventory, except for building and construction products. Although the Company negotiates annual sales orders with a majority of its customers, these orders are subject to customer confirmation as to product amounts and delivery dates.

Competition

The steel processing market is highly competitive. The Company competes with a small number of other steel processors, some of which also focus on fully processed, high value-added steel products. The Company competes on the basis of the precision and range of achievable tolerances, quality, price and the ability to meet delivery schedules dictated by customers.

The Company also competes with a small number of other steel strapping manufacturers on the basis of quality, price, products, range of sizes offered and the ability to meet delivery schedules dictated by customers.

The Company competes with numerous suppliers of building and construction products in its market based on the broad range of products offered, quality, price and delivery.

The Company competes with a small number of suppliers of heat treating services in its market areas on the basis of processes offered, quality, price, and delivery.

Employees

At December 31, 1999, the Company employed approximately 3,100 people, of which approximately 300 are represented by collective bargaining agreements.

Backlog

Because of the nature of the Company's products and the short lead time order cycle, backlog is not a significant factor in the Company's business. The Company believes that substantially all of its firm orders existing on December 31, 1999 will be shipped prior to the end of 2000.

Governmental Regulation

The Company's processing centers and manufacturing facilities are subject to many federal, state and local requirements relating to the protection of the environment. The Company believes that it is in material compliance with all environmental laws, does not anticipate any material expenditures in order to meet environmental requirements and does not believe that future compliance with such laws and regulations will have a material adverse effect on its results of operations or financial condition.

The Company's operations are also governed by many other laws and regulations. The Company believes that it is in material compliance with these laws and regulations and does not believe that future compliance with such laws and regulations will have a material adverse effect on its results of operations or financial condition.

Item 2. Description of Properties

The Company maintains its corporate headquarters in Buffalo, New York and conducts its business operations in facilities located throughout the United States.

The Company believes that its primary existing facilities, listed below, and their equipment are effectively utilized, well maintained, in good condition and will be able to accommodate its capacity needs through 2000.

Location	Utilization	Square Footage	Owned or Leased
Buffalo, New York	Headquarters	23,000	Leased
Cheektowaga, New York	Cold-rolled strip steel processing and strapping products	148,000	Owned
Tonawanda, New York	Cold-rolled strip steel and precision metals processing	128,000	Owned
Cleveland, Ohio	Cold-rolled strip steel processing	259,000	Owned
Dearborn, Michigan	Strapping tool products	3,000	Owned
Lackawanna, New York	Materials management facility	65,000	Leased
Woodhaven, Michigan	Materials management facility	100,000	Owned
Franklin Park, Illinois	Precision metals processing	99,000	Owned
Birmingham, Alabama	Precision metals processing	97,900	Leased
Chattanooga, Tennessee	Precision metals processing	65,000	Owned
Brownsville, Texas	Distribution warehouse	15,000	Leased
Troy, Michigan	Sales office	800	Leased
Fountain Inn, S. Carolina	Heat treating	77,400	Owned
Reidsville, N. Carolina	Heat treating	53,500	Owned
Arden, N. Carolina	Heat treating	20,400	Leased
Charlotte, N. Carolina	Administrative office	3,400	Leased
Morristown, Tennessee	Heat treating	24,200	Owned
Conyers, Georgia	Heat treating	18,700	Leased
Athens, Alabama	Heat treating	20,000	Owned
Coldwater, Michigan	Administrative office and heat treating	89,000	Owned
Benton Harbor, Michigan	Administrative office and heat treating	56,700	Owned
Benton Harbor, Michigan	Warehouse	25,000	Leased
Greensburg, Indiana	Heat treating	30,000	Leased
South Bend, Indiana	Heat treating	33,900	Owned
Rockford, Illinois	Heat treating	15,600	Owned
Rockford, Illinois	Heat treating	54,400	Owned
Northlake, Illinois	Administrative office and heat treating	200,000	Leased
Jacksonville, Florida	Administrative office and construction products manufacturing	261,400	Leased
Miami, Florida	Construction products manufacturing	77,000	Leased
Tampa, Florida	Construction products manufacturing	50,000	Leased
Nashville, Tennessee	Construction products manufacturing	52,500	Leased
San Antonio, Texas	Construction products manufacturing	70,000	Leased
Houston, Texas	Construction products manufacturing	48,200	Leased
Vidalia, Georgia	Warehouse	34,000	Leased
Taylorsville, Mississippi	Construction products manufacturing	53,600	Owned
Taylorsville, Mississippi	Construction products manufacturing	238,700	Owned
Port Gibson, Mississippi	Warehouse	40,000	Leased

Enterprise, Mississippi	Construction products manufacturing	194,300	Owned
Appleton, Wisconsin	Construction products manufacturing	100,300	Owned
Appleton, Wisconsin	Construction products manufacturing	42,600	Owned
Joplin, Missouri	Construction products manufacturing	45,400	Owned
Montgomery, Minnesota	Administrative office and construction products manufacturing	115,600	Owned
Montgomery, Minnesota	Construction products manufacturing	22,000	Leased
LeCenter, Minnesota	Construction products manufacturing	15,000	Leased
Livermore, California	Construction products manufacturing	103,500	Leased
Rancho Cucamonga, California	Warehouse	20,600	Leased
North Wilkesboro, N. Carolina	Construction products manufacturing	23,500	Leased
Hainesport, New Jersey	Warehouse	10,800	Leased
Denver, Colorado	Administrative office and construction products manufacturing	90,000	Leased
Largo, Florida	Administrative office and construction products manufacturing	100,000	Owned

Item 3. Legal Proceedings

From time to time, the Company is named a defendant in legal actions arising out of the normal course of business. The Company is not a party to any pending legal proceeding the resolution of which the management of the Company believes will have a material adverse effect on the Company's results of operations or financial condition or to any other pending legal proceedings other than ordinary, routine litigation incidental to its business. The Company maintains liability insurance against risks arising out of the normal course of business.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

As of December 31, 1999, there were 137 shareholders of record of the Company's common stock. However, the Company believes that it has a significantly higher number of shareholders because of the number of shares that are held by nominees.

The Company's common stock is traded in the over-the-counter market and quoted on the National Association of Securities Dealers Automated Quotation System - National Market System ("Nasdaq"). Its trading symbol is "ROCK". The following table sets forth the high and low sales prices per share for the Company's common stock for each quarter of 1999 and 1998:

	1999		1998	
	High	Low	High	Low
Fourth Quarter	\$ 26	\$ 21 3/4	\$ 22 7/8	\$ 15
Third Quarter	25 3/4	20 1/8	23	14 3/8
Second Quarter	25 1/4	19 3/4	25 1/4	20 1/2
First Quarter	23 1/2	17	25 3/4	18 1/2

The Company declared dividends of \$.05 per share in the first quarter of 1999 and \$.025 per share in each of the second, third and fourth quarters of 1999. No dividends were declared in 1998.

Item 6. Selected Financial Data
(in thousands, except per share data)

	Year Ended December 31,				
	1999	1998	1997	1996	1995
Net Sales	\$ 621,918	\$ 557,944	\$ 449,700	\$ 342,974	\$ 282,833
Income from operations	55,469	44,455	32,603	30,617	20,368
Interest expense	13,439	11,389	5,115	3,827	3,984
Income before income taxes	42,030	33,066	27,488	26,790	16,384
Income taxes	17,022	13,226	11,072	10,815	6,662
Net income	25,008	19,840	16,416	15,975	9,722
Net income per share-Basic	\$ 1.99	\$ 1.59	\$ 1.33	\$ 1.42	\$.96
Weighted average shares outstanding-Basic	12,540	12,456	12,357	11,261	10,164
Net income per share-Diluted	\$ 1.95	\$ 1.57	\$ 1.30	\$ 1.39	\$.95
Weighted average shares outstanding-Diluted	12,806	12,651	12,591	11,464	10,213
Cash dividends per common share	\$.125	\$ -	\$ -	\$ -	\$ -
Current assets	\$ 182,591	\$ 175,834	\$ 130,746	\$ 109,526	\$ 86,995
Current liabilities	69,668	51,598	43,101	40,853	29,480
Total assets	522,080	438,435	281,336	222,507	167,423
Total debt	236,621	200,746	83,024	49,841	59,054
Shareholders' equity	185,459	160,308	140,044	121,744	70,244
Capital expenditures	\$ 21,999	\$ 22,062	\$ 21,784	\$ 15,477	\$ 14,504
Depreciation	14,613	11,221	7,475	5,581	4,196
Amortization	2,839	2,112	1,003	665	342

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Year Ended 1999 Compared to Year Ended 1998

Net sales increased \$64.0 million, or 11.5%, to a record \$621.9 million in 1999 from \$557.9 million in 1998. This increase primarily resulted from including the net sales of Southeastern Heat Treating (acquired April 1, 1999), Weather Guard (acquired July 1, 1999), Hi-Temp (acquired August 1, 1999), Brazing Concepts (acquired November 1, 1999) and Hughes (acquired December 1, 1999) (the 1999 acquisitions) from their respective acquisition dates, and a full year of net sales of Solar (acquired March 1, 1998), Appleton (acquired April 1, 1998), USP (acquired June 1, 1998) and Harbor (acquired October 1, 1998) (the 1998 acquisitions), together with sales growth at existing operations.

Cost of sales increased \$37.5 million, or 8.2%, to \$493.9 million in 1999 from \$456.4 million in 1998. Cost of sales as a percentage of net sales decreased to 79.4% in 1999 from 81.8% in 1998. This improvement was due to the 1999 and 1998 acquisitions, which have historically generated higher margins than the Company's existing operations, and due to lower raw material costs at existing operations.

Selling, general and administrative expenses increased \$15.5 million, or 27.1%, to \$72.5 million in 1999 from \$57.0 in 1998. Selling, general and administrative expenses as a percentage of net sales increased to 11.7% in 1999 from 10.2% in 1998. This increase was due to higher costs as a percentage of net sales attributable to the 1999 and 1998 acquisitions, and due to performance based compensation linked to the Company's sales and profitability.

Interest expense increased by \$2.0 million from 1998 to 1999 primarily due to higher borrowings in 1999 as a result of the Company's current year acquisitions and capital expenditures and due to a higher effective interest rate in 1999 than in 1998.

As a result of the above, income before taxes increased \$9.0 million, or 27.1%, to a record \$42.0 million in 1999 from \$33.1 million in 1998.

Income taxes approximated \$17.0 million in 1999, based on a 40.5% effective rate compared with a 40.0% effective rate in 1998.

Year Ended 1998 Compared to Year Ended 1997

Net sales increased \$108.2 million, or 24%, to \$557.9 million in 1998 from \$449.7 million in 1997. This increase primarily resulted from including the net sales of Solar (acquired March 1, 1998), Appleton (acquired April 1, 1998), USP (acquired June 1, 1998) and Harbor (acquired October 1, 1998) (the 1998 acquisitions) from their respective acquisition dates with the net sales of the Company's existing operations, and from sales growth at existing operations.

Cost of sales increased \$80.9 million, or 22%, to \$456.4 million in 1998 from \$375.5 million in 1997. Cost of sales as a percentage of net sales decreased to 81.8% in 1998 from 83.5% in 1997. This improvement was due to the 1998 acquisitions, which have historically generated higher margins than the Company's existing operations, and due to lower raw material costs at existing operations.

Selling, general and administrative expenses increased \$15.5 million, or 37%, to \$57.0 million in 1998 from \$41.6 million in 1997. Selling, general and administrative expenses as a percentage of net sales increased to 10.2% in 1998 from 9.2% in 1997. This increase was primarily due to higher costs as a percentage of net sales due to acquisitions and performance based compensation linked to the Company's sales and profitability.

Interest expense increased by \$6.3 million from 1997 to 1998 primarily due to higher average borrowings during 1998 as a result of current year acquisitions and capital expenditures, partially offset by a decrease in interest rates in the fourth quarter of 1998.

As a result of the above, income before taxes increased by \$5.6 million, or 20%, to \$33.1 million in 1998 from \$27.5 million in 1997.

Income taxes approximated \$13.2 million in 1998, based on a 40.0% effective rate compared with a 40.3% effective rate in 1997.

Liquidity and Capital Resources

During 1999, the Company's working capital decreased to \$112.9 million due to an increase in accounts payable to support higher sales levels and an increase in accrued income taxes. Long-term debt increased by \$35.9 million to \$235.3 million and to 56% of total capitalization at December 31, 1999. Additionally, shareholders' equity increased by 16% to \$185.5 million.

The Company's principal capital requirements are to fund its operations, including working capital requirements, the purchase and funding of improvements to its property and equipment, and to fund acquisitions.

The Company's primary sources of liquidity are from cash provided by operating activities and the Company's revolving credit facility. Net cash provided by operations of \$60.7 million resulted primarily from net income of \$25.0 million, depreciation and amortization of \$17.5 million, a decrease in inventory of \$6.9 million, exclusive of acquisitions, and an increase in accounts payable and accrued expenses of \$10.2 million.

During 1999, the Company amended its revolving credit agreement with its bank group to increase the capacity of its revolver to \$280 million. Borrowings thereunder are secured with its accounts receivable, inventories and property and equipment. At December 31, 1999, the Company had interest rate swap agreements outstanding which effectively converted \$75 million of borrowings under the revolving credit agreement to fixed rates ranging from 6.37% to 7.08% and which terminate at different dates beginning in November 2000. The Company accounts for interest rate swap agreements on an accrual basis. Additional borrowings under the revolving credit facility carry interest at LIBOR plus a fixed rate. The weighted average interest rate of these borrowings was 7.07% at December 31, 1999.

Net cash provided by operations of \$60.7 million combined with net proceeds from long-term debt of \$26.9 million were primarily used for the acquisition of Southeastern Heat Treating, Weather Guard, Hi-Temp, Brazing Concepts and Hughes, and for capital expenditures.

The Company believes that availability under its credit facility, together with funds generated from operations, will be more than sufficient to provide the Company with the liquidity and capital resources necessary to fund its anticipated working capital requirements, acquisitions and capital expenditure commitments for the next twelve months.

The Company believes that environmental issues will not require the expenditure of material amounts for environmental compliance in the future.

Impact of Year 2000

The Year 2000 issue concerns the ability of computer hardware and software to distinguish between the year 1900 and the year 2000. An inability to make this distinction could result in computer application failure.

During 1999, the Company completed a detailed assessment of all its information technology and non-information technology hardware and software with regard to the Year 2000 issue, with special emphasis on mission critical systems. Information and non-information technology hardware and software were inventoried and those not Year 2000 ready were identified, remediated (i.e., corrected or replaced) and tested to ensure that they would, in fact, operate as desired according to Year 2000 requirements. The Company expensed approximately \$500,000 during 1999 in connection with remediating its systems.

As a result of its Year 2000 readiness efforts, the Company's mission critical information technology and non-information technology systems successfully distinguished between the year 1900 and the year 2000 on January 1, 2000, without any mission critical application failure. However, the Company will continue to monitor its mission critical computer applications throughout the year 2000 to ensure that any latent Year 2000 matters that may arise are addressed promptly.

Recent Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 Accounting for Derivative Instruments and Hedging Activities (FAS No. 133) which requires recognition of the fair value of derivatives in the statement of financial position, with changes in the fair value recognized either in earnings or as a component of other comprehensive income dependent upon the hedging nature of the derivative. Implementation of FAS No. 133 is required for fiscal 2001. FAS No. 133 will not have a material impact on the Company's earnings or other comprehensive income.

Safe Harbor Statement

The Company wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the "Act"). Statements by the Company, other than historical information, constitute "forward looking statements" within the meaning of the Act and may be subject to a number of risk factors. Factors that could affect these statements include, but are not limited to, the following: the impact of changing steel prices on the Company's results of operations; changing demand for the company's products and services; the impact of the Year 2000 matter; and changes in interest or tax rates.

Company Responsibility For Financial Statements

The accompanying consolidated financial statements of Gibraltar Steel Corporation have been prepared by management, which is responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and include amounts based on management's best estimates and judgments. Financial information elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

The Company has established and maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded and that the financial records reflect the authorized transactions of the Company.

The financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. As part of their audit of the Company's 1999 financial statements, PricewaterhouseCoopers LLP considered the Company's system of internal control to the extent they deemed necessary to determine the nature, timing and extent of their audit tests.

The Board of Directors pursues its responsibility for the Company's financial reporting through its Audit Committee, which is composed entirely of outside directors. The independent accountants have direct access to the Audit Committee, with and without the presence of management representatives, to discuss the results of their audit work and their comments on the adequacy of internal accounting controls and the quality of financial reporting.

Brian J. Lipke
Chairman of the Board
and Chief Executive Officer

Walter T. Erazmus
President

John E. Flint
Vice President
and Chief Financial Officer

Item 8. Financial Statements and Supplementary Data

	Page Number
Index to Financial Statements:	
Financial Statements:	
Report of Independent Accountants	19
Consolidated Balance Sheet at December 31, 1999 and 1998	20
Consolidated Statement of Income for the three years ended December 31, 1999	21
Consolidated Statement of Cash Flows for the three years ended December 31, 1999	22
Consolidated Statement of Shareholders' Equity for the three years ended December 31, 1999	23
Notes to Consolidated Financial Statements	24
Supplementary Data:	
Quarterly Unaudited Financial Data	33

Report of Independent Accountants

To the Board of Directors and
Shareholders of Gibraltar Steel Corporation

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Gibraltar Steel Corporation and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Buffalo, New York
January 21, 2000

GIBRALTAR STEEL CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, except share and per share data)

ASSETS	December 31,	
	1999	1998
Current assets:		
Cash and cash equivalents	\$ 4,687	\$ 1,877
Accounts receivable	78,418	71,070
Inventories	94,994	99,351
Other current assets	4,492	3,536
Total current assets	182,591	175,834
Property, plant and equipment, net	216,030	176,221
Goodwill	115,350	79,971
Other assets	8,109	6,409
	\$ 522,080	\$ 438,435
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 48,857	\$ 38,601
Accrued expenses	19,492	11,646
Current maturities of long-term debt	1,319	1,351
Total current liabilities	69,668	51,598
Long-term debt	235,302	199,395
Deferred income taxes	29,328	25,289
Other non-current liabilities	2,323	1,845
Shareholders' equity		
Preferred shares, \$.01 par value; authorized: 10,000,000 shares; none outstanding	-	-
Common shares, \$.01 par value; authorized: 50,000,000 shares; issued and outstanding: 12,577,464 shares in 1999 and 12,484,418 shares in 1998	126	125
Additional paid-in capital	68,323	66,613
Retained earnings	117,010	93,570
Total shareholders' equity	185,459	160,308
	\$ 522,080	\$ 438,435

The accompanying notes are an integral part of these financial statements.

GIBRALTAR STEEL CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(in thousands, except per share data)

	Year Ended December 31,		
	1999	1998	1997
Net sales	\$ 621,918	\$ 557,944	\$ 449,700
Cost of sales	493,945	456,449	375,537
Gross profit	127,973	101,495	74,163
Selling, general and administrative expense	72,504	57,040	41,560
Income from operations	55,469	44,455	32,603
Interest expense	13,439	11,389	5,115
Income before taxes	42,030	33,066	27,488
Provision for income taxes	17,022	13,226	11,072
Net income	\$ 25,008	\$ 19,840	\$ 16,416
Net income per share - Basic	\$ 1.99	\$ 1.59	\$ 1.33
Weighted average shares outstanding - Basic	12,540	12,456	12,357
Net income per share - Diluted	\$ 1.95	\$ 1.57	\$ 1.30
Weighted average shares outstanding - Diluted	12,806	12,651	12,591

The accompanying notes are an integral part of these financial statements.

GIBRALTAR STEEL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

Year Ended December 31,

	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 25,008	\$ 19,840	\$ 16,416
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	17,452	13,333	8,478
Provision for deferred income taxes	2,383	1,693	2,227
Undistributed equity investment income	(466)	(284)	(444)
Other noncash adjustments	697	304	239
Increase (decrease) in cash resulting from changes in (net of effects from acquisitions):			
Accounts receivable	(118)	(5,363)	(176)
Inventories	6,873	(6,309)	1,607
Other current assets	(272)	(1,430)	(726)
Accounts payable and accrued expenses	10,242	(7,572)	(2,597)
Other assets	(1,130)	(899)	(289)
Net cash provided by operating activities	60,669	13,313	24,735
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	(65,380)	(99,415)	(26,475)
Investments in property, plant and equipment	(21,999)	(22,062)	(21,784)
Net proceeds from sale of property and equipment	2,838	187	1,050
Net cash used in investing activities	(84,541)	(121,290)	(47,209)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term debt reduction	(67,160)	(61,508)	(79,962)
Proceeds from long-term debt	94,081	168,825	98,417
Net proceeds from issuance of common stock	1,014	100	911
Payment of dividends	(1,253)	-	-
Net cash provided by financing activities	26,682	107,417	19,366
Net increase (decrease) in cash and cash equivalents	2,810	(560)	(3,108)
Cash and cash equivalents at beginning of year	1,877	2,437	5,545
Cash and cash equivalents at end of year	\$ 4,687	\$ 1,877	\$ 2,437

The accompanying notes are an integral part of these financial statements.

GIBRALTAR STEEL CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(in thousands)

	Common Shares	Shares Amount	Additional Paid-in Capital	Retained Earnings
Balance at December 31, 1996	12,322	\$ 123	\$ 64,307	\$ 57,314
Net income	-	-	-	16,416
Stock options exercised and tax benefit	73	1	1,562	-
Stock awards	4	-	82	-
Profit sharing plan contribution	11	-	239	-
Balance at December 31, 1997	12,410	124	66,190	73,730
Net income	-	-	-	19,840
Stock options exercised and tax benefit	8	-	119	-
Restricted stock granted	55	1	-	-
Earned portion of restricted stock	-	-	87	-
Profit sharing plan contribution	11	-	217	-
Balance at December 31, 1998	12,484	125	66,613	93,570
Net income	-	-	-	25,008
Stock options exercised and tax benefit	72	1	1,124	-
Cash dividend - \$.125 per share	-	-	-	(1,568)
Earned portion of restricted stock	-	-	116	-
Profit sharing plan contributions	21	-	470	-
Balance at December 31, 1999	12,577	\$ 126	\$ 68,323	\$ 117,010

The accompanying notes are an integral part of these financial statements.

GIBRALTAR STEEL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Gibraltar Steel Corporation and subsidiaries (the Company). Significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, checking accounts and all highly liquid investments with a maturity of three months or less.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Accelerated methods are used for income tax purposes. Interest is capitalized in connection with construction of qualified assets. Under this policy, interest of \$357,000, \$404,000 and \$963,000 was capitalized in 1999, 1998 and 1997, respectively.

Goodwill

Goodwill is amortized over 35 years. Amortization expense was \$2,647,000, \$1,949,000 and \$880,000 in 1999, 1998, and 1997, respectively. Accumulated amortization was \$6,251,000 and \$3,604,000 at December 31, 1999 and 1998.

Shareholders' Equity

In 1999, 1998 and 1997, the Company issued 20,572, 11,000 and 11,000, respectively, of its common shares as contributions to its profit sharing plans.

During 1999, the Company declared dividends of \$1,568,000, of which \$315,000 is accrued at December 31, 1999.

Interest Rate Exchange Agreements

Interest rate swap agreements, which are used by the Company in the management of interest rate risk, are accounted for on an accrual basis. Amounts to be paid or received under interest rate swap agreements are recognized as interest expense or income in the periods in which they accrue. Swaps are not used for trading purposes.

Income Taxes

The financial statements of the Company have been prepared using the asset and liability approach in accounting for income taxes which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of other assets and liabilities.

Earnings Per Share

Basic net income per share equals net income divided by the weighted average shares outstanding during the year. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding.

2. ACQUISITIONS

On December 1, 1999, the Company purchased all the outstanding capital stock of Hughes Manufacturing, Inc. (Hughes) for approximately \$11.5 million in cash. Hughes manufactures a broad line of fully engineered, code-approved steel lumber connectors and other metal hardware products.

On November 1, 1999, the Company purchased all the outstanding capital stock of Brazing Concepts Company (Brazing Concepts) for approximately \$25 million in cash. Brazing Concepts provides a wide variety of value-added brazing (i.e., metal joining), assembly and other metallurgical heat treating services on customer-owned materials.

On August 1, 1999, the Company purchased the assets and business of Hi-Temp Incorporated (Hi-Temp) for approximately \$24 million in cash. Hi-Temp provides metallurgical heat treating services in which customer-owned parts are exposed to precise temperature and other conditions to improve their material properties, strength and durability.

On July 1, 1999, the Company purchased all the outstanding capital stock of K & W Metal Fabricators, Inc. d/b/a Weather Guard Building Products (Weather Guard) for approximately \$7 million in cash. Weather Guard manufactures a full line of metal building products, including rain-carrying systems, metal roofing and roofing accessories, for industrial, commercial and residential applications.

On October 1, 1998, the Company purchased all the outstanding capital stock of Harbor Metal Treating Co., Inc. and its affiliates (Harbor) for \$13.5 million in cash. Harbor is a metallurgical heat treating service provider.

On June 1, 1998, the Company purchased all the outstanding common stock of United Steel Products Company (USP) for approximately \$24 million in cash. USP designs and manufactures steel lumber connector products for the building construction market.

On April 1, 1998, the Company purchased the assets and business of Appleton Supply Co., Inc. (Appleton) for approximately \$28 million in cash. Appleton manufactures louvers, roof edging, soffitts and other metal building products.

On March 1, 1998, the Company purchased the assets and business of The Solar Group (Solar) for approximately \$35 million in cash. Solar manufactures a line of construction products as well as a complete line of mailboxes, manufactured primarily with galvanized steel.

These acquisitions have been accounted for under the purchase method with the results of their operations consolidated with the Company's results of operations from the respective acquisition dates. The aggregate excess of the purchase prices of these acquisitions over the fair market values of the net assets of the acquired companies is being amortized over 35 years from the acquisition dates using the straight-line method.

The following information presents the pro forma consolidated condensed results of operations as if the acquisitions had occurred on January 1, 1998. The pro forma amounts may not be indicative of the results that actually would have been achieved had the acquisitions occurred as of January 1, 1998 and are not necessarily indicative of future results of the combined companies.

(in thousands, except per share data)
 Year Ended December 31,
 1999 1998
 (unaudited)

Net sales	\$ 664,162	\$ 651,224
	=====	=====
Income before taxes	\$ 43,524	\$ 35,531
	=====	=====
Net income	\$ 25,834	\$ 20,772
	=====	=====
Net income per share - Basic	\$ 2.06	\$ 1.67
	=====	=====

3. ACCOUNTS RECEIVABLE

Accounts receivable are expected to be collected within one year and are net of reserves for doubtful accounts of \$1,511,000 and \$1,230,000 at December 31, 1999 and 1998, respectively.

4. INVENTORIES

Inventories at December 31 consist of the following:

	(in thousands)	
	1999	1998
Raw material	\$ 59,899	\$ 60,665
Finished goods and work-in-process	35,095	38,686
Total inventories	\$ 94,994	\$ 99,351
	=====	=====

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost less accumulated depreciation, at December 31 consists of the following:

	(in thousands)	
	1999	1998
Land and land improvements	\$ 6,961	\$ 5,290
Building and improvements	54,782	48,506
Machinery and equipment	204,012	160,633
Construction in progress	8,758	8,730
	274,513	223,159
Less accumulated depreciation and amortization	58,483	46,938
Property, plant and equipment, net	\$216,030	\$176,221
	=====	=====

6. OTHER ASSETS

Other assets at December 31 consist of the following:
(in thousands)

	1999	1998
Equity interest in partnership	\$ 4,485	\$ 4,020
Other	3,624	2,389
Total other assets	\$ 8,109	\$ 6,409
	=====	=====

The Company's 31% partnership interest is accounted for using the equity method of accounting. The partnership provides a steel cleaning process called pickling to steel mills and steel processors, including the Company.

7. DEBT

Long-term debt at December 31 consists of the following:
(in thousands)

	1999	1998
Revolving credit notes payable	\$228,128	\$196,047
Industrial Development Revenue Bonds	6,362	3,905
Note payable	1,529	-
Other debt	602	794
	236,621	200,746
Less current maturities	1,319	1,351
Total long-term debt	\$235,302	\$199,395
	=====	=====

In 1999, the Company amended its debt agreement increasing its revolving credit facility to \$280,000,000. The facility is secured by the Company's accounts receivable, inventories, and property and equipment and is committed through April 2003. This facility has various interest rate options which are no greater than the bank's prime rate. In addition, the Company may enter into interest rate exchange agreements (swaps) to manage interest costs and exposure to changing interest rates. At December 31, 1999 the Company had interest rate swap agreements outstanding which effectively converted \$75,000,000 of floating rate debt to fixed rates ranging from 6.37% to 7.08% and which terminate at different dates beginning November 2000. At December 31, 1999, additional borrowings consisted of \$153,128,000 with an interest rate of LIBOR plus a fixed rate. The weighted average interest rate of these borrowings was 7.07% at December 31, 1999.

In addition, the Company has Industrial Development Revenue Bonds payable in installments through September 2018, with interest rates ranging from a fixed rate of 4.22% to variable rates of up to 7.10% at December 31, 1999, which financed the cost of its Tennessee expansion and the expansion of the Coldwater, Michigan facility, both under capital lease agreements. The cost of the facilities and equipment equal the amount of the bonds and include accumulated amortization of \$1,648,000. The agreements provide for the purchase of the facilities and equipment at any time during the lease terms at scheduled amounts or at the end of the leases for nominal amounts.

The aggregate maturities on long-term debt including lease purchase obligations for the five years following December 31, 1999 are as follows: 2000, \$1,319,000; 2001, \$1,469,000; 2002, \$1,289,000; 2003, \$228,752,000; and 2004, \$629,000.

The Company had no amounts outstanding under short-term borrowing for the years ended December 31, 1999 and 1998.

The various loan agreements, which do not require compensating balances, contain provisions that limit additional borrowings and require maintenance of minimum net worth and financial ratios. The Company is in compliance with the terms and provisions of all its financing agreements.

Total cash paid for interest in the years ended December 31, 1999, 1998 and 1997 was \$13,357,000, \$11,257,000 and \$6,155,000, respectively.

8. LEASES

The Company leases certain facilities and equipment under operating leases. Rent expense under operating leases for the years ended December 31, 1999, 1998 and 1997 was \$4,899,000, \$3,554,000 and \$3,771,000, respectively. Future minimum lease payments under these operating leases are \$4,514,000, \$3,979,000, \$3,108,000, \$2,615,000 and \$1,758,000 for the years 2000, 2001, 2002, 2003 and 2004, respectively, and \$6,985,000 thereafter through 2038.

9. EMPLOYEE RETIREMENT PLANS

Non-union employees participate in various profit sharing plans. Contributions to these plans are funded annually and are based on a percentage of pretax income or amounts determined by the Board of Directors.

Certain subsidiaries have multi-employer non-contributory retirement plans providing for defined contributions to union retirement funds.

A supplemental pension plan provides defined pension benefits to certain salaried employees upon retirement. Net unfunded periodic pension costs of \$199,000 and \$166,000 were accrued under this plan in 1999 and 1998, respectively, and consisted primarily of service cost using a discount rate of 8.0% and 6.5%, respectively.

Total expense for all retirement plans was \$1,957,000, \$1,774,000 and \$1,258,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

During 1998, the Company adopted the provisions of Statement of Financial Accounting Standards No. 132 Employers' Disclosures about Pensions and other Post-Retirement Benefits (FAS No. 132). Adoption of FAS No. 132 did not effect the Company's results of operations or financial position.

10. OTHER POST-RETIREMENT BENEFITS

Certain subsidiaries of the Company provide health and life insurance to substantially all of their employees and to a number of retirees and their spouses. The net periodic post-retirement benefit cost charged to expense consisting of service cost, interest cost and amortization of transition obligations was \$291,000, \$255,000 and \$223,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

The approximate unfunded accumulated post-retirement benefit obligation at December 31, consists of the following (in thousands):

	Benefit Obligation at January 1	Service Cost	Interest Cost	Actuarial (Gain)/Loss	Benefit Payments	Benefit Obligation at December 31
1999	\$2,105	90	135	(445)	(41)	\$1,844
1998	\$1,808	76	125	152	(56)	\$2,105

The accumulated post-retirement benefit obligation was determined using a weighted average discount rate of 8.0% in 1999 and 6.5% in 1998. The medical inflation rate was assumed to be 7% in 1999 and to decrease to 5% in 2000 and thereafter. The effect of a 1% increase or decrease in the annual medical inflation rate would increase or decrease the accumulated post-retirement benefit obligation at December 31, 1999 by approximately \$320,000 and \$271,000, respectively, and increase or decrease the annual service and interest costs by approximately \$40,000.

One of the Company's subsidiaries also provides post-retirement health care benefits to its unionized employees through contributions to a multi-employer health care plan.

11. INCOME TAXES

The provision for income taxes consists of the following:

	(in thousands)		
	1999	1998	1997
Current tax expense			
Federal	\$ 12,332	\$ 9,749	\$ 7,514
State	2,307	1,784	1,331
Total current	14,639	11,533	8,845
Deferred tax expense			
Federal	2,040	1,628	2,036
State	343	65	191
Total deferred	2,383	1,693	2,227
Total provision	\$ 17,022	\$ 13,226	\$ 11,072
	=====	=====	=====

Deferred tax liabilities (assets) at December 31, consist of the following:

	(in thousands)	
	1999	1998
Depreciation	\$ 29,460	\$ 25,088
Goodwill	1,770	916
Inventory method change	740	1,344
Other	945	1,095
Gross deferred tax liabilities	32,915	28,443
State taxes	(1,382)	(1,062)
Other	(4,999)	(3,849)
Gross deferred tax assets	(6,381)	(4,911)
Net deferred tax liabilities	\$ 26,534	\$ 23,532
	=====	=====

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to income before taxes as a result of the following differences:

	(in thousands)		
	1999	1998	1997
Statutory U.S. tax rates	\$ 14,711	\$ 11,573	\$ 9,621
Increase in rates resulting from:			
State and local taxes, net	1,723	1,202	989
Other	588	451	462
	\$17,022	\$13,226	\$ 11,072
	=====	=====	=====

Cash paid for income taxes, net of tax refunds, in the years ended December 31, 1999, 1998 and 1997 was \$11,857,000, \$9,180,000 and \$9,100,000, respectively.

12. EARNINGS PER SHARE

Statement of Financial Accounting Standards No. 128 Earnings Per Share requires dual presentation of basic and diluted earnings per share on the face of the income statement. The reconciliation between the computations is as follows:

	Income	Basic Shares	Basic EPS	Diluted Shares	Diluted EPS
1999	\$25,008,000	12,540,105	\$1.99	12,806,338	\$1.95
1998	\$19,840,000	12,455,554	\$1.59	12,651,119	\$1.57
1997	\$16,416,000	12,357,186	\$1.33	12,591,019	\$1.30

Included in diluted shares are common stock equivalents of 266,233, 195,565, and 233,833 relating to options for the years ended December 31, 1999, 1998 and 1997, respectively.

13. STOCK OPTIONS

The Company may grant non-qualified stock options to officers, employees, non-employee directors and advisers at an exercise price equal to 100% of market price, and incentive stock options to officers and other key employees at an exercise price not less than 100% of market price, up to an aggregate of 400,000 and 850,000 shares, respectively. The options may be exercised over a four year period from the grant date and expire ten years after the date of grant.

The following table summarizes information about stock option transactions:

	Options Outstanding	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
Balance at January 1, 1997	556,250	\$12.63	201,875	\$10.80
Granted	220,450	21.75		
Exercised	(72,219)	11.49		
Cancelled	(11,250)	10.75		
Balance at December 31, 1997	693,231	\$15.68	282,781	\$11.55
Granted	336,650	17.36		
Exercised	(8,749)	11.12		
Cancelled	(24,502)	17.48		
Balance at December 31, 1998	996,630	\$16.24	406,993	\$13.30
Granted	10,000	20.56		
Exercised	(72,474)	13.99		
Cancelled	(11,450)	18.54		
Balance at December 31, 1999	922,706	\$16.44	528,819	\$14.88
	=====			

The Company realized tax benefits of \$111,000 and \$20,000 in the years ended December 31, 1999 and 1998, respectively, associated with the exercise of certain stock options which have been credited to additional paid-in-capital.

Options outstanding at December 31, 1999 consisted of:

Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
\$10 - \$11	258,752	4.3 years	\$10.77	258,752	\$10.77
\$15.63 - \$22.50	663,954	7.9 years	\$18.65	270,067	\$18.81
	922,706	6.9 years	\$16.44	528,819	\$14.88
	=====			=====	

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123 Accounting for Stock-Based Compensation (FAS No. 123). Accordingly, no compensation cost has been recognized for the option plans as stock options granted under these plans have an exercise price equal to 100% of the market price on the date of grant. If the compensation cost for these plans had been determined based on the fair value at the grant dates for awards consistent with the method of FAS No. 123, the unaudited pro forma effect on the years ended December 31, 1999 and 1998 is as follows:

	As Reported 1999	Pro forma 1999	As Reported 1998	Pro forma 1998
Net Income	\$25,008,000	\$23,566,000	\$19,840,000	\$18,976,000
Net Income per Share-Basic	\$1.99	\$1.88	\$1.59	\$1.52

The Black-Scholes option-pricing model was used to estimate the fair value of the options granted on the date of grant. The fair values and assumptions used in the model, assuming no dividends, are as follows:

	Fair Value	Expected Life	Stock Volatility	Risk-Free Interest Rate	Dividend Yield
1999 Grant	\$9.18	5 years	45.1%	4.4%	.2%
1998 Grant	\$7.74	5 years	43.7%	4.4%	-
1997 Grant	\$9.77	5 years	40.2%	6.1%	-

The Company also has a Restricted Stock Plan reserved for issuance of 100,000 common shares for the grant of restricted stock awards to employees and non-employee directors at a purchase price of \$.01 per share. In 1997, 4,000 shares were awarded to non-employee directors under this plan and in 1998, 55,000 shares were awarded to employees.

14. COMMITMENTS AND CONTINGENCIES

The Company is a party to certain claims and legal actions generally incidental to its business. Management does not believe that the outcome of these actions, which is not clearly determinable at the present time, would significantly affect the Company's financial condition or results of operations.

QUARTERLY UNAUDITED FINANCIAL DATA
(in thousands, except per share data)

1999 Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Net Sales	\$143,804	\$160,241	\$162,909	\$154,964	\$621,918
Gross Profit	28,418	33,001	34,245	32,309	127,973
Income From Operations	11,683	15,353	15,426	13,007	55,469
Net Income	4,977	7,288	7,205	5,538	25,008
Net Income Per Share-Basic	\$.40	\$.58	\$.57	\$.44	\$ 1.99
Net Income Per Share-Diluted	\$.39	\$.57	\$.56	\$.43	\$ 1.95
1998 Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Net Sales	\$116,383	\$144,882	\$152,628	\$144,051	\$557,944
Gross Profit	20,160	26,893	27,691	26,751	101,495
Income From Operations	8,474	12,330	11,914	11,737	44,455
Net Income	4,121	5,751	5,146	4,822	19,840
Net Income Per Share-Basic	\$.33	\$.46	\$.41	\$.39	\$ 1.59
Net Income Per Share-Diluted	\$.33	\$.45	\$.41	\$.38	\$ 1.57

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information regarding directors and executive officers of the Company is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 1999 fiscal year.

Item 11. Executive Compensation

Information regarding executive compensation is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 1999 fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 1999 fiscal year.

Item 13. Certain Relationships and Related Transactions

Information regarding certain relationships and related transactions is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the company's 1999 fiscal year.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports
on Form 8-K Page Number

(a) (1) Financial Statements:

Report of Independent Accountants 19

Consolidated Balance Sheet at December 31, 1999 and
1998 20

Consolidated Statement of Income for the three
years ended December 31, 1999 21

Consolidated Statement of Cash Flows for the three
years ended December 31, 1999 22

Consolidated Statement of Shareholders' Equity for
the three years ended December 31, 1999 23

Notes to Consolidated Financial Statements 24

(2) Supplementary Data

Quarterly Unaudited Financial Data 33

(3) Exhibits

The exhibits to this Annual Report on Form 10-K
included herein are set forth on the
attached Exhibit Index beginning on page 37.

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Company during
the three month period ended
December 31, 1999.

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) 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.

GIBRALTAR STEEL CORPORATION

By /s/Brian J. Lipke
Brian J. Lipke
Chief Executive Officer
and Chairman of the Board

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Brian J. Lipke Brian J. Lipke	Chief Executive Officer and Chairman of the Board (principal executive officer)	January 31, 2000
--------------------------------------	---	------------------

/s/ Walter T. Erazmus Walter T. Erazmus	President	January 31, 2000
--	-----------	------------------

/s/ John E. Flint John E. FLint	Vice President and Chief Financial Officer (principal financial and accounting officer)	January 31, 2000
------------------------------------	--	------------------

/s/ Neil E. Lipke Neil E. Lipke	Director	January 31, 2000
------------------------------------	----------	------------------

/s/ Gerald S. Lippes Gerald S. Lippes	Director	January 31, 2000
--	----------	------------------

/s/ Arthur A. Russ, Jr. Arthur A. Russ, Jr.	Director	January 31, 2000
--	----------	------------------

/s/ David N. Campbell David N. Campbell	Directr	January 31, 2000
--	---------	------------------

/s/ William P. Montague William P. Montague	Director	January 31, 2000
--	----------	------------------

Exhibit Index

Exhibit Number	Exhibit	Sequentially Numbered Page
3.1	Certificate of Incorporation of Registrant (incorporated by reference to the same exhibit number to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
3.2	Amended and Restated By-Laws of the Registrant effective August 11, 1998 (incorporated by reference to Exhibit 3(ii) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)	
4.1	Specimen Common Share Certificate (incorporated by reference to the same exhibit number to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.1	Partnership Agreement of Samuel Pickling Management Company dated June 1, 1988 between Cleveland Pickling, Inc. and Samuel Manu-Tech, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.2	Partnership Agreement dated May 1988 among Samuel Pickling Management Company, Universal Steel Co. and Ruscon Steel Corp., creating Samuel Steel Pickling Company, a general partnership (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.3	Bond Purchase Agreement dated June 16, 1994 among the Industrial Development Board of the County of Hamilton, Tennessee, Fleet Bank of New York and Gibraltar Steel of Tennessee (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 (Registration No. 33-03979))	
10.4	Lease dated September 1, 1990 between Erie County Industrial Development Agency and Integrated Technologies International, Ltd. (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.5	Lease dated June 4, 1993 between Buffalo Crushed Stone, Inc. and Gibraltar Steel Corporation (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	

Exhibit Number	Exhibit	Sequentially Numbered Page
10.6*	Employment Agreement dated as of July 9, 1998 between the Registrant and Brian J. Lipke (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)	
10.7	Gibraltar Steel Corporation Executive Incentive Bonus Plan (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.8	Agreement dated June 29, 1992 for Adoption by Gibraltar Steel Corporation of Chase Lincoln First Bank, N.A. (now Chase Manhattan Bank, N.A.) Non-Standardized Prototype 401(k) Retirement Savings Plan (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1(Registration No. 33-69304))	
10.9*	Gibraltar Steel Corporation Incentive Stock Option Plan, Fourth Amendment and Restatement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999)	
10.10*	Gibraltar Steel Corporation Restricted Stock Plan (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.11*	Gibraltar Steel Corporation Restricted Stock Plan, First Amendment and Restatement (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997)	
10.12*	Gibraltar Steel Corporation Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.13*	Gibraltar Steel Corporation Non-Qualified Stock Option Plan, First Amendment and Restatement (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 (Registration No. 333-03979))	
10.14*	Gibraltar Steel Corporation Profit Sharing Plan dated August 1, 1984, as Amended April 14, 1986 and May 1, 1987 (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.15*	Changed in Control Agreement dated July 9, 1998 between Registrant and Brian J. Lipke (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)	

Exhibit Number	Exhibit	Sequentially Numbered Page
10.16*	Form of Change in Control Agreement dated July 9, 1998 between Registrant and each of Neil E. Lipke, Eric R. Lipke, Walter T. Erazmus, Joseph A. Rosenecker, Carl P. Spezio and Andrew S. Tsakos (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)	
10.17	Second Amended and Restated Credit Agreement dated August 16, 1999 among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York, Chase Manhattan Bank, N.A., as Administrative Agent, and various financial institutions that are signatories thereto	40
10.18	First Amendment, dated November 1, 1999, to the Second Amended and Restated Credit Agreement dated August 16, 1999 among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York, Chase Manhattan Bank, N.A., as Administrative Agent, and various financial institutions that are signatories thereto	117
10.19	Second Amendment, dated December 1, 1999, to the Second Amended and Restated Credit Agreement dated August 16, 1999 among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York, Chase Manhattan Bank, N.A., as Administrative Agent, and various financial institutions that are signatories thereto	125
10.20	First Amendment, dated May 28, 1999, to the Partnership Agreement dated May 1988 among Samuel Pickling Management Company, Universal Steel Co., and Ruscon Steel Corp., creating Samuel Steel Pickling Company, a general partnership	130
10.21*	Gibraltar Steel Corporation 401(k) Plan (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (No. 33-87034))	
10.22*	First Amendment, dated January 20, 1995, to Gibraltar Steel Corporation 401(k) Plan (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994)	
21	Subsidiaries of the Registrant	133
27	Financial Data Schedule	

* Document is a management contract or compensatory plan or arrangement

SECOND
AMENDED AND RESTATED
CREDIT AGREEMENT

- Among -

GIBRALTAR STEEL CORPORATION

and

GIBRALTAR STEEL CORPORATION OF NEW YORK

- And -

THE CHASE MANHATTAN BANK
as Administrative Agent

- And -

THE BANKS LISTED ON SCHEDULE 1

DATED: As of August 16, 1999

TABLE OF CONTENTS

	Page
ARTICLE I. Definitions	1
1.1 Definitions	1
ARTICLE II. The Credit	9
2.1 Revolving Credit	9
2.2 Letters of Credit	11
2.3 [Intentionally Omitted]	13
2.4 Interest	13
2.5 Prepayment	15
2.6 Use of Proceeds and Letters of Credit	16
2.7 Special Provisions Governing LIBOR Loans - Increased Costs	16
2.8 Required Termination and Repayment of LIBOR Loans	17
2.9 Taxes	18
2.10 Unused Line Fee	18
2.11 Reduction	19
2.12 Administrative Agent's Fee	19
2.13 Payments	19
2.14 Sharing of Payments	19
ARTICLE III. Conditions to the Extension of Credit	21
3.1 Conditions to Extension of Credit	21
3.1.a. Corporate Action	21
3.1.b. Corporate Documents	21
3.1.c. Revolving Note	21
3.1.d. Guaranty	21
3.1.e. Security Agreements	21
3.1.f. Uniform Commercial Code	21

	Searches	22
	3.1.g. Subsidiary Action	22
	3.1.h. Opinion	22
	3.1.i. Certificates	22
	3.1.j. Other Matters	22
3.2	Conditions to Subsequent Extensions of Credit	23
ARTICLE IV.	Representations and Warranties	23
4.1	Good Standing and Authority	23
4.2	Valid and Binding Obligation	23
4.3	Good Title	24
4.4	No Pending Litigation	24
4.5	No Consent or Filing	24
4.6	No Violations	24
4.7	Financial Statements	25
4.8	Tax Returns	25
4.9	Federal Regulations	25
4.10	ERISA Matters	26

4.11	Subsidiaries	26
4.12	Compliance	26
4.13	Fiscal Year	27
4.14	Default	27
4.15	Indebtedness for Borrowed Money	27
4.16	Securities	27
4.17	Inventory Locations	27
4.18	Environmental Matters	27
ARTICLE V.	Affirmative Covenants	28
5.1	Payments	28
5.2	Future Financial Statements	28
5.3	Books and Records	29
5.4	Corporate Standing	29
5.5	Discharge of Obligations	30
5.6	Insurance	30
5.7	Examinations	30
5.8	Litigation	31
5.9	Judgments	31
5.10	Fair Labor Standards Act	31
5.11	Notice	31
5.12	Environmental Compliance	31
ARTICLE VI.	Negative Covenants	32
6.1	Business Operations	32
6.2	Borrowed Money	32
6.3	Guaranties	33
6.4	Liens	33
6.5	Accumulated Funding Deficiency	33
6.6	Compliance with Law	33
6.7	Expansions, Mergers, Acquisitions and Joint Ventures	33
6.8	Loans and Advances	34
6.9	Subsidiaries	34
6.10	Dividends	34
6.11	Voting Stock	34
6.12	Sale of Assets	34
6.13	Lease Rentals	35
6.14	Intentionally Omitted	35
6.15	Interest Coverage Ratio	35
6.16	Net Worth	35
6.17	Funded Debt/EBITDA.	35
6.18	Current Ratio	35
ARTICLE VII.	Default	36
7.1	Events of Default	36
7.2	Effects of an Event of Default	39
ARTICLE VIII.	Relationship of Chase and the Administrative Agent and the Banks	40
8.1	Appointment and Authorization	40

8.2	No Other Duties	40
8.3	Copies and Notice of Event of Default or Default	41
8.4	Certain Rights of Chase and the Administrative Agent	41
8.5	Waiver of Liability of Administrative Agent	42
8.6	Non-Reliance on Administrative Agent and Other Banks	43
8.7	Indemnification	44
8.8	Administrative Agent in Its Individual Capacity	45
8.9	Successor Administrative Agent	45
8.10	Benefit of Article VIII	45
ARTICLE IX.	Indemnification - Costs and Expenses	46
9.1	Indemnification	46
9.2	Expenses	46
ARTICLE X.	Miscellaneous	47
10.1	Amendments and Waivers	47
10.2	Delays and Omissions	47
10.3	Participations and Assignments	47
10.4	Successors and Assigns	48
10.5	Notices	48
10.6	Governing Law	49
10.7	Counterparts	49
10.8	Titles	49
10.9	Inconsistent Provisions	49
10.10	JURY TRIAL WAIVER	49
10.11	CONSENT TO JURISDICTION	49

EXHIBIT A - Compliance Certificate - Financial Covenants
EXHIBIT B - Compliance Certificate - General
EXHIBIT C - Revolving Note

Schedule 1	List of Banks
Schedule 2	Employee Benefit Plans
Schedule 3.1.d	Subsidiaries Required to Execute Guaranties
Schedule 4.11	Subsidiaries
Schedule 4.15/6.2	Permitted Borrowing
Schedule 4.18	Environmental Matters
Schedule 6.4	Permitted Encumbrances
Schedule 6.8	Permitted Loans and Investments

AGREEMENT, dated as of August 16, 1999 among GIBRALTAR STEEL CORPORATION, a Delaware corporation ("Company"); GIBRALTAR STEEL CORPORATION OF NEW YORK, a New York corporation ("Borrower"); the financial institutions listed on Schedule 1 hereto as amended from time to time (collectively, "Banks", and individually, "Bank"); and THE CHASE MANHATTAN BANK, as Administrative Agent for the Banks.

WITNESSETH

ARTICLE I. Definitions

1.1 Definitions. As used in this Agreement, unless otherwise specified, the following terms shall have the following respective meanings:

"Administrative Agent" - The Chase Manhattan Bank in its capacity as administrative agent or such other bank as shall have subsequently been appointed as successor to Administrative Agent pursuant to Section 8.9.

"Administrative Agent's Office" - The office of the Administrative Agent at 2300 Main Place Tower, Buffalo, New York 14202, or such other office of the Administrative Agent as it shall specify by a notice in writing to the Borrower, the Company and the Banks.

"Advance", or collectively, "Advances" - "Advance", or collectively "Advances", as defined in Section 2.1(a) of this Agreement.

"Affiliate" - Any (a) Person who now or hereafter has Control of or is now or hereafter under common Control with, the Company or any Subsidiary or over whom or over which the Company or any Subsidiary now or hereafter has Control, (b) any Person who is now or hereafter related by blood, by adoption or by marriage to any such Person or now or hereafter resides in the same home as any Person referred to in clause (a) of this sentence, (c) any Person who is now or hereafter an officer of the Company or of any Subsidiary or (d) any Person who is now or hereafter related by blood, by adoption or by marriage to any Person referred to in clause (c) of this sentence or now or hereafter resides in the same home as any such Person or over whom or over which any such Person now or hereafter has Control.

"Bank" and "Banks" - "Bank" and "Banks" as defined in the preamble of this Agreement.

"Base Rate" - The higher of (i) the Federal Funds Rate, plus 1/2 of 1%, or (ii) the Prime Rate.

"Base Rate Loan" - That portion of Advances from time to time unpaid evidenced by the Revolving Note and bearing interest at the Base Rate as specified in Section 2.4.

"Borrower" - "Borrower" as defined in the preamble of this Agreement.

"Business Day" - (a) For all purposes other than as covered by clause (b) below, any day excluding Saturday, Sunday and any day on which national banks in New York City are authorized by law or other governmental action to close and (b) with respect to all notices and determinations in connection with LIBOR, any date which is a Business Day described in clause (a) and which is also a day for trading by and between banks in U.S. dollar deposits in the London interbank market.

"Capital Expenditure" - The dollar amount of gross expenditures (including obligations under capital leases) made for fixed assets, real property, plant and equipment, and all renewals, improvements and replacements thereto (but not repairs thereof) incurred for any period.

"Cash Flow" - For any period, the sum of (i) Earnings Before Interest and Taxes, plus (ii) depreciation and amortization expenses and all other non-cash charges which were deducted in determining Earnings Before Interest and Taxes.

"Chase" - The Chase Manhattan Bank.

"Code" - The Internal Revenue Code of 1986, as amended from time to time.

"Collateral Documents" - Collectively, the Guaranties and the Security Agreements.

"Commitment" - "Commitment" as defined in Section 2.1(a) of this Agreement.

"Commonly Controlled Entity" - An entity, whether or not incorporated, which is under common control with the Company within the meaning of Section 414(b) or (c) of the Code.

"Company" - "Company" as defined in the preamble of this Agreement.

"Compliance Certificate - Financial Covenants" - A certificate from the President or an appropriate financial officer of the Borrower and the Company or from the independent certified public accountants for the Borrower and the Company, as the case may be, in the form of Exhibit A setting forth the computations, ratios and calculations evidencing compliance with Article VI of this Agreement.

"Compliance Certificate - General" - A certificate from the President or an appropriate financial officer of the Borrower and the Company in the form of Exhibit B annexed hereto certifying that (i) the Borrower, the Company and its Subsidiaries have complied with and are in compliance with all the terms, covenants and conditions of this Agreement which are binding upon them; (ii) there exists no Default nor Event of Default as defined in this Agreement, or if this is not the case, that one or more specified Defaults or Events of Default have occurred, together with a description of the action taken or to be taken by the Borrower and/or the Company to cure the same; and (iii) the representations and warranties contained in this Agreement are true with the same effect as though made on the date of the certificate.

"Consolidated" or "Company on a Consolidated basis" - The consolidation of the accounts of the Company and its Subsidiaries in accordance with GAAP, including principles of consolidation, consistent with those applied in the preparation of the Consolidated audited financial statements.

"Control" - (i) The power to vote 5% or more of the outstanding shares of any class of stock of a Person which is a corporation, (ii) the beneficial ownership of 5% or more of the outstanding shares of any class of stock of a Person which is a corporation or (iii) the power to direct or cause the direction of the management and policies of a Person which is not a corporation, whether by ownership of any stock or other ownership interest, by agreement or otherwise, in each case by or on behalf of a single Person or group of Persons acting as a group for the purposes of filing Form 13-D with the Securities and Exchange Commission.

"Conversion Date" - The first day of a LIBOR Period with respect to any LIBOR Loan.

"Credit" - All extensions of credit set forth in Article II of this Agreement, whether in the form of Advances, Swingloans or Letters of Credit.

"Credit Pricing Agreement" - The Amended Credit Pricing Agreement dated as of March 31, 1998, among the Company, the Borrower, the Banks and the Administrative Agent setting forth the pricing with respect to the Revolving Credit, as such agreement may be amended, replaced or restated from time to time.

"Current Assets" - All assets treated as current assets in accordance with GAAP, excluding, however, from the determination of current assets: prepaid expenses, assets located outside the United States and loans to Subsidiaries and Affiliates.

"Current Liabilities" - Those liabilities classified as current in accordance with GAAP with adequate provisions for all accrued liabilities, including, without limitation, all federal and state taxes, except those taxes classified as deferred in accordance with GAAP.

"Default" - Any event or occurrence which with the giving of notice or passage of time or both constitutes an Event of Default.

"Earnings before Interest and Taxes" - For any period, the income of an entity for such period prior to the deduction of any provisions for income taxes, reserves (including reserves for deferred income taxes) and interest payable on Indebtedness, determined in accordance with GAAP.

"Environment" - Any water or water vapor; any land including land surface or subsurface, air, fish, wildlife, biota and all other natural resources.

"Environmental Laws" - All federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the Environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

"Environmental Permits" - All permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law in connection with ownership, lease, purchase, transfer, closure, use and/or operation of any property for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances or the sale, transfer or conveyance of any such property.

"ERISA" - The Employee Retirement Income Security Act of 1974, as amended from time to time.

"Event of Default" - An "Event of Default" as defined in Section 7.1 of this Agreement.

"Expansion" - The formation by the Company, the Borrower or any Subsidiary of an entity which is a Subsidiary or an Affiliate.

"Federal Funds Rate" - For any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of

the Federal Reserve System arranged by Federal funds brokers, as published for the preceding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such date on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" - As of the date of any determination, generally accepted accounting principles as promulgated by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants, consistently applied and maintained throughout the relevant periods and from period to period.

"Guarantor Subsidiary(ies)" - "Guarantor Subsidiary(ies)" as defined in Section 3.1.d of this Agreement.

"Guaranty(ies)" - The guaranty executed and delivered by the Company and each Subsidiary, other than the Borrower, and described in Section 3.1.d or Section 6.9 of this Agreement.

"Hazardous Substance" - Without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Toxic Substances Control Act, as amended, (15 U.S.C. Sections 2601, et seq.), Articles 15 and 27 of the New York State Environmental Conservation Law or any other applicable Environmental Law and in the regulations promulgated thereunder.

"Indebtedness" - At a particular date, without duplication, (a) all indebtedness of a Person for borrowed money or for the deferred purchase price of property, whether short term or long term, (b) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder and not repaid by such Person, and (c) lease obligations of such Person which, in accordance with GAAP, should be capitalized; provided, in no event shall Indebtedness include any guaranties or other contingent obligations.

"Letter of Credit" - An irrevocable commercial or standby letter of credit issued by Chase on behalf of the Banks pursuant to this Agreement upon application by the Borrower.

"LIBOR" - The rate per annum (rounded upward, if necessary, to the next highest 1/100 of 1%) equal to (a) the rate quoted at approximately 11:00 a.m. (London time) by the principal London branch of the Administrative Agent on a LIBOR Interest Determination Date for the offering to leading banks in the London interbank market of U.S. Dollar deposits in immediately available funds for the applicable LIBOR Period, and in an amount equal to the applicable LIBOR Loan; plus (b) the LIBOR Increment.

"LIBOR (Reserve Adjusted)" - Relative to any Advance to be made, continued or maintained as, or converted into, a LIBOR Loan for any LIBOR Period, a rate per annum (rounded upward, if necessary, to the next highest 1/100 of 1%) determined pursuant to the following formula:

$$\text{LIBOR (Reserve Adjusted)} = \frac{\text{LIBOR}}{1.00 - \text{LIBOR Reserve Percentage}}$$

"LIBOR Increment" - The percentage calculated in accordance with Section 2.4(b) of this Agreement which is utilized in determining LIBOR.

"LIBOR Interest Determination Date" - means a Business Day which is two (2) Business Days prior to the commencement of each LIBOR Period during which the LIBOR (Reserve Adjusted) rate will be applicable.

"LIBOR Lending Office" - The office of each Bank designated as such below its name on Schedule 1 hereto or such other office of such Bank (as designated from time to time by notice from such Bank to the Borrower), whether or not outside the United States, which shall be making or maintaining LIBOR Loans of such Bank hereunder.

"LIBOR Loan" - That portion of Advances from time to time unpaid and bearing interest at LIBOR (Reserve Adjusted) as specified in Section 2.4.

"LIBOR Period" - means the 30, 60, 90 or 180 day period selected by the Borrower pursuant to Section 2.4 of the Credit Agreement on which the LIBOR (Reserve Adjusted) rate is to be quoted.

"LIBOR Reserve Percentage" - For any Bank for any LIBOR Period, the percentage (expressed as a decimal) applicable at the time LIBOR for such LIBOR Period is determined, under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) for such Bank in respect of assets or liabilities consisting of and including "Eurocurrency Liabilities,"

as defined in Regulation D of such Board, having a term approximately equal or comparable to such LIBOR Period.

"Lien" - Any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien, charge or encumbrance, or preference, priority or other security agreement or preferential arrangement in respect of any asset of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"Majority Banks" - The Banks representing sixty-six percent (66%) of the Commitments from time to time in effect.

"Multiemployer Plan" - A Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Worth" - At a particular date, all amounts which would be included under shareholders' equity on a balance sheet of an entity, determined in accordance with GAAP.

"Note" - Any Revolving Note.

"Permitted Encumbrances" - as listed on Schedule 6.4 of this Agreement.

"Percentage" - The percentage set forth opposite the name of each Bank on Schedule 1 hereof.

"Person" - Any individual, corporation, partnership, joint venture, trust, unincorporated association, government or political subdivision or other entity, body, organization or group.

"Plan" - Any employee benefits plan which is covered by Title IV of ERISA and in respect of which the Company, the Borrower or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" - The prime commercial lending rate of interest publicly announced by the Administrative Agent from time to time at its head office. The Prime Rate may or may not be the most favorable rate charged by the Administrative Agent to its customers from time to time.

"Rate Option" - The choice of applicable interest rates and LIBOR Periods offered to the Borrower pursuant to Section 2.4 of this Agreement.

"Release" - The same meaning as given to that term in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), and the regulations promulgated thereunder.

"Reportable Event" - Any event with regard to a Plan described in Section 4043(b) of ERISA or in regulations issued thereunder.

"Revolving Credit" - The "Revolving Credit" as defined in Section 2.1(a) of this Agreement.

"Revolving Note" - Collectively, the promissory notes of Borrower in the form of Exhibit C evidencing Borrower's promise to repay Advances under the Revolving Credit, and any renewals, replacements or extensions thereof.

"Security Agreements" - Security Agreements as defined in Section 3.1(e) of this Agreement.

"Security Interests" - Security Interest as defined in Section 3.1(e) of this Agreement.

"Subordinated Debt" - Indebtedness of the Company or any Subsidiary which is subordinated in form and content satisfactory to the Administrative Agent with the agreement of the Majority Banks to any and all Indebtedness owing to any of the Banks whether arising out of this Agreement or otherwise.

"Subsidiary" - Any corporation of which at least 50% of the voting stock is owned by the Company directly or indirectly through one or more Subsidiaries.

"Swingloan", or collectively, "Swingloans" - "Swingloan", or collectively, "Swingloans", as defined in Section 2.1 (c) of this Agreement.

"Termination Date" - The maturity date of the Credit, which shall be April 1, 2003 and may be shortened in accordance with Section 2.11 or 7.2 hereof.

"Total Liabilities" - At a particular date, the sum, without duplication, of (a) all amounts which would be included as liabilities on a balance sheet of an entity at such date, determined in accordance with GAAP and (b) any Indebtedness of such entity.

1.2 Accounting Terms. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP consistent with those applied in the preparation of the audited Consolidated financial statements of the Company and its Subsidiaries referred to in this Agreement.

Capitalized words not otherwise defined in this Agreement shall have the meanings set forth in the New York Uniform Commercial Code as in effect on the date of this Agreement.

ARTICLE II. The Credit

2.1 Revolving Credit.

(a) Advances. Subject to the terms and conditions of this Agreement and relying upon the representations and warranties set forth in this Agreement, and provided that there has been no material adverse change in the financial condition of the Borrower or the Company, each Bank, severally and for itself alone, agrees that it will, from time to time during the period commencing on the date the conditions specified in Section 3.1 are satisfied through the Business Day preceding the Termination Date, make one or more Advances ("Advance" or collectively "Advances") to the Borrower equal to its Percentage of the aggregate amount of Advances requested by Borrower from all Banks up to the dollar amount set forth opposite the name of each Bank on Schedule 1 hereto (which amount, with respect to each Bank, shall be called its "Commitment"); provided, however, no Bank shall be required or permitted to make any Advance or participate in any Letter of Credit if, after giving effect thereto, the aggregate outstanding principal amount of all Advances and the aggregate face amount of Letters of Credit issued ("Revolving Credit") would exceed Two Hundred sixty Million Dollars (\$260,000,000.00) at any one time outstanding. Subject to Section 2.5 hereof, the Advances may be repaid and reborrowed in accordance with the provisions hereof; provided, however, no further Advances shall be made on or after the Termination Date, at which time the Revolving Credit must be paid in full.

(b) Method for Borrowing Advances. If and when the Borrower wishes the Banks to make Advances available, the Borrower shall notify the Administrative Agent not later than 10:00 a.m. (New York time) on the Business Day on which the Advances are to be funded. The Borrower shall specify (i) the aggregate amount of the Advances to be made on a designated date, which shall be at least \$100,000.00 and (ii) the proposed date on which the Advances are to be funded, which shall be a Business Day. Upon receipt of such notice from the Borrower, the Administrative Agent shall promptly notify each of the Banks thereof. Each Bank shall make an amount equal to such Bank's Percentage of the requested Advance available to the Administrative Agent for the account of the Borrower at the Administrative Agent's Office not later than 1:00 p.m. (New York time) on the designated date of the Advance, in immediately available funds. As early as practically possible, but not later than 3:00 p.m. (New York time) on the date on which the Advance is to be made and upon fulfillment of the conditions set forth

in Article III of this Agreement, the Administrative Agent will make the proceeds of such Advance available to the Borrower.

Neither the Administrative Agent nor any Bank shall incur any liability to the Borrower in acting upon any notice referred to above or subsection 2.1(c) by telephone which the Administrative Agent or such Bank believes in good faith to have been given by a duly authorized officer or other person authorized to borrow on behalf of the Borrower or for otherwise acting in good faith.

(c) Swingloans. Subject to the terms and conditions of this Agreement, relying upon the representations and warranties set forth in this Agreement, and so long as the aggregate outstanding principal amount of all Advances and the aggregate face amount of Letters of Credit issued are Two Hundred Sixty Million Dollars (\$260,000,000.00) or less, Chase agrees to make to the Borrower one or more Swingloans ("Swingloan" or collectively "Swingloans") as requested by the Borrower during the period commencing on the date the conditions specified in Section 3.1 are satisfied through the Business Day preceding the Termination Date in an amount which will not exceed Five Million Dollars (\$5,000,000.00) at any one time outstanding. At such time and for as long as the aggregate outstanding principal amount of all Advances and the aggregate face amount of Letters of Credit issued are more than Two Hundred Sixty Million Dollars (\$260,000,000.00), the Borrower will not request, and Chase will not make a Swingloan. The Banks other than Chase will not participate in nor be obligated to advance Swingloans. The obligation of Chase to make Swingloans shall automatically terminate on the date of any reduction in the Commitments in accordance with Section 2.11 or the cancellation of the Commitments pursuant to Section 7.2

If and when the Borrower wishes Chase to make a Swingloan, the Borrower shall notify Chase not later than 10:00 a.m. (New York time) on the Business Day on which the Swingloan is to be made of the amount of the Swingloan desired, which shall be at least \$50,000.00, Chase shall determine and advise the Borrower promptly of the per annum fixed rate option applicable to the Swingloan, which rate shall be the fluctuating interest rate per annum for each day on overnight Federal funds transactions with members of the Federal Reserve System, plus 150 basis points ("Fixed Rate"). The Borrower shall immediately notify Chase if the Swingloan is to bear interest at the Fixed Rate or the Prime Rate, which notice shall be irrevocable. Each Swingloan, together with the interest accrued thereon, shall be prepaid by the Borrower prior to the close of business on the Business Day immediately following the Business Day on which such Swingloan is made.

(d) The Revolving Note. The Advances made by each Bank shall be evidenced by a note of the Borrower to each Bank with blanks appropriately completed in the form of Exhibit C annexed hereto and made a part hereof ("Revolving Note"). Each Swingloan made by Chase shall be evidenced by a separate note payable to the order of Chase.

Each Note shall be inscribed by the Bank as holder of the Note on the reverse side thereof or any continuation thereof with the outstanding principal balance of the Advance by such Bank, and, in the case of Chase, with the outstanding principal balance of the Swingloan, and any such inscription shall constitute prima facie evidence of the accuracy of the information so recorded; provided, however, the failure of any Bank to make any such inscription shall not affect the Company's obligations under the Note of such Bank or this Agreement.

2.2 Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement and relying upon the representations and warranties set forth in this Agreement, Chase upon application of the Borrower, shall from time to time during the period commencing on the date the conditions specified in Section 3.1 are satisfied through the date which is two (2) Business Days preceding the Termination Date issue Letters of Credit on behalf of the Banks for the account of the Borrower, the Company or any Subsidiary in an aggregate face amount of Letters of Credit outstanding at any one time not to exceed \$5,000,000.00 and each of which shall have an expiration date which may extend after the Termination Date but shall not exceed one year from date of issuance; provided, however, at the request of the Borrower or the Company, as applicable, Chase may extend the maturity date of any Letter of Credit for additional periods not exceeding one year each; and provided further, Chase will not issue any Letter of Credit if, after giving effect thereto, (i) the aggregate outstanding principal amount of all Advances and the aggregate face amount of Letters of Credit outstanding would exceed \$260,000,000.00, as such amount may be reduced by an amount designated by the Borrower pursuant to Section 2.11 hereof, or (ii) the Percentage of any Bank of its Commitment would be exceeded upon its purchase of an undivided interest in such Letter of Credit as provided in Section 2.2(d) hereof. Each Bank's Commitment shall be used by its Percentage of the outstanding face amount of each Letter of Credit upon the issuance thereof.

Each Letter of Credit shall (i) provide for the payment of drafts in United States dollars, be presented for honor thereunder by the beneficiary in accordance with the terms thereof, at sight when accompanied by the documents described therein, and (ii) otherwise be in form and substance

satisfactory to Chase as the issuer of the Letter of Credit. Upon the issuance of any Letter of Credit, Chase shall deliver the original of such Letter of Credit to the beneficiary thereof at the direction of the Borrower and advise each Bank of the issuance. Any Bank which believes a Letter of Credit has been issued in violation of this Section 2.2(a) shall promptly, after discovery of the relevant facts, notify Chase in writing.

(b) Application by the Borrower for Issuance of the Letters of Credit. The Borrower shall request Chase in writing to issue the Letters of Credit by delivering to Chase on or before the date hereof, in the case of Letters of Credit to be issued on the date hereof, or two Business Days prior to the proposed date of issuance, in the case of all other Letters of Credit to be issued hereunder, a Letter of Credit application in form and content satisfactory to Chase specifying the account party and completed to the satisfaction of Chase and such other certificates, documents and other papers and information as Chase may reasonably request. Prior to the issuance of a Letter of Credit, Chase shall advise each Bank of the receipt of an application.

(c) Letter of Credit Fees. The Borrower agrees to pay the Administrative Agent for the accounts of the Banks upon the application by the Borrower for and the issuance by Chase of any Letter of Credit, a fee, which fee shall be determined by Chase at the time of issuance of a Letter of Credit.

(d) Participation in Letters of Credit. Chase hereby sells to each Bank, and each Bank hereby purchases from Chase, without recourse to Chase (except as to payments to be made by the Administrative Agent to such Bank under Section 2.2(c)), an undivided interest in each Letter of Credit and in each letter of credit fee payable pursuant to Section 2.2(c), in each case equal to such Bank's Percentage thereof.

Upon any drawing under a Letter of Credit drawn in strict compliance with the requirements of the Letter of Credit as determined by Chase in its sole discretion, for the payment of which the Borrower has not otherwise made funds available, the Administrative Agent shall notify each of the Banks of the date of payment of the drawing and the dollar amount of each Bank's Percentage interest therein. Such payment by Chase under any Letter of Credit shall constitute Advances by the Banks subject to the terms and conditions of this Agreement pertaining thereto other than Section 3.2.

The obligation of each Bank to remit the amount of its Advance to the Administrative Agent pursuant to a drawing under a Letter of Credit in

accordance with this Section shall be unconditional and irrevocable under any and all circumstances (unless the payment of such drawing was the result of Chase's gross negligence or willful misconduct or such Letter of Credit was issued in violation of Section 2.2(a) hereof) and may not be terminated, suspended or delayed for any reason notwithstanding any other provision of this Agreement, including the occurrence and continuance of a Default or Event of Default.

(e) **Obligation to Reimburse.** Chase will promptly notify by telephone the Borrower of any draft drawn pursuant to a Letter of Credit and presented for payment and of the date Chase intends to pay such draft; if that is the case. With respect to any draft paid pursuant to a Letter of Credit, the Borrower hereby agrees to pay to the Administrative Agent the amount of such payment on the date of payment by depositing with the Administrative Agent prior to 10:00 a.m. (New York time) immediately available funds in the amount of such draft. The failure to so deposit shall be deemed a request for Advances in an aggregate amount equal to the amount paid.

(f) **Unconditional Obligations.** In order to induce Chase to issue the Letters of Credit and the Banks to participate therein, the Borrower agrees that neither Chase nor any Bank shall be responsible or liable for, and the Borrower's unconditional obligation to reimburse the Administrative Agent for the accounts of the Banks for amounts paid on account of drawings honored under Letters of Credit shall not be affected by (i) the validity, sufficiency or genuineness of any document or instrument presented to Chase in connection with a Letter of Credit, even if such document or instrument should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, or (ii) any action taken or omitted by Chase without gross negligence or willful misconduct in connection with making or not making payment under the Letter of Credit.

2.3 [Intentionally Omitted]

2.4 Interest.

(a) **The Credit.** The Advances under the Revolving Credit (other than the Swingloans) shall bear interest on the unpaid principal amount from time to time unpaid until maturity (whether by acceleration or otherwise) at a per annum rate of interest equal to the Base Rate ("Base Rate Loan"). The rate of interest on the Base Rate Loans evidenced by the Revolving Note shall change simultaneously with each change in the Prime Rate and shall change each Business Day with any change in the Federal Funds Rate.

Subject to Section 2.7 hereof, the Borrower may elect to convert any portion of a Base Rate Loan to a LIBOR Loan or to continue any LIBOR Loan as a new LIBOR Loan by giving irrevocable notice of

such election to the Administrative Agent by 10:00 a.m. (New York time) at least three (3) Business Days prior to the requested Conversion Date and, in the case of the continuation of any LIBOR Loan, such conversion or continuation shall take place on the last day of the applicable LIBOR Period with respect to the LIBOR Loan being so continued. The Administrative Agent shall promptly give each of the Banks notice of the Borrower's election. Each such request to convert or continue shall include the Rate Option, the requested Conversion Date (which shall be a Business Day), the LIBOR Period selected with respect to any LIBOR Loan, and the amount to be converted or continued (which shall be in a principal amount of not less than \$500,000.00 and an integral multiple of \$100,000.00 in the case of conversion to or continuation as a LIBOR Loan. If no Default nor Event of Default has occurred and is continuing at such time, such conversion or continuation shall be made on the requested Conversion Date, subject to the foregoing limitations in connection with the conversion or continuation of LIBOR Loans.

The Administrative Agent shall not incur any liability to the Borrower in acting upon telephonic notice referred to above which the Administrative Agent believes to have been given by a duly authorized officer or other person authorized to and on behalf of the Borrower or for otherwise acting under this Section 2.4(a).

(b) LIBOR Increment. The LIBOR Increment, which is the percentage utilized in determining LIBOR, shall be determined in accordance with the Credit Pricing Agreement.

(c) Computation of Interest. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed, which will result in a higher effective annual rate. Interest shall be payable on the first day of each March, June, September and December commencing December 1, 1997 and, in the case of a LIBOR Loan, interest shall also be payable on the last day of each applicable LIBOR Period, if earlier, and on any Conversion Date.

(d) Default Rate. After maturity, whether by acceleration or otherwise, Borrower shall pay interest at a per annum rate equal to two percent (2%) plus the Prime Rate. In no event shall the rate of interest exceed the maximum rate permitted by applicable law. If Borrower pays interest in excess of the amount permitted by applicable law, such excess shall be applied in reduction of the principal of Advances made pursuant to this Agreement.

(e) Late Charge. Upon failure to make any payment of interest or principal hereunder when due, Borrower promises to pay a late charge computed as follows:

(1) Late charges may be assessed each day on the amount overdue based upon the Prime Rate from day to day. The formulas for the daily late charge assessment will be as follows:

(i) For overdue interest:

$$\frac{(\text{Amount overdue}) \times 110\% \times (\text{the Prime Rate} + 2\%)}{365}$$

(ii) For overdue principal:

$$\frac{(\text{Amount overdue}) \times 10\% \times (\text{the Prime Rate} + 2\%)}{365}$$

(2) If the sum of the late charges computed as in (1) is less than Ten Dollars (\$10.00), a minimum late charge of Ten Dollars (\$10.00) per late payment may be assessed.

The assessment and/or collection of late charges shall in no way impair the right to pursue any other remedies hereunder.

2.5 Prepayment.

(a) Base Rate Loans. The Borrower shall have the right to prepay at any time without premium all or any portion of the Advances consisting of Base Rate Loans, together with interest on the principal so prepaid to the date of such prepayment. Any partial prepayment of principal shall be in the amount of \$100,000.00 or an integral multiple thereof.

(b) LIBOR Loans. The Borrower shall have the right to prepay without premium all or any portion of the Advances consisting of LIBOR Loans on the expiration day of the applicable LIBOR Period. If any LIBOR Loan is prepaid at any other time, the Borrower shall, upon not less than ten (10) days prior written notice, pay to the Administrative Agent an amount equal to (i) the interest which would have otherwise been payable on the amount prepaid during the remaining term of the LIBOR Period, less (ii) interest on the amount prepaid for such term computed at an interest rate equal to the yield-to-maturity which could be obtained on United States Treasury obligations, purchased in the market at the time of prepayment, having a remaining term and coupon rate comparable to the remaining term of the LIBOR Period, and comparable to the applicable interest rate, as determined by the Administrative Agent in good faith, and certified to the Borrower, such certificate to be conclusive, absent manifest error. Any partial prepayment of principal shall be in the amount of \$100,000.00 or an integral multiple thereof.

(c) Mandatory Prepayment From Subordinated Debt. Notwithstanding anything to the contrary contained in this Agreement, if the Borrower incurs any Subordinated Debt, the Borrower shall immediately use the proceeds thereof to prepay outstanding Advances. Such proceeds shall be used first to prepay Base Rate Loans until all Base Rate Loans are paid in full and then to prepay LIBOR Loans. If any LIBOR Loans are so prepaid, the Borrower shall pay to the Administrative Agent the additional amounts set forth in subsection (b) above. Upon any prepayment required pursuant to this subsection (c), the Borrower shall have the option to reduce the Commitment pursuant to Section 2.11 of this Agreement.

2.6 Use of Proceeds and Letters of Credit.

The Borrower covenants to the Banks that it will use the proceeds advanced under this Agreement subsequent to the initial Advance for general working capital, for loans to and investments in its Subsidiaries and Affiliates to the extent permitted under Section 6.8 hereof and for the financing of Capital Expenditures and Expansions, mergers, consolidations, acquisitions of stock or assets of, or investments in a joint venture of partnership with, any third Person permitted by Section 6.7 hereof or otherwise consented to by the Administrative Agent with the agreement of the Majority Banks.

2.7 Special Provisions Governing LIBOR Loans - Increased Costs.

(a) In the event that on any LIBOR Interest Determination Date, any Bank shall notify the Administrative Agent that it shall have determined (which determination shall be final, conclusive and binding) that:

(1) by reason of conditions in the London interbank market or of conditions affecting the position of any Bank in such market occurring after the date hereof, adequate fair means do not exist for establishing LIBOR, or

(2) by reason of (i) any applicable law or governmental rule, regulation, guideline or order (or any written interpretation thereof and including any new law or governmental rule, regulation, guideline or order but excluding any of the foregoing relating to taxes referred to in Section 2.9 of this Agreement) or (ii) other circumstances affecting any Bank or the London interbank market or the position of any Bank in such market (such as, but not limited to, official reserve requirements), LIBOR does not represent the effective pricing to any Bank for U.S. dollar deposits of comparable amounts for the relevant period due to such increased costs then, the Administrative Agent shall give a notice by telephone, confirmed in writing, to the Borrower of such determination.

(b) Thereafter, the Borrower shall pay to the Administrative Agent upon written request therefor, such additional amounts as the Administrative Agent in its sole discretion, shall reasonably determine to be required to compensate the Bank for such increased costs. A certificate as to such additional amounts submitted to the Borrower by the Administrative Agent shall, absent manifest error, be final, conclusive and binding upon all parties hereto.

(c) In lieu of paying such additional amounts as required by this Section 2.7, the Borrower may exercise the following options:

(1) If such determination relates only to a conversion to a LIBOR Loan then being requested by the Borrower pursuant to the terms hereof, the Borrower may, on such LIBOR Interest Determination Date by giving notice by telephone to the Administrative Agent, withdraw such request.

(2) The Borrower may, by giving notice by telephone to the Administrative Agent require the Administrative Agent to convert the LIBOR Loan then being requested to a Base Rate Loan, or to convert its outstanding LIBOR Loan that is so affected into a Base Rate Loan at the end of the then current LIBOR Period.

2.8 Required Termination and Repayment of LIBOR Loans.

(a) In the event any Bank shall notify the Administrative Agent that it shall have reasonably determined, at any time (which determination shall be final, conclusive and binding but shall be made only after consultation with the Borrower and the Administrative Agent), that the making or continuation of any or all of LIBOR Loans by such Bank:

(1) has become unlawful by compliance by such Bank in good faith with any applicable law, governmental rule, regulation, guideline or order, or

(2) would cause such Bank severe hardship as a result of a contingency occurring after the date of this Agreement which materially and adversely affects the London interbank market (such as, but not limited to disruptions resulting from political or economic events);

then, and in either such event, the Administrative Agent shall on such date (and in any event as soon as possible after making such determination) give telephonic notice to the Borrower, confirmed in writing, of such determination, identifying which of the LIBOR Loans are so affected.

(b) The Borrower shall, upon the termination of the then current LIBOR Period applicable to each LIBOR Loan so affected or, if earlier, when required by law, repay each such affected LIBOR Loan, together with all interest accrued thereon.

(c) In lieu of the repayment required by Section 2.8(b), the Borrower may exercise the following options:

(1) If the determination by the Bank relates only to a LIBOR Loan then being converted by the Borrower pursuant to the terms hereof, the Borrower may, on such date by giving notice by telephone to the Administrative Agent, withdraw such request for conversion.

(2) The Borrower may, by giving notice by telephone to the Administrative Agent, require the Banks to convert the LIBOR Loan then being converted to a Base Rate Loan or to convert any outstanding LIBOR Loan or LIBOR Loans that are so affected into a Base Rate Loan at the end of the then current LIBOR Period (or at such earlier time as repayment is otherwise required to be made pursuant to section 2.7(b)). Such notice shall pertain only to the LIBOR Loan or LIBOR Loans outstanding or to be outstanding during each such affected LIBOR Period.

2.9 Taxes. If any taxes (other than taxes with respect to the income of the Banks), or duties of any kind shall be payable, or ruled to be payable, by or to any taxing authority of or in the United States, or any foreign country, or any political subdivision of any thereof, in respect of any of the transactions contemplated by this Agreement (including, but not limited to, execution, delivery performance, enforcement, or payment of principal or interest of or under the Note or this Agreement, or the making of a LIBOR Loan), by reason of any now existing or hereafter enacted statute, rule, regulation or other determination (excluding any taxes imposed on or measured by the net income of the Banks), the Borrower will:

(1) pay on written request therefor all such taxes or duties, including interest and penalty, if any,

(2) promptly furnish the Administrative Agent with evidence of any such payment, and

(3) indemnify and hold the Banks and any holder or holders of the Note harmless and indemnified against any liability or liabilities with respect to or in connection with any such taxes or the payment thereof or resulting from any delay or omission to pay such taxes.

2.10 Unused Line Fee. The Borrower shall pay to the Administrative Agent for the account of the Banks a per annum Unused Line Fee (based on a 360 day

year) on the average unused amount of the Commitments, which Unused Line fee shall be payable quarterly, in arrears, on the last day of each September, December, March and June to and including the Termination Date. The Unused Line Fee shall be computed in accordance with the provisions of the Credit Pricing Agreement.

2.11 Reduction. The Borrower may, at any time by written notice to the Administrative Agent state its desire to reduce the Commitments of the Banks to any amount which is not less than the aggregate then outstanding principal amount of Advances and the undrawn face amount of Letters of Credit. Any such reduction shall be pro-rata in order that the Percentage of each Bank's Commitment is not changed. Any reductions of the Commitments shall not be reinstated at any future date and any partial reduction shall be in the amount of \$5,000,000.00 or an integral multiple thereof. Immediately upon receipt of such notice by the Administrative Agent, the obligation of each of the Banks to make Advances and to participate in Letters of Credit hereunder shall be limited to its Commitment as reduced pursuant to such notice.

2.12 Administrative Agent's Fee. The Borrower agrees to pay the Administrative Agent an agent's fee in the amount set forth in a letter from the Administrative Agent to the Company dated October 14, 1994, payable annually, by November 15, upon the satisfaction of the conditions specified in Section 3.1 and on each annual anniversary of such date thereafter until all of the Indebtedness created pursuant to this Agreement has been paid in full.

2.13 Payments. All payments by the Borrower under this Agreement of interest, principal, fees and other expenses shall be made in immediately available funds not later than 12:00 p.m. on the due date at the Administrative Agent's Office, unless such amount is paid by the Administrative Agent's debiting a deposit account of the Borrower. All such payments applicable to the Swingloans shall be remitted by the Administrative Agent to Chase on the same Business Day. All such other payments, other than the Administrative Agent's fee, shall be remitted by the Administrative Agent to each of the Banks on the same Business Day in accordance with its Percentage.

2.14 Sharing of Payments. If any Bank shall obtain any payment or other recovery or receive any collateral (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Advances or any participation in a Letter of Credit in excess of its pro rata share of payments or collateral then or therewith obtained by all Banks, such Bank shall purchase from the other Banks such participations in Advances or Letters of Credit, or shall provide such other Banks with the benefits of any such collateral or the proceeds thereof as shall be necessary to cause such purchasing Bank to share the excess payment or

other recovery ratably with each of them; provided, however, if all or any portion of such excess payment or benefits is thereafter recovered from such Bank, such purchase shall be rescinded and the purchase price and benefits returned to the extent of such recovery, without interest.

The Borrower agrees that each of the other Banks so purchasing a portion of such Bank's interest in Advances or participations in Letters of Credit may exercise all rights (including, but not limited to, rights of setoff) with respect to such portion purchased as if such other Banks were the direct holders thereof. The Borrower agrees that each Bank shall have a security interest in and the right to set off as against any outstanding Advances and all other of the Borrower's liabilities under this Agreement with respect to any deposit account or other obligation of the Borrower or any Subsidiary.

Each of the Banks agree that (a) if the unpaid principal balances of the Revolving Note are not paid in full at the close of business on the Termination Date, or (b) if the maturity of the Revolving Note is accelerated and the Credit is terminated in accordance with Section 7.2 hereof (the earlier of such dates being referred to as the "Purchase Date"), the Bank or Banks receiving payment at a rate based on the applicable percentage(s) in excess of similar payments received by any other Bank shall immediately give notice to the Administrative Agent of such payment and shall purchase for cash within thirty (30) Business Days from the Purchase Date, from any Bank receiving payment at a lesser rate, an interest in the Revolving Credit in such amounts so that each Bank shall own an interest in the aggregate amount of the Revolving Credit then outstanding equal to its Percentage, plus, if such amount is not paid by the purchasing Bank within the specified period, interest thereon shall accrue at the rate equal to the Federal Funds Rate for the period commencing on the Purchase Date and ending on the actual date of payment thereof.

2.15 Replacement Bank. The Borrower may replace any Bank (a "Replaced Bank") by designating another bank which is reasonably acceptable to the Administrative Agent (such Bank being herein called a "Replacement Bank"). Simultaneously with payment of all amounts owing to the Replaced Bank hereunder or in connection herewith, the Replaced Bank shall assign to the Replacement Bank in accordance with Section 10.3 and without recourse to or warranty by, or expense to, such Replaced Bank all of the rights and obligations of such Replaced Bank hereunder (except for the rights as survive repayment of the Advances). Upon such assignment such Replaced Bank shall no longer be a party to this Agreement or have any rights hereunder and shall be relieved from all obligations to the Borrower, the Company, the Administrative Agent or the Banks, and the Replacement Bank shall succeed to the rights and obligations of such Replaced Bank.

ARTICLE III. Conditions to the Extension of Credit

3.1 Conditions to Extension of Credit. The Banks' agreement to extend the Credit and Chase's agreement to issue Letters of Credit shall be effective only upon fulfillment of the following conditions at the date of the execution of this Agreement:

3.1.a. Corporate Action. The Borrower and the Company shall have taken all necessary and appropriate corporate action and the Boards of Directors of the Borrower and the Company shall have adopted resolutions authorizing the Credit, the execution and delivery of this Agreement, the Revolving Note and the Guaranties executed by the Borrower and the Company, as appropriate, and the taking of all action required of the Borrower and the Company by this Agreement; and the Borrower and the Company shall have furnished to the Administrative Agent copies certified as of the date of the execution of this Agreement of such corporate resolutions and such other corporate documents as any Bank shall reasonably request.

3.1.b. Corporate Documents. There shall have been furnished to the Administrative Agent (a) certificates of the Company and each Subsidiary's good standing duly issued of recent date by an official of the jurisdiction of its incorporation; (b) copies of the certificate of incorporation and by-laws of the Company and each Subsidiary, certified by their Secretaries as of the date of the execution of this Agreement; and (c) certificates of incumbency, dated the date of the execution of this Agreement specifying the officers of the Company and each Subsidiary, together with their specimen signatures.

3.1.c. Revolving Note. The Borrower shall have executed and delivered to each of the Banks a Revolving Note, appropriately completed, evidencing the Borrower's obligation to repay the Revolving Credit.

3.1.d. Guaranty. The Borrower shall furnish to the Administrative Agent, with an executed counterpart for each Bank, the written continuing guaranty ("Guaranty") of the Company and each Subsidiary set forth in Schedule 3.1.d attached hereto and made a part hereof (individually, "Guarantor Subsidiary" and collectively, "Guarantor Subsidiaries", such Guaranty to be in form and content satisfactory to each of the Banks guaranteeing the payment of any and all indebtedness and liabilities of the Borrower to each of the Banks, whether now existing or hereafter incurred pursuant to this Agreement.

3.1.e. Security Agreements. The Company shall have executed and delivered, and shall have caused each Guarantor Subsidiary to have executed and delivered, to the Administrative Agent (a) security

agreements in form and content satisfactory to the Banks granting to the Administrative Agent for the benefit of all of the Banks security interests (collectively, the "Security Interests") in all Accounts, Inventory, Equipment, Investment Property, Documents, Instruments, General Intangibles, Chattel Paper and Fixtures, whether now owned or existing or hereafter acquired or arising, wherever located, of the Company and each Guarantor Subsidiary and any and all products and proceeds thereof, as continuing collateral security for the payment of any and all indebtedness and liabilities, whether now owed or hereafter incurred, of the Borrower to any of the Banks and the Administrative Agent arising under this Agreement or any Collateral Document, (b) appropriate financing statements to perfect the Security Interests, which Security Interests shall at the time of the execution of this Agreement, be superior to all other liens and security interests in such property except Permitted Encumbrances.

3.1.f. Uniform Commercial Code

Searches. The Administrative Agent shall be in receipt of searches of the appropriate filing records in each office where financing statements must be filed pursuant to Section 3.1(e) in order to confirm the priority of the Security Interests, except as otherwise determined by all of the Banks.

3.1.g. Subsidiary Action. Each

Guarantor Subsidiary other than the Borrower (a) shall have taken all necessary and appropriate corporate action and the Boards of Directors of each Guarantor Subsidiary shall have adopted resolutions authorizing the execution and delivery of the Guaranties executed by it and the taking of all action called for thereby, and (b) shall have furnished to the Administrative Agent copies, certified as of the date of the execution of this Agreement, of such corporate action and such other corporate documents as any of the Banks shall reasonably request.

3.1.h. Opinion. Independent Counsel

for the Company and its Subsidiaries, Lippes, Silverstein, Mathias & Wexler, LLP, shall have furnished to the Administrative Agent, with a signed copy for each Bank, its favorable opinion, in form and content satisfactory to each of the Banks and their counsels, dated the date of the execution of this Agreement, as to the matters referred to in Sections 4.1, 4.2, 4.4, 4.5 and 4.6 of this Agreement.

3.1.i. Certificates. The Company shall

have caused to be delivered to the Administrative Agent a Compliance Certificate appropriately completed and insurance certificates, binders or policies evidencing compliance with Section 5.6.

3.1.j. Other Matters. All matters incidental to the execution and delivery of this Agreement, the Revolving Note and the Guaranties, and all action required on the part of the Borrower, the Company and each Subsidiary by this Agreement, shall be satisfactory to each of the Banks and their counsels.

3.2 Conditions to Subsequent Extensions of Credit. Subsequent to the satisfaction of the conditions set forth in Section 3.1, each request to the Administrative Agent for an Advance or to Chase for a Letter of Credit shall constitute confirmation by the Borrower and the Company of all the matters set forth in the form of the Compliance Certificate - General in the form of Exhibit B as of the date of the Advance or the Letter of Credit in the same manner as if a written Compliance Certificate had been delivered, and the statements made shall be true on the date of such extension of credit. No Advance shall be made nor Letters of Credit issued if such certification is not made or if the Administrative Agent has received written notice from any Bank that it believes that a Default exists.

ARTICLE IV. Representations and Warranties

Each of the Borrower and the Company makes the following representations and warranties, which shall be deemed to be continuing representations and warranties so long as any indebtedness of the Borrower to any of the Banks, Chase or the Administrative Agent, including indebtedness for fees and expenses, shall remain unpaid, any Letter of Credit shall remain outstanding or the Commitments shall remain in effect:

4.1 Good Standing and Authority. Each of the Borrower, the Company and each of the Subsidiaries is a corporation, duly organized, validly existing, and in good standing under the laws of the state of its incorporation; has powers and authority to transact the business in which it is engaged; is duly licensed or qualified and in good standing in each jurisdiction in which the conduct of such business requires such licensing or such qualification, which singly or in the aggregate is material to the operations of the Company on a Consolidated basis; and has all necessary power and authority to enter, as appropriate, this Agreement and to execute, deliver and perform this Agreement, the Revolving Note, the Guaranties and any other document executed in connection with this Agreement, all of which have been duly authorized by all proper and necessary corporate and shareholder action.

4.2 Valid and Binding Obligation. This Agreement, the Revolving Note, the Guaranties and any other document executed in connection herewith have been duly executed and delivered by the Borrower, the Company and each of the Guarantor Subsidiaries and constitutes the legal, valid and binding obligations of the Borrower, the Company and each Guarantor Subsidiary, as the case may be, enforceable against the

Borrower, the Company or such Guarantor Subsidiary, as the case may be, in accordance with their respective terms.

4.3 Good Title. Each of the Borrower, the Company and each of the Guarantor Subsidiaries has good and marketable title or a valid leasehold interest to all of its assets, none of which is subject to any Lien except Permitted Encumbrances.

4.4 No Pending Litigation. There are not any actions, suits, proceedings (whether or not purportedly on behalf of the Borrower, the Company or any Subsidiary) or investigations pending or, to the knowledge of the Borrower or the Company, threatened against the Borrower, the Company or any Subsidiary or any basis therefor, which, if adversely determined, would, in any case or in the aggregate, materially adversely affect the property, assets, financial condition or business of the Company on a Consolidated basis or materially impair the right or ability of the Borrower, the Company or any Subsidiary to carry on its operations substantially as now conducted or anticipated to be conducted in the future, or which question the validity of this Agreement, the Revolving Note, the Guaranties or other documents required by this Agreement, or any action taken or to be taken pursuant to any of the foregoing.

4.5 No Consent or Filing. No consent, license, approval or authorization of, or registration, declaration or filing with, any court, governmental body or authority or other Person is required on the part of the Borrower, the Company or any Subsidiary in connection with the valid execution, delivery or performance of this Agreement, the Revolving Note, the Guaranties or other documents required by this Agreement or in connection with any of the transactions contemplated thereby.

4.6 No Violations. Neither the Borrower, the Company nor any Subsidiary is in violation of any term of its certificate of incorporation or by-laws, or of any mortgage, borrowing agreement or other instrument or agreement pertaining to Indebtedness for borrowed money which might reasonably be expected to result in a material and adverse effect, singly or in the aggregate to the Company on a Consolidated basis, upon its business or assets. Neither the Borrower, the Company nor any Subsidiary is in violation of any term of any other indenture, instrument, or agreement to which it is a party or by which it may be bound, resulting, or which might reasonably be expected to result, in a material and adverse effect, singly or in the aggregate to the Company on a Consolidated basis, upon its business or assets. Neither the Borrower, the Company nor any Subsidiary is in violation of any order, writ, judgment, injunction or decree of any court of competent jurisdiction or of any statute, rule or regulation of any competent governmental authority which might reasonably be expected to result in a material and adverse effect upon its business or

assets. The execution and delivery of this Agreement, the Revolving Note, the Guaranties and other documents required by this Agreement and the performance of all of the same is and will be in compliance with the foregoing and will not result in any violation or result in the creation of any Lien upon any properties or assets. There exists no fact or circumstance not disclosed in this Agreement, in the documents furnished in connection herewith or the Company's filings under the Securities Exchange Act of 1934, which materially adversely affects or in the future (so far as the Borrower or the Company can now foresee) may materially adversely affect the condition, business or operations of the Company on a Consolidated basis, except those facts and circumstances which generally affect all Persons engaged in the Borrower's or the Company's lines of business.

4.7 Financial Statements. The Company has made available to each Bank audited financial statements of the Company on a Consolidated basis showing its financial condition as of December 31, 1997 and December 31, 1998 and its cash flows for the fiscal year then ended. All financial statements have been prepared in accordance with GAAP consistently applied throughout the intervals involved. Since the date of the last such financial statements to the date of execution hereof, there have not been any material adverse changes in the financial condition of the Company from that disclosed in such financial statements, except as disclosed in the Company's interim financial statement as of and for the period ended June 30, 1999. None of the property or assets shown in the financial statements delivered to the Banks has been materially adversely affected as the result of any fire, explosion, accident, flood, drought, storm, earthquake, condemnation, requisition, statutory or regulatory change, act of God, or act of public enemy or other casualty, whether or not insured.

4.8 Tax Returns. The Borrower and the Company have duly filed all federal and other tax returns required to be filed for themselves and all Subsidiaries and have duly paid all taxes required by such returns.

4.9 Federal Regulations. Neither the Borrower, the Company nor any Guarantor Subsidiary is engaged principally, or as one of its important activities, in the business of extending or arranging for the extension of credit for the purpose of purchasing or carrying "margin stock" (as defined in Regulations G and U issued by the Board of Governors of the Federal Reserve System). Likewise, neither the Borrower, the Company nor any Guarantor Subsidiary owns nor intends to carry or purchase any such "margin stock", and the Borrower will not use the proceeds of any Advance to purchase or carry (or refinance any borrowing the proceeds of which were used to purchase or carry) any such "margin stock". Neither the Borrower, the Company nor any Guarantor Subsidiary is

an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company," or a "subsidiary company" 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, as amended.

4.10 ERISA Matters. No Plan has been terminated or partially terminated or is insolvent or in reorganization, nor have any proceedings been instituted to terminate or reorganize any Plan; neither the Borrower, the Company nor any Subsidiary has withdrawn from any Plan in a complete or partial withdrawal, nor has a condition occurred which if continued would result in a complete or partial withdrawal; neither the Borrower, the Company nor any Subsidiary has incurred any withdrawal liability, including contingent withdrawal liability, to any Plan pursuant to Title IV of ERISA; neither the Borrower, the Company nor any Subsidiary has incurred any liability to the Pension Benefit Guaranty Corporation other than for required insurance premiums which have been paid when due; no Reportable Event has occurred and is continuing; and no Plan or other "employee pension benefit plan" as defined in Section 3(2) of ERISA to which the Borrower, the Company or any Subsidiary is a party has an "accumulated funding deficiency" (whether or not waived) as defined in Section 302 of ERISA or in Section 412 of the Code. Each Plan and each other "employee benefit plan" as defined in Section 3(3) of ERISA to which the Borrower, the Company or any Subsidiary is a party is in substantial compliance with ERISA, and no such plan, nor any administrator, trustee or fiduciary thereof, to the best knowledge of the Borrower and the Company, has engaged in a prohibited transaction described in Section 406 of ERISA or in Section 4975 of the Code.

4.11 Subsidiaries. The Borrower and the Company have no Subsidiaries except as listed in Schedule 4.11 of this Agreement.

4.12 Compliance. The present conduct of the business and operations of the Borrower, the Company and each Guarantor Subsidiary and the present ownership and use of each asset of the Borrower, the Company and each Subsidiary are in compliance in all material respects with each applicable statute, regulation and other law (including, but not limited to, the Environmental Protection Act, the Occupational Health and Safety Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act), except where non-compliance would not result in a material adverse effect, singly or in the aggregate to the Company on a Consolidated basis, upon its business or assets. Each authorization, approval, permit, consent, franchise and license from, each registration and filing with, each declaration, report and notice to, and each other act by or relating to, any Person necessary for the present or anticipated conduct of the business or operations

of, or for the present or anticipated ownership or use of any asset, material singly or in the aggregate to the Company on a Consolidated basis has been duly obtained, made, given or done, and is in full force and effect.

4.13 Fiscal Year. The fiscal year of the Borrower and the Company is the year ending December 31.

4.14 Default. There does not exist any Default or Event of Default.

4.15 Indebtedness for Borrowed Money. The Borrower, the Company and each of the Guarantor Subsidiaries have no Indebtedness arising from the borrowing of any money, except for Indebtedness committed or outstanding on the date of this Agreement pursuant to any lease, loan or credit facility fully and accurately described in Schedule 4.15 to this Agreement.

4.16 Securities. Each outstanding share of stock, debenture, bond, note and other security of the Borrower, the Company and each Subsidiary has been validly issued in full compliance with each statute, regulation and other law, and, if a share of stock, is fully paid and nonassessable.

4.17 Inventory Locations. All of the Borrower's, the Company's and each of the Subsidiaries' Inventory is located at the locations set forth in Schedule 4.17 attached hereto and made a part hereof.

4.18 Environmental Matters.

(a) No above ground or underground storage tanks containing Hazardous Substances are located on any property owned, leased or operated by the Company or any Subsidiary, except for storage tanks containing diesel fuel, gasoline or waste oil, which tanks are in compliance with all applicable Environmental Laws. No above ground or underground storage tanks containing Hazardous Substances have been located on any such property except for tanks which were removed in compliance with applicable Environmental Laws.

(b) No property owned, leased or operated by the Company or any Subsidiary is or has been used for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, in violation of any law, except as disclosed on Schedule 4.18.

(c) To the knowledge of the Borrower and/or the Company, no Release of a Hazardous

Substance, which would be in violation of any law is occurring or is threatened on, at, from or near any property owned, leased or operated by the Company or any Subsidiary, which through soil, subsoil, bedrock, surface water or groundwater migration is located on the property owned, leased or operated by the Company or any Subsidiary, except as disclosed on Schedule 4.18.

(d) Neither the Company nor any Subsidiary is subject to any existing, pending or, to the knowledge of the Company or Borrower, threatened suit, claim, notice of violation or request for information under any of the Environmental Laws, except as disclosed on Schedule 4.18.

(e) The Company and each Subsidiary are in compliance with all Environmental Laws to the effect that any violation would not have a material adverse effect upon the business or operations of the Company on a Consolidated basis.

(f) All Environmental Permits have been obtained or applied for and are in full force and effect.

(g) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of any property owned, leased or operated by the Company or any Subsidiary which require any change in condition or any work, repairs, construction, containment, clean up, investigation, study, removal or other remedial action or capital expenditures.

ARTICLE V. Affirmative Covenants

During the term of this Agreement, and so long thereafter as any indebtedness of the Borrower to any of the Banks, Chase or the Administrative Agent, including any indebtedness for fees and expenses, shall remain unpaid, any Letter of Credit shall remain outstanding or the Commitments shall remain in effect, the Borrower and the Company, unless written consent of the Administrative Agent is obtained, will:

5.1 Payments. Cause the Borrower to punctually pay or cause to be paid the principal of and interest on all Indebtedness and all fees incurred by it pursuant to this Agreement in the manner set forth in this Agreement.

5.2 Future Financial Statements. Furnish to each of the Banks (a) within ninety (90) days after and as at the close of each fiscal year, a Consolidated balance sheet and Consolidated statements of operations and earnings and changes in financial position of the Company and all Subsidiaries (including, without limitation, the Borrower), each examined and reported

upon by an independent certified public accounting firm reasonably satisfactory to the Banks, and prepared in accordance with GAAP, which report shall not contain any qualification or disclaimer of opinion by reason of audit limitations imposed by Borrower or Company, together with Compliance Certificates in the forms of Exhibits A and B certified by an appropriate financial officer of the Borrower and the Company; (b) promptly, after preparation, copies of all such proxy statements, financial statements and reports which the Company sends to its stockholders, and copies of all regular, periodic and special reports, as well as all registration statements, which the Company files with the Securities and Exchange Commission, including, but not limited to, Forms 10-K and 10-Q; (c) promptly after the filing thereof with the Pension Benefit Guaranty Corporation, a copy of each annual report filed with respect to each Plan; (d) within forty-five (45) days after and as at the close of each of its fiscal quarters of each year, a Consolidated and consolidating balance sheet and related Consolidated and consolidating statement of operations and earnings and changes in financial position of the Company and all Subsidiaries (including, without limitation, the Borrower) for the previous fiscal quarter and from the beginning of the fiscal year to the end of such fiscal quarter, except consolidating financial statements shall only be required as of and for the period ending at the close of a fiscal year, together with comparisons to the previous year, if appropriate, and to budget projections, prepared by the Company internally in accordance with GAAP, and certified by an appropriate financial officer of Borrower and Company, together with a Compliance Certificate - Financial Covenants in the form of Exhibit A; (e) any and all information regarding Borrower's and the Company's business, condition or operations, financial or otherwise, which is furnished to any other creditor, upon the request of the Banks; and (f) such additional information, books, records, reports or statements as the Administrative Agent or any of the Banks may from time to time reasonably request regarding the financial and business affairs of the Borrower, the Company and each Subsidiary, all prepared in form and detail satisfactory to the Banks.

5.3 Books and Records. Maintain true and complete records and books in accordance with generally accepted accounting principles consistently applied including, without limiting the generality of the foregoing, appropriate reserves for possible losses and liabilities and notify each Bank promptly in writing of any proposed change in the location at which such books and records are maintained.

5.4 Corporate Standing. Maintain, and cause each Subsidiary to maintain, its corporate existence in good standing except any Subsidiary may merge into or consolidate with the Company or any other Subsidiary so long as such Subsidiary has executed and delivered a Guaranty in favor of the Administrative Agent for the

benefit of the Banks (to the extent required by Section 3.1.d), and remain or become duly licensed or qualified and in good standing in each jurisdiction in which the conduct of its business requires such qualification or licensing.

5.5 Discharge of Obligations. Cause to be paid and discharged all obligations when due and all lawful taxes, assessments and governmental charges or levies imposed upon the Borrower, the Company or any Subsidiary, or upon any property, real, personal or mixed, belonging to the Borrower, the Company or any Subsidiary, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon the property or any part of it. Notwithstanding the previous sentence, neither the Borrower, the Company nor any Subsidiary shall be required to cause to be paid and discharged any obligation, tax, assessment, charge, levy or claim so long as its validity is contested in the normal course of business and in good faith by appropriate and timely proceedings and the Borrower, the Company or any Subsidiary, as the case may be, sets aside on its books adequate reserves with respect to each tax, assessment, charge, levy or claim so contested, nor shall the Borrower, the Company nor any Subsidiary be required to pay or discharge any trade liability which is not past its stated due date by more than thirty (30) days.

5.6 Insurance. (a) Keep, and cause each Subsidiary to keep, all its property so insurable insured at all times with responsible insurance carriers satisfactory to each of the Banks against fire, theft and other risks in coverage, form and amount satisfactory to each of the Banks; (b) keep, and cause each Subsidiary to keep, adequately insured at all times in reasonable amounts with responsible insurance carriers against liability on account of damage to persons or property and under all applicable worker's compensation laws; (c) promptly deliver to the Administrative Agent certificates of insurance or any of those insurance policies required to be carried pursuant hereto, with appropriate endorsements designating the Administrative Agent for the benefit of the Banks as their interests may appear as a named insured or loss payee as requested by the Administrative Agent; and (d) cause each such insurance policy to contain a thirty (30) day notice of cancellation or material change in coverage provision satisfactory to the Administrative Agent.

5.7 Examinations. Permit the Banks or their agents at all reasonable times to visit and inspect any and all properties of Borrower, Company or any Guarantor Subsidiary and to examine and make extracts from or copies of any of Borrower's, Company's or its Guarantor Subsidiary's books, ledgers, reports, correspondence and other records, and discuss their affairs, finances and accounts with officers of Borrower, Company and each Guarantor Subsidiary.

5.8 Litigation. Promptly notify each of the Banks in writing as soon as the Borrower or Company has knowledge thereof, of the institution or filing of any litigation, action, suit, claim, counterclaim, or administrative proceeding against, or investigation of, the Borrower, the Company or any Subsidiary to which the Borrower, the Company or any Subsidiary is a party by or before any regulatory body or governmental agency (a) the outcome of which involves more than \$2,000,000.00 singularly or cumulatively, except for litigation in which the contingent liability is fully covered by insurance, or (b) which questions the validity of this Agreement, the Revolving Note, any of the Guaranties or any action taken or to be taken pursuant to any of the foregoing; and furnish or cause to be furnished to any Bank such information regarding the same as such Bank may request.

5.9 Judgments. Promptly notify each of the Banks in writing as soon as the Company or Borrower has knowledge thereof, of any judgment, order or award of any court, agency or other governmental agency or any arbitrator, (a) the outcome of which may materially and adversely affect the finances or operations of the Borrower, the Company or any Subsidiary or the Company's or Borrower's ability to fulfill its obligations hereunder or which involves more than \$1,000,000.00 unless adequately covered by insurance, or (b) renders invalid this Agreement, the Revolving Note, any of the Guaranties or any action taken or to be taken pursuant to any of the foregoing, and furnish or cause to be furnished to any Bank such information regarding the same as such Bank may request.

5.10 Fair Labor Standards Act. Comply with, and cause each Subsidiary to comply with, the provisions of the Fair Labor Standards Act of 1938, as amended.

5.11 Notice. Promptly notify the Administrative Agent in writing with full details of any Default or Event of Default, or which might materially and adversely affect the financial condition or operations of the Borrower, the Company or any Guarantor Subsidiary.

5.12 Environmental Compliance.

(a) Comply with all Environmental Laws.

(b) Not cause or permit any change to be made in the present or intended use of any property owned, leased or operated by the Company or any Subsidiary which would (i) involve the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or the use of any such property as a landfill or other waste disposal site or for the storage of petroleum or petroleum based products (except in compliance with applicable Environmental Laws), (ii)

violate any applicable Environmental Laws, or (iii) constitute non-compliance with any Environmental Permit.

(c) Deliver promptly to each of the Banks (i) copies of any documents received from the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning the Company's operations except documents of general applicability; and (ii) copies of any documents submitted by the Company to the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning its operations, except submissions in the ordinary course of business.

5.13 Year 2000 Compliance. Any reprogramming required to permit the proper functioning in and following the year 2000, of (i) the Borrower's, the Company's and each Subsidiary's computer systems and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which the Borrower's, the Company's and each Subsidiary's systems interface) which is material to the business of the Borrower, the Company or a Subsidiary, as applicable, and the testing of all such systems and equipment, as so reprogrammed, has been completed. The cost to the Borrower, the Company or any Subsidiary of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the Borrower or the Company (including, without limitation, reprogramming errors and the failure of other systems or equipment) will not result in an Event of Default, a Default or a material adverse effect on the Company or the Borrower.

ARTICLE VI. Negative Covenants

During the term of this Agreement and so long thereafter as any of the Indebtedness of the Borrower to any of the Banks, Chase or the Administrative Agent, including any Indebtedness for fees and expenses, shall remain unpaid, any Letter of Credit shall remain outstanding or the Commitments shall remain in effect, neither the Borrower, the Company nor any of the Guarantor Subsidiaries, without prior written consent of the Administrative Agent, will:

6.1 Business Operations. Make or permit to be made any material change in the character of its business or operations.

6.2 Borrowed Money. Create, incur or suffer to exist or assume any Indebtedness for money borrowed, directly or indirectly, other than (i) Subordinated Debt; and (ii) existing Indebtedness and existing accommodations for Indebtedness as set forth on Schedule 4.15/6.2 attached hereto.

6.3 Guaranties. Guarantee, endorse or otherwise be or become liable or contingently liable in connection with the obligations or Indebtedness of any other Person, including any Subsidiary, directly or indirectly, except (i) as an endorser of instruments for the payment of money deposited to its bank account for collection in the ordinary course of business; and (ii) the Company and the Borrower may guaranty IRB obligations of Gibraltar Steel of Tennessee in the original principal amount of \$8,000,000.00, (iii) the Company and/or the Borrower may guaranty obligations of any Subsidiary to Third Persons not to exceed \$4,000,000.00 in the aggregate at any time, and (iv) the Company may guaranty IRB obligations of Solar Group, Inc. in a principal amount not to exceed \$340,000.00.

6.4 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets, income or profits, whether now owned or hereafter acquired, or pledge or encumber any assets, except (i) in favor of the Administrative Agent for the benefit of the Banks; and (ii) in favor of any Bank or other third Person as listed in Schedule 6.4. Borrower has not, and so long as this Agreement is in effect, will not, enter into any covenant or agreement with any other person or entity that prohibits the granting or existence of a lien in the personal or real property of Borrower in favor of the Administrative Agent, as administrative agent and for the benefit of the Banks.

6.5 Accumulated Funding Deficiency. Incur (i) any accumulated funding deficiency within the meaning of ERISA equal to five (5) percent or more of Consolidated Tangible Net Worth; or (ii) any liability of comparable size to the Pension Benefit Guaranty Corporation.

6.6 Compliance with Law. Violate any law or regulation, order, writ, injunction or decree of any court or governmental instrumentality or breach any agreement to which Borrower, Company or any Subsidiary is subject or in default thereunder, which violation or breach would have a material adverse effect on the Company on a Consolidated basis.

6.7 Expansions, Mergers, Acquisitions and Joint Ventures. Enter into any Expansion, or merge into or consolidate with, exchange or acquire the stock or assets of, or enter into any joint venture or partnership with, any third Person, except (i) any Subsidiary may merge into or consolidate with the Company or any other Subsidiary so long as such other Subsidiary has executed and delivered a Guaranty in favor of the Administrative Agent for the benefit of the Banks to the extent required by Section 3.1.d; and (ii) the Company or any Subsidiary may enter into an Expansion, may merge or consolidate with, acquire the stock or assets of, or enter into a joint venture or partnership with, any third Person if (a) the Company and the Borrower are surviving corporations, (b) immediately thereafter and after giving effect thereto,

no Default or Event of Default exists, and (c) the investments in such Expansions, joint ventures, partnerships and the book value of the assets of the third Person being merged or consolidated, together with the purchase price of the stock or assets being acquired, do not exceed \$40,000,000.00 in the aggregate from the date of this Agreement and for the entire period this Credit is outstanding, and (d) the third Person with which the Company, the Borrower or such Subsidiary merges, or which the Company, the Borrower or any Subsidiary acquires, is in a business of a character already performed by the Company, the Borrower or such Subsidiary, as applicable, or of a type reasonably related thereto.

6.8 Loans and Advances. Make any loans or advances to any Person, except (i) trade credit extended in the ordinary course of business; (ii) advances made in the usual course of business to officers and employees for travel and other out-of-pocket expenses incurred by them on behalf of Borrower, the Company or any Subsidiaries in connection with their business; (iii) the Borrower and the Company may advance amounts from time to time to each other or to any Subsidiary, for working capital purposes in the ordinary course of business and for other purposes permitted under the other provisions of this Agreement which would not be in violation of any of the terms or provisions of this Agreement and (iv) advances to Persons not in excess of \$1,000,000.00 in the aggregate at any one time outstanding.

6.9 Subsidiaries. In the case of Borrower, organize or cause to exist any Subsidiaries (other than those Subsidiaries listed on Schedule 4.1), unless, upon the request of the Banks, such corporation executes a guaranty in the form of the Guaranty executed by each Guarantor Subsidiary pursuant to Section 3.1.d.

6.10 Dividends. In the case of Company, upon the occurrence of and during the existence of a Default or an Event of Default, declare or pay dividends or make any capital distributions.

6.11 Voting Stock. In the case of Company, sell, convey, transfer, assign, pledge or otherwise encumber any of the voting stock of Borrower or any other Subsidiary to any Person.

6.12 Sale of Assets. Convey, sell, transfer, lease or sell and lease back all or a substantial portion of its property, assets, or business to any other Person, except for sales of Inventory in the ordinary course of business. For purposes of this Section 6.12, "substantial portion" shall mean any and all purchases or transfer prices in excess of five (5%) percent of the Company's Tangible Net Worth on a Consolidated basis in the aggregate in any one fiscal year, and any transaction shall be permissible only if no Default shall occur as a result of the transaction.

6.13 Lease Rentals. Pay, in the case of the Company on a Consolidated basis, rentals under any operating or true lease in excess of \$5,000,000.00 in the aggregate during any fiscal year.

6.14 [Intentionally omitted]

6.15 Interest Coverage Ratio. Permit, in the case of the Company on a Consolidated basis, the ratio of Earnings before Taxes and Interest plus depreciation and amortization minus Capital Expenditures (excluding Capital Expenditures made in connection with permitted acquisitions) to interest payable on Total Liabilities, calculated on an annual rolling basis of four fiscal quarters, to be less than 3.0 to 1.0 as of the last day of any fiscal quarter.

6.16 Net Worth. Permit, in the case of the Company on a Consolidated basis, the Net Worth (a) as of the last day of any fiscal quarter to be less than \$120,000,000 plus 50% of Cumulative Net Income (as defined below). Cumulative Net Income means net income of the Company on a Consolidated basis from June 30, 1997 through the end of the fiscal quarter for which the calculation of Net Worth is being made.

6.17 Funded Debt/EBITDA. Permit, in the case of the Company on a Consolidated basis, (a) the ratio of Funded Debt (as defined below) to Earnings before Interest and Taxes plus depreciation and amortization ("EBITDA") as of the last day of any fiscal quarter, to be greater than 4.0 to 1.0 as of any fiscal quarter end or (b) the ratio of Senior Debt (as defined below) to EBITDA as of the last day of any fiscal quarter from the date hereof through September 30, 1999 to be greater than 3.5 to 1.0, from December 31, 1999 through September 30, 2000 to be greater than 3.25 to 1.0 or thereafter to be greater than 3.0 to 1.0, such calculations to be based on an annual rolling basis of four quarters.

"Funded Debt" means debt for money borrowed which is bearing interest. "Senior Debt" means Funded Debt which is not Subordinated Debt. For the purposes of calculating this covenant, upon the consummation of a permitted acquisition, up to 12 month historical EBITDA of the acquired entity shall be included in the calculation of the ratio, subject to the Banks' review and approval, in their discretion, of such acquired entity's financial information provided, however, such historical EBITDA shall only be included in the calculation of Funded Debt if the applicable acquired entity's EBITDA is not included in the Consolidated EBITDA of the Company for the applicable month.

6.18 Current Ratio. Permit at any time, in the case of the Company on a Consolidated basis, the ratio of Current Assets to Current Liabilities to be less than 2.0 to 1.0.

ARTICLE VII. Default

7.1 Events of Default. The occurrence of any one or more of the following events shall constitute an event of default (individually, "Event of Default," or, collectively, "Events of Default"):

(a) Nonpayment. Nonpayment after the same becomes due whether by acceleration or otherwise of principal of or interest on the Revolving Note or of any fee or premium provided for hereunder.

(b) Negative Covenants. Default in the observance of any of the covenants or agreements of the Borrower or the Company contained in Article VI.

(c) Other Covenants. Default in the observance of any of the covenants or agreements of the Borrower or the Company contained in this Agreement, other than those specified in Article VI or Section 7.1(b) hereof, which is not remedied within twenty (20) days after notice thereof by the Administrative Agent to the Borrower and the Company.

(d) Voluntary Insolvency Proceedings. If the Company or any Subsidiary (i) shall file a petition or request for liquidation, reorganization, arrangement, adjudication as a bankrupt, relief as a debtor or other relief under the bankruptcy, insolvency or similar laws of the United States of America or any state or territory thereof or any foreign jurisdiction, now or hereafter in effect; (ii) shall make a general assignment for the benefit of creditors; (iii) shall consent to the appointment of a receiver or trustee for the Company or any Subsidiary or any of the Company's or any Subsidiary's assets, including, without limitation, the appointment of or taking possession by a "custodian" as defined in the federal Bankruptcy Code; (iv) shall make any, or send notice of any intended, bulk sale; or (v) shall execute a consent to any other type of insolvency proceeding (under the federal Bankruptcy Code or otherwise) or any formal or informal proceeding for the dissolution or liquidation of, or settlement of claims against or winding up of affairs of, the Company or any Subsidiary.

(e) Involuntary Insolvency Proceedings. The appointment of a receiver, trustee, custodian or officer performing similar functions for the Company or any Subsidiary or any of the Company's or any Subsidiary's assets, including, without limitation, the appointment of or taking possession by a "custodian" as defined in the federal Bankruptcy Code; or the filing against the Company or any Subsidiary of a request or petition for liquidation, reorganization, arrangement, adjudication as a bankrupt or other relief under the

bankruptcy, insolvency or similar laws of the United States of America or any state or territory thereof or any foreign jurisdiction, now or hereafter in effect; or the institution against the Company or any Subsidiary of any other type of insolvency proceeding (under the federal Bankruptcy Code or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Company or any Subsidiary, and the failure to have such appointment vacated or such filing, petition or proceeding dismissed within ninety (90) days after such appointment, filing or institution.

(f) Representations. If any certificate, statement, representation, warranty or financial statement furnished by or on behalf of the Company or any Subsidiary pursuant to or in connection with this Agreement (including, without limitation, representations and warranties contained herein and in the Guaranties) or as an inducement to the Banks to enter into this Agreement or any other lending agreement with the Borrower, the Company or its other Subsidiaries shall prove to have been false in any material respect at the time as of which the facts therein set forth were represented, or to have omitted any substantial contingent or unliquidated liability or claim against the Company or any Subsidiary required to be stated therein, or if on the date of the execution of this Agreement there shall have been any materially adverse change in any of the facts disclosed by any such statement or certificate, which change shall not have been disclosed by the Company or the Borrower to all of the Banks at or prior to the time of such execution.

(g) Other Indebtedness and Agreements. Nonpayment by the Borrower, the Company or any other Subsidiary of any Indebtedness (other than as evidenced by the Revolving Note) owing by the Borrower, the Company or any other Subsidiary when due (or, if permitted by the terms of the applicable document, within any applicable grace period), whether such Indebtedness shall become due by scheduled maturity, by required prepayment, by acceleration, by demand or otherwise, or failure to perform any term, covenant or agreement on its part to be performed under any agreement or instrument (other than this Agreement and the Guaranties) evidencing or securing or relating to any Indebtedness owing by the Borrower, the Company or any other Subsidiary when required to be performed if the effect of such failure is to accelerate or to permit the holder to accelerate the maturity of such Indebtedness.

(h) Judgments. If any judgment or judgments in excess of \$500,000.00 (other than any judgment for which it is fully insured) against the Borrower, the Company or any other Subsidiary remains unpaid, unstayed on appeal, undischarged, unbonded or

undismissed for a period of thirty (30) days after entry thereof.

(i) Pension Default.

i. The Company or any of its Subsidiaries (or any officer or director thereof) shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan,

ii. any "accumulated funding deficiency" (as defined in Section 302 of ERISA), shall exist with respect to any Plan,

iii. with respect to any Multiemployer Plan, the Company or any Commonly Controlled Entity fails to make a contribution required to be made thereto, or withdraws therefrom, where in either event the liability of the Company or such Commonly Controlled Entity is in excess of \$250,000.00,

iv. a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Plan which is not a Multiemployer Plan, which Reportable Event or institution of proceedings is, in the reasonable opinion of any Bank, likely to result in the termination of such Plan for purposes of Title IV of ERISA and, in the case of a Reportable Event, the continuance of such Reportable Event unremedied for ten (10) days after notice of such Reportable Event pursuant to Section 4043(a), (c) or (d) of ERISA is given or the continuance of such proceedings for ten (10) days after commencement thereof, as the case may be,

v. any Plan shall terminate for purposes of Title IV of ERISA, or

vi. any other similar event or condition shall exist which, together with all other events or conditions in clauses i. through vi. above, if any, would subject the Company or any of its Subsidiaries to any tax, penalty or other liabilities under ERISA in the aggregate material in relation to the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole.

(j) Guaranty. The occurrence of an event of default or breach of any term, covenant or provision of any Guaranty.

(k) Change of Control. Any Person or related Persons (other than members of the Kenneth Lipke family, their heirs or estates or trusts for the benefit of members of the Kenneth Lipke family) shall own 55% or more of outstanding capital stock of the

Company or a sufficient number of the shares of the outstanding capital stock of the Company to elect a majority of the Company's board of directors.

7.2 Effects of an Event of Default.

(a) Upon the happening of one or more Events of Default (except a default with respect to the Borrower under either Section 7.1(d) or 7.1(e) hereof), the Administrative Agent, shall upon the written direction of the Majority Banks and by notice to the Borrower declare the principal of the Revolving Note then outstanding to be immediately due and payable, together with all interest thereon and fees and expenses accruing under this Agreement and/or declare the Commitments of the Banks to be canceled. Upon any acceleration of the principal of the Revolving Note, the then outstanding balance shall become immediately due and payable without presentation, demand or further notice of any kind to the Borrower. Upon any cancellation of the Commitments set forth in this Agreement, any obligations the Banks may have to make Advances or to issue Letters of Credit shall be immediately canceled.

(b) Upon the happening of one or more Events of Default under Section 7.1(d) or 7.1(e) hereof with respect to the Borrower, the Commitments shall be canceled immediately, automatically and without notice, and the Revolving Note then outstanding shall become immediately due and payable without presentation, demand or notice of any kind to the Borrower.

(c) Upon the happening of any Event of Default, the Administrative Agent shall then exercise such rights and remedies specified under this Agreement, the Revolving Note and the Guaranties or under applicable law which it, but only with the written consent of the Majority Banks, deems appropriate under the circumstances in order to enforce such documents.

(d) Upon the happening of any Event of Default, the Administrative Agent may, and upon the request of the Majority Banks shall, require the Borrower to provide to the Administrative Agent for the benefit of the Banks cash collateral in an amount equal to face amount of issued and unexpired Letters of Credit available for drawings.

(e) Upon the happening of any Event of Default, the principal balances of any Swingloans shall be repaid by the making of an Advance by the Banks in an amount equal to the unpaid principal balances of the Swingloans, except in the case of the occurrence of an Event of Default under subsection 7.1(d) or 7.1(e) after which each of the Banks other than Chase shall purchase a participating interest in the unpaid principal balances of the Swingloans equal to its Percentage.

ARTICLE VIII. Relationship of Chase and the
Administrative Agent and the Banks

8.1 Appointment and Authorization. Each Bank hereby appoints The Chase Manhattan Bank as the Administrative Agent to act as Administrative Agent in connection with the administration of the Credit and the Guaranties and for such purpose, subject to specific restrictions herein including Sections 7.2 and 8.3, irrevocably authorizes the Administrative Agent to take such action and to exercise such rights, powers and discretions as are specifically delegated to the Administrative Agent in this Agreement and the Guaranties, together with all rights, powers and discretions as are reasonably incidental thereto, including, without limitation, the power to execute financing or similar statements or notices and other related documents relating to the transactions contemplated by the Guaranties. The Administrative Agent may perform any of its functions and duties under this Agreement or the Guaranties for the benefit of all the Banks by or through any agents or any of its directors, officers or employees. In performing any of its functions and duties under this Agreement or the Guaranties, the Administrative Agent shall not be deemed to be acting as a trustee for, or partner of, any Bank or to have assumed any relationship of agency, trust or partnership with or for the Borrower. In administering the Letters of Credit, Chase will use the same degree of care and skill as it exercises in the administration of letters of credit in which no participations are sold, but it shall not be under any liability to any Bank except for its own gross negligence or willful misconduct and except as stated in Section 2.2(d). Chase agrees that it will honor each drawing under a Letter of Credit in strict compliance with the requirements of the Letter of Credit under which it is drawn.

8.2 No Other Duties. Neither Chase nor the Administrative Agent shall have any duties or obligations other than those expressly provided for in this Agreement and the Guaranties, and neither Chase, the Administrative Agent, nor any of their directors, officers, employees or agents, shall be liable for any action taken or omitted to be taken in connection with this Agreement, the Guaranties, and other documents related thereto, the negotiation, preparation or execution thereof, or in connection with the syndication, implementation or administration of the Credit, the Guaranties, unless directly resulting from Chase's, the Administrative Agent's, or such directors', officers', employees' or agents' gross negligence or willful misconduct. The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall be responsible to all the Banks for the filing and refiling of statements to perfect and to continue the perfection of the Security Interests; the Administrative Agent shall not, by reason of this Agreement or the Guaranties, have a fiduciary relationship in respect of any Bank; and nothing in

this Agreement or the Guaranties, expressed or implied, is intended or shall be construed to impose upon Chase or the Administrative Agent any obligations in respect of this Agreement or any document in connection herewith or the Guaranties except as expressly set forth herein in such documents and this Agreement.

8.3 Copies and Notice of Event of Default or Default. The Administrative Agent shall (i) promptly forward to each Bank a copy of any notice or document received by the Administrative Agent from the Borrower pursuant to this Agreement; (ii) promptly notify each Bank of the occurrence of any Event of Default or Default of which the Administrative Agent has actual knowledge; and (iii) consult with and secure the written consent of the Majority Banks with respect to the enforcement of this Agreement, the Revolving Note and the Guaranties.

8.4 Certain Rights of Chase and the Administrative Agent.

(a) If Chase or the Administrative Agent shall request instructions from the Majority Banks with respect to any act or action (including failure to act) in connection with this Agreement, the Guaranties or any other document related thereto, Chase and the Administrative Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Majority Banks; and neither Chase nor the Administrative Agent shall incur liability to any Person by reason of so refraining. Chase and the Administrative Agent shall be fully justified in failing or refusing to take any action hereunder or under this Agreement, the Guaranties, or any document related thereto (i) if such action would, in its opinion, be contrary to law or the terms of this Agreement, the Guaranties, or any document related thereto, (ii) if it shall not receive such advice or concurrence of the Majority Banks as it deems appropriate in accordance with the terms hereof, or (iii) if it shall not first be indemnified to its reasonable satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the foregoing, no Bank shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder, under the Guaranties, or under any document related thereto, in accordance with the instructions of the Majority Banks.

(b) Chase and the Administrative Agent may, without liability to the Borrower or any Bank, (i) rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telephone notice, telex or teletype message, statement, order or other document or conversation believed by Chase or the Administrative Agent to be

genuine and correct and to have been signed, sent or made by the Person or Persons by whom it purports to have been communicated or signed and (ii) employ in Administrative Agent's sole discretion and rely on the advice and opinions received by them from any professional adviser, including, without limitation, legal counsel, independent accountants or other experts, whether or not such professional adviser was selected by the Administrative Agent, and the Borrower and each Bank hereby waives any claim or action it may have against the Administrative Agent or Chase arising out of or resulting from such employment or reliance, except in the case of Chase's or the Administrative Agent's gross negligence or willful misconduct.

(c) All moneys realized by the Administrative Agent from any payment or other recovery from the Borrower, the Company or any Subsidiary from any of the Guaranties or otherwise shall be applied by the Administrative Agent against the following in following priority: first, to costs and expenses of Chase, the Administrative Agent or any Bank which are reimbursable by the Borrower or otherwise pursuant to this Agreement and the Revolving Note; second, to interest on the Revolving Note and fees payable to the Banks and the Administrative Agent pursuant to this Agreement; third, to the unpaid principal balances of the Revolving Note and the outstanding unreimbursed face amounts of any Letters of Credit; and fourth, any remaining moneys shall be paid over to such other Person as is entitled thereto.

8.5 Waiver of Liability of Administrative Agent. The Administrative Agent shall not have any liability or, as the case may be, any duty or obligation:

(a) To the Borrower or the Company on account of any failure of any Bank other than the Administrative Agent to perform, or the delay of any Bank other than the Administrative Agent in the performance of, any of its respective obligations under this Agreement, the Guaranties or any of the other documents in connection herewith;

(b) To any Bank on account of any failure or delay in performance by either the Borrower, the Company or any Subsidiary of any of its obligations under this Agreement, the Guaranties or any of the other documents in connection herewith unless such failure or delay is a result of the Administrative Agent's gross negligence or willful misconduct;

(c) To any Bank for (i) the accuracy of any written or oral statements furnished or made by the Borrower, the Company or by any Person (including the Administrative Agent) on behalf of the Borrower or the Company in connection with the Credit, (ii) the accuracy of any representation, warranty or statement made by the Borrower in or pursuant to this Agreement,

the Guaranties or any of the other documents in connection herewith, or (iii) the legality, validity, effectiveness, enforceability or sufficiency of this Agreement, the Guaranties, any other document in connection herewith, or any other document referred to herein;

(d) To any Bank to provide either initially or on a continuing basis (except as expressly required by Section 8.3 and 8.6 hereof) any information with respect to the Borrower or its condition, or for analyzing or assessing or omitting to analyze or assess the status, creditworthiness or prospects of the Borrower, the Company or any of its Subsidiaries;

(e) To any Bank to investigate whether or not any Default or Event of Default has occurred (and the Administrative Agent may assume that, until Administrative Agent shall have actual knowledge or shall have received notice from any Bank, the Company or the Borrower to the contrary, no such Default or Event of Default has occurred);

(f) To any Bank to account for any sum or profit or any property of any kind received by Administrative Agent arising out of any present or future banking or other relationship with the Borrower or with any other Person except the relationship established pursuant to this Agreement or the Guaranties;

(g) To any Bank to disclose to any Person any information relating to the Borrower, the Company or any other Subsidiary received by Administrative Agent if, in Administrative Agent's determination (such determination to be conclusive), such disclosure would or might constitute a breach of any law or regulation or be otherwise actionable by suit against Administrative Agent by the Borrower or any other Person;

(h) Other than as expressly required by this Agreement or as expressly agreed to by the Banks, to take any action or refrain from taking any action; and

(i) To commence any legal action or proceeding arising out of or in connection with this Agreement or the Guaranties until Administrative Agent shall have been indemnified by the Borrower or by the Banks according to their Percentages to Administrative Agent's satisfaction against any and all costs, claims and expenses (including, but not limited to, attorneys' fees and expenses) in respect of such legal action or proceeding.

8.6 Non-Reliance on Administrative Agent and Other Banks. Each Bank expressly acknowledges that the Administrative Agent has not made any representations or warranties to such Bank and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower, shall be deemed

to constitute any representation or warranty by the Administrative Agent to any Bank. Each Bank represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Borrower and the Company, and made its own decision to enter into this Agreement, and each Bank hereby releases the Administrative Agent from any and all liability to such Bank in connection with the Administrative Agent's investigation and appraisal of the Borrower's or the Company's financial affairs, financial condition, and creditworthiness. Each Bank also represents that it will, independently and without reliance upon the Administrative Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement or the Guaranties and to make such investigation as it deems necessary to inform itself as to the status and affairs, financial or otherwise, of the Borrower and the Company. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrower and the Company of this Agreement, the Guaranties or any other document referred to or provided for herein or to inspect the properties or books of the Borrower, the Company or any of its other Subsidiaries. Except for notices, reports, and other documents and information expressly required to be furnished to each of the Banks by the Administrative Agent under this Agreement or the Guaranties, the Administrative Agent shall have no duty or responsibility to provide any Bank with any credit or other information concerning the affairs, financial condition or business of the Borrower, the Company or any of its other Subsidiaries which may come into the possession of the Administrative Agent.

8.7 Indemnification. Each Bank agrees to indemnify Chase, in its capacity as issuer of Letters of Credit and the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower or the Company), as well as its directors, officers, employees or agents, ratably according to its respective Percentage from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, those expenses specified in Article IX hereof which may at any time (including, without limitation, at any time following the payment of the Revolving Note) be imposed on, incurred by or asserted against Chase or the Administrative Agent, its directors, officers,

employees or agents, in any way relating to or arising out of this Agreement or the Guaranties or any action taken or omitted by the Administrative Agent, its directors, officers, employees or agents, under or in connection with any of the foregoing; provided, however, that no Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent that they result from the Administrative Agent's or Chase's gross negligence or willful misconduct. The agreements in this Section 8.7 shall survive the payment of the Revolving Note, the expiration or other termination of the Letters of Credit and the termination of this Agreement and the Guaranties.

8.8 Administrative Agent in Its Individual Capacity. The Administrative Agent in its individual capacity and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower, the Company and any of its other Subsidiaries as though the Administrative Agent were not the Administrative Agent hereunder.

8.9 Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to all the Banks, the Borrower, and the Company. Upon any such resignation, Fleet Bank shall have the right to become the successor Administrative Agent. If, however, within ten (10) days upon receiving notice of the Administrative Agent's resignation Fleet Bank does not accept the position as successor Administrative Agent by giving written notice thereof to all the Banks, the Borrower, and the Company, then the Majority Banks shall have the right to appoint a successor Administrative Agent other than Fleet Bank. If no successor Administrative Agent shall have been so appointed by the Majority Banks and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of all the Banks, appoint a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, duties and obligations of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations thereafter under this Agreement. Administrative Agent shall continue to perform its duties hereunder until a successor Administrative Agent shall have been appointed and accepts such appointment in writing. After any retiring Administrative Agent's resignation, the provisions of this Article VIII, including, without limitation, the indemnity provisions of Section 8.7 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

8.10 Benefit of Article VIII. The provisions of this Article VIII are intended solely for the

benefit of Chase, the Administrative Agent and all the Banks and may be modified by mutual agreement of Chase, the Administrative Agent and all of the Banks. The Borrower, the Company and its other Subsidiaries shall not be entitled to rely on any such provisions or assert any such provisions in a claim, or as a defense, against the Administrative Agent or any Bank.

ARTICLE IX. Indemnification - Costs and Expenses

9.1 Indemnification. The Borrower and the Company agree to indemnify, defend, and hold harmless Chase, the Administrative Agent and each of the Banks from and against any and all liabilities, claims, damages, penalties, expenditures, losses, or charges, including, but not limited to, all costs of investigation, monitoring, legal representation, remedial response, removal, restoration or permit acquisition, which may now or in the future be undertaken, suffered, paid, awarded, assessed, or otherwise incurred by Chase, the Administrative Agent, any of the Banks or any other Person as a result of the presence of, Release of or threatened Release of Hazardous Substances on, in, under or near the property owned or operated by the Company or any Subsidiary. The liability of the Borrower and the Company under the covenants of this Section and Article II are not limited by any exculpatory provisions in this Agreement or any other documents securing the Credit and shall survive repayment of the Revolving Note, expiration or other termination of the Letters of Credit or any transfer or termination of this Agreement regardless of the means of such transfer or termination.

9.2 Expenses. The Borrower shall reimburse the Administrative Agent and each of the Banks promptly for all of their respective reasonable counsel fees incurred in connection with this Agreement and with any indebtedness subject hereto and for any taxes, filing fees, recording fees and appraisal fees which the Administrative Agent may be required to pay in connection with the execution and delivery of this Agreement, the Revolving Note and the Guaranties. The Borrower shall further reimburse the Administrative Agent and each of the Banks promptly for any reasonable expenses, including counsel fees and out-of-pocket expenses, incident to the monitoring, examination and administration of the collateral subject to the Security Agreements during the term of this Agreement and to the enforcement of any provision of this Agreement, the Revolving Note, the Guaranties or any other document executed in connection with this Agreement. Without limiting the Borrower's obligation to reimburse the Administrative Agent and each of the Banks pursuant to this Section 9.2, the Borrower hereby irrevocably authorizes the Banks to make Advances to the Borrower and to use the proceeds thereof to pay any amount owed by the Borrower under this Section 9.2 upon the failure of the Borrower to make such payment, and the Administrative Agent agrees to notify the Borrower

of the making of such Advances. Any such Advances shall be made in the minimum amount necessary.

ARTICLE X. Miscellaneous

10.1 Amendments and Waivers. No modification, rescission, waiver, release or amendment of any provision of this Agreement or any Security Documents shall be made except by a written agreement subscribed by duly authorized officers of the Borrower, the Company and the Administrative Agent with the consent of the Majority Banks; provided, however, no such amendment, modification or waiver:

(a) which would modify any requirement that any particular action to be taken hereunder by or on behalf of the Banks shall be taken by all Banks or by the Majority Banks so as to reduce the number of Banks required to take such action shall be effective unless consented to by each Bank;

(b) which would amend this Section or which would increase any Bank's Commitment or Percentage, reduce the Facility Fee, extend the Termination Date or release any of the Guaranties shall be made without the consent of each Bank;

(c) which would extend the due date for, or reduce the amount of, any payment or prepayment of principal of or interest on any note (or reduce the principal amount of or rate of interest on any note) shall be made without the consent of each Bank; or

(d) which would affect adversely the interests, rights or obligations of the Administrative Agent shall be made without the consent of the Administrative Agent.

10.2 Delays and Omissions. No course of dealing and no delay or omission by the Administrative Agent or any of the Banks in exercising any right or remedy hereunder or with respect to any indebtedness of the Borrower to any of the Banks shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. All rights and remedies of the Administrative Agent and the Banks hereunder are cumulative.

10.3 Participations and Assignments. The Borrower shall not assign or otherwise transfer any of the rights of the Borrower pursuant to this Agreement without the prior written consent of all the Banks, and any such assignment or other transfer without such prior written consent shall be void. No consent by any Bank to any such assignment or other transfer shall release the Borrower from any indebtedness, liability or obligation of the Borrower pursuant to this

Agreement. No Bank shall assign or otherwise transfer, or grant any participation in, any indebtedness, liability or obligation of the Borrower to such Bank pursuant to this Agreement or any of the rights and remedies of such Bank pursuant to this Agreement without the prior written consent of the Borrower and the Administrative Agent which consent shall not be unreasonably withheld, except (i) any Bank may assign or otherwise transfer, or grant participations in, any indebtedness, liability or obligation of the Borrower to any other Bank or to any Affiliate of such Bank, and (ii) any Bank may execute an assignment in favor of a Replacement Bank as contemplated by Section 2.15 hereof.

10.4 Successors and Assigns. The Borrower, Company, Subsidiary, Administrative Agent, Chase and Bank as such terms are used herein shall include the legal representatives, successors and assigns of those parties.

10.5 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, unless otherwise expressly provided herein, and shall be deemed to have been given or made when delivered by hand or by Facsimile (with a copy by regular mail), three (3) Business Days after being delivered to a courier for overnight delivery or five (5) Business Days after being deposited in the first class United States mail, addressed as follows, or to such other address as may be hereafter notified by the respective parties hereto:

To the Borrower: Gibraltar Steel Corporation
of New York
3556 Lakeshore Road
Buffalo, New York 14219
Attn: Walter Erazmus
Facsimile No. (716) 826-1589
Telephone No. (716) 826-6500

To the Company: Gibraltar Steel Corporation
3556 Lakeshore Road
Buffalo, New York 14219
Attn: Walter Erazmus
Facsimile No. (716) 826-1589
Telephone No. (716) 826-6500

To Chase or the
Administrative Agent: The Chase Manhattan Bank
2300 Main Place Tower
Buffalo, New York 14202
Attn: Robert J. McArdle
Facsimile No. (716) 843-4939
Telephone No. (716) 858-1418

To any Bank: The address listed on Schedule
1 of this Agreement.

10.6 Governing Law. This Agreement, the transactions described herein and the obligations of the parties hereto shall be construed under, and governed by, the laws of the State of New York, without regard to its conflict of laws rules which would make the laws of another jurisdiction applicable.

10.7 Counterparts. This Agreement may be executed in any number of counterparts and by the Administrative Agent, the Banks, the Borrower and the Company on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

10.8 Titles. Titles to the sections of this Agreement are solely for the convenience of the parties, and are not an aid in the interpretation of this Agreement or any part thereof.

10.9 Inconsistent Provisions. The terms of this Agreement and any related agreements, instruments or other documents shall be cumulative except to the extent that they are specifically inconsistent with each other, in which case the terms of this Agreement shall prevail.

10.10 JURY TRIAL WAIVER. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO TRIAL BY JURY WHICH IT MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR EQUITY, IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO.

10.11 CONSENT TO JURISDICTION. THE BORROWER, THE COMPANY, THE ADMINISTRATIVE AGENT AND THE BANKS AGREE THAT ANY ACTION OR PROCEEDING TO ENFORCE OR ARISING OUT OF THIS AGREEMENT MAY BE COMMENCED IN THE SUPREME COURT OF NEW YORK IN ERIE COUNTY, OR IN THE DISTRICT COURT OF THE UNITED STATES IN THE WESTERN DISTRICT OF NEW YORK, AND THE BORROWER, THE COMPANY, THE ADMINISTRATIVE AGENT AND THE BANKS WAIVE PERSONAL SERVICE OF PROCESS AND AGREE THAT A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE PROPERLY SERVED AND SHALL CONFER PERSONAL JURISDICTION IF SERVED BY REGISTERED OR CERTIFIED MAIL TO THE BORROWER OR THE ADMINISTRATIVE AGENT, AS APPROPRIATE, OR AS OTHERWISE PROVIDED BY THE LAWS OF THE STATE OF NEW YORK OR THE UNITED STATES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers, all on the 16th day August, 1999.

BORROWER:

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ John E. Flint
John E. Flint
Vice President

COMPANY:

GIBRALTAR STEEL CORPORATION

By: /s/ John E. Flint
John E. Flint
Vice President

ADMINISTRATIVE AGENT:

THE CHASE MANHATTAN BANK,
as Administrative Agent

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

BANKS:

THE CHASE MANHATTAN BANK

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

FLEET NATIONAL BANK

By: /s/ John C. Wright
Name: John C. Wright
Title: Vice President

MELLON BANK, N.A.

By: /s/ Edward Kloeskery
Name: Edward Kloeskery
Title: Vice President

BANK OF AMERICA

By: /s/ Thomas Blake
Name: Thomas Blake
Title: Managing Director

KEYBANK NATIONAL ASSOCIATION

By: /s/ Mark F. Wachowiak
Name: Mark F. Wachowiak
Title: Assistant Vice President

HSBC BANK USA

By: /s/ William H. Graser
Name: William H. Graser
Title: Vice President

SCHEDULE 1

Banks:

Percentage	Commitment	Name; Notice Address; LIBOR Lending Office
25.000%	\$65,000,000.00	THE CHASE MANHATTAN BANK Notice Address: 2300 Main Place Tower Buffalo, New York 14202 Facsimile No. (716) 843-4939 Telephone No. (716) 858-1418 LIBOR Lending Office: Same as above.
19.230%	\$50,000,000.00	FLEET NATIONAL BANK Notice Address: 10 Fountain Plaza, 9th Fl. Buffalo, New York 14202 Facsimile No. (716) 847-4491 Telephone No. (716) 847-7332 LIBOR Lending Office: Same as above.
15.385%	\$40,000,000.00	MELLON BANK, N.A. Notice Addresses: Two Mellon Bank Center Pittsburgh, Pennsylvania 15259 Facsimile No. (412) 234-9010 Telephone No. (412) 234-1098 and 1128 State Street Erie, Pennsylvania 16501 Facsimile No. (814) 453-7273 Telephone No. (814) 453-7275 LIBOR Lending Office: Same as above.

9.615% \$25,000,000.00 BANK OF AMERICA

Notice Addresses:

Carole Greene
Mail Code NC1-001-15-03
101 North Tryon Street
Charlotte, NC 28255
Facsimile No. (704) 386-8694
Telephone No. (704) 386-8389

with a copy to:

Thomas J. Kane
767 Fifth Avenue, 5th Floor
New York, New York 10153-0083
Facsimile No. (212) 751-6909
Telephone No. (212) 407-5421

LIBOR Lending Office:

Carole Greene
Mail Code NC1-001-15-03
101 North Tryon Street
Charlotte, NC 28255
Facsimile No. (704) 386-8694
Telephone No. (704) 386-8389

15.385% \$40,000,000 KEYBANK NATIONAL ASSOCIATION

Notice Address:

50 Fountain Plaza, 17th Floor
Buffalo, New York 14202
Facsimile No. (716) 847-7897
Telephone No. (716) 847-2314

LIBOR Lending Office:

50 Fountain Plaza, 17th Floor
Buffalo, New York 14202
Facsimile No. (716) 847-7897
Telephone No. (716) 847-2314

15.385% \$40,000,000 HSBC
BANK USA

Notice Address

William H. Graser
One HSBC Center, Lobby Level
Buffalo, New York 14203
Facsimile No. (716) 841-0384
Telephone No. (716) 841-2556

LIBOR Lending Office:

Same as above.

SCHEDULE 3.1.d

Subsidiaries Required to Execute and Deliver Guaranties

The following is a list of the subsidiaries of Gibraltar Steel Corporation. The names of indirectly owned subsidiaries are indented under the names of their respective parent corporations:

Gibraltar Steel Corporation of New York	New York
Wm. R. Hubbell Steel Corporation	Illinois
Carolina Commercial Heat Treating	Nevada
Gibraltar Strip Steel, Inc.	Delaware
Integrated Technologies International, Ltd.	Delaware
Cleveland Pickling, Inc.	Delaware
Gibraltar Steel Corporation of Tennessee	Tennessee
Southeastern Metals Manufacturing Company, Inc.	Florida
Solar Group, Inc.	Delaware
Appelton Supply, Inc.	Delaware
United Steel Products Company	Minnesota
Harbor Metal Treating Co.	Michigan
Harbor Metal Treating of Indiana, Inc.	Michigan
Rock River Heat Treating Company	Michigan
K&W Metal Fabricators, Inc.	Colorado
Fabritech Metal Forming Equipment LLC	Colorado
Hi-Temp Acquisition Corp.	Delaware

SCHEDULE 4.11

Subsidiaries

The following is a list of the subsidiaries of Gibraltar Steel Corporation. The names of indirectly owned subsidiaries are indented under the names of their respective parent corporations:

Gibraltar Steel Corporation of New York	New York
Wm. R. Hubbell Steel Corporation	Illinois
Carolina Commercial Heat Treating, Inc.	Nevada
Southeastern Metals Manufacturing Company, Inc.	Florida
Gibraltar Strip Steel, Inc.	Delaware
Integrated Technologies International, Ltd.	Delaware
Cleveland Pickling, Inc.	Delaware
Gibraltar Steel Corporation of Tennessee	Tennessee
Solar Group, Inc.	Delaware
Appelton Supply, Inc.	Delaware
United Steel Products Company	Minnesota
Harbor Metal Treating Co.	Michigan
Harbor Metal Treating of Indiana, Inc.	Michigan
Rock River Heat Treating Company	Michigan
K&W Metal Fabricators, Inc.	Colorado
Fabritech Metal Forming Equipment LLC	Colorado
Hi-Temp Acquisition Corp.	Delaware

SCHEDULE 4.15/6.2

Permitted Indebtedness

1. The Borrower has a lease facility with The Chase Manhattan Bank in the maximum amount of One Million Dollars (\$1,000,000.00), secured by a first Lien on the equipment leased.
2. Industrial Development Revenue Bond in the original principal amount of \$8,000,000.00 held by Fleet Bank and issued for the benefit of Gibraltar Steel Corporation of Tennessee.
3. Indebtedness of the Company, the Borrower or any Subsidiary owing to third Persons from time to time in an aggregate principal amount not to exceed \$3,000,000.00 in the aggregate at any one time.
4. The Borrower may enter into, from time to time, various interest rate swap, cap and other arrangements with one or more of the Banks not to exceed one-half of the outstanding principal amount of Advances at any one time.
5. The Borrower enters into various foreign exchange Contracts offered by Chase having a maximum daily delivery risk of \$1,000,000.00.

Environmental Matters

Gibraltar Steel Corporation of New York has been identified as a potentially responsible person (PRP) at 3 sites designated as Superfund Sites by the U.S. Environmental Protection Agency:

1. Brant New York Site: Several years ago, Gibraltar delivered waste oil for disposal to Booth Oil Company in Brant. Booth Oil sold certain waste oil to the Wide Beach Homeowners Association for use on dirt parking lots. Allegedly, some of the oil sold by Booth contained PCBs, and the EPA undertook a clean up operation. On September 13, 1989, following the clean up, Gibraltar was served with a demand letter by the EPA seeking reimbursement of a portion of the \$2,262,000.00 spent on clean up costs. On October 16, 1989, the EPA sued a number of parties in Federal Court to recover its response costs. Gibraltar was not named as a defendant. Certain parties settled with the EPA in January, 1993. To date, no action has been taken by the EPA or any defendant to name Gibraltar as a party to the litigation.

2. Notice of Violation from the New York State Department of Environmental Conservation and fine of \$5,000 dated August 8, 1997.

SCHEDULE 6.4

Liens

[Borrower to Revise]

U.S.X. Corporation filed a financing statement with the Erie County Clerk, document #013817 on October 4, 1990, providing notice that iron and steel sheet products inventory delivered by U.S.X. Corporation under consignment and located at the Integrated Terminals Facility operated by Integrated Technologies International, Ltd. in Lackawanna, New York is the property of U.S.X. Corporation.

On October 3, 1990, U.S.X. Corporation filed a financing statement with the New York Secretary of State, file No. 212373, providing the same notice as its filing with the Erie County Clerk.

Bethlehem Steel Corp. filed a UCC-1 financing statement in the Erie County Clerk's Office, document #001205, on January 29, 1991, providing notice that steel sheets (which may be in coil form) delivered by Bethlehem Steel Corp. and stored at Integrated Technologies International, Ltd. facility in Lackawanna, New York is the property of Bethlehem Steel Corp.

On January 28, 1991, Bethlehem Steel Corp. filed a UCC-1 financing statement with the New York Secretary of State, providing the same notice as its filing with the Erie County Clerk's Office concerning inventory delivered by Bethlehem Steel Corp. and stored at the Lackawanna facility of Integrated Technologies International, Ltd.

Bethlehem Steel Corp. filed a UCC-1 financing statement, file no. 012664, with the Erie County Clerk's on September 12, 1990, providing notice that steel sheets delivered by Bethlehem Steel Corp. to the Metals Division on Military Road in Tonawanda is the property of Bethlehem, and not of Gibraltar.

Olin Corporation filed a UCC-1 financing statement, file no. AH 0078910 on November 9, 1992 with the Ohio Secretary of State against Gibraltar Strip Steel, Inc. claiming an interest in "Brass Mill Products," including sheet, strip, rod and tube inventory, owned by Olin Corporation and held for processing by Gibraltar Strip, Inc. in an aggregate amount not to exceed \$300,000.00 at any one time.

Filings by Fleet Bank of New York in Erie County Clerk's Office on June 28, 1994, in Book 12, Page 1083, Book 12, Page 1081 and Book 12, page 1077, covering inventory accounts, insurance covering inventory, records and rights as seller of goods and inventory.

Comparable state filings as above filed on June 22, 1994, with the Secretary of State of New York, Number 127964 and Number 127966 on June 22, 1994.

Filing by Fleet Bank of New York in Erie County Clerk's Office on June 28, 1994, in Book 12, Page 1067 covering building materials, equipment, condemnation awards, casualty insurance proceeds, and business interruption proceeds.

AK Steel Corporation filed a financing statement with the New York Secretary of State, Document No.1 092559, on May 9, 1994, assigned to the Dai-Ichi Kangyo Bank Limited, New York Branch as collateral agent, providing notice of its interest in inventory delivered to Gibraltar Steel, Inc. for processing, safe keeping and storage.

Filing by EMC Corporation with New York Secretary of State on September 9, 1993, Number 192994, on Symmetrix.

Filing by Computer Merchants Sales, Inc. and assigned to United Jersey Bank, filed in the Erie County Clerk's Office in Book 10, Page 5896, on February 22, 1994, covering leased computer equipment and New York State filing number 58570, on March 28, 1994.

Filing by Sun Financial Group, Inc., and assigned to Citizens Commercial Leasing Corporation, in Erie County Clerk's Office in Book 10, Page 7446, on April 11, 1996, covering leased computer equipment.

Filing by Xerox Corporation with the New York Secretary of State, No. 160845 on August 3, 1992, covering leased printer.

Filings by Sun Financial Group, Inc. with New York Secretary of State, covering various computer equipment: No. 167623, on August 5, 1993; No. 211105 on October 5, 1993; and Number 064434 on April 4, 1994, assigned by Citizens Commercial Leasing Corporation.

Filing by IBM with Florida Secretary of State.

Permitted Encumbrances shall also include each of the following:

(a) Security Interests which were granted prior to the date hereof and which were disclosed herein;

(b) liens for taxes, assessments, or other governmental charges or levies to the extent that payment thereof shall not at the time be required to be made in accordance with the provisions of Section 5.5;

(c) liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business for sums not overdue or being contested in good faith by appropriate proceedings and for which appropriate reserves with respect thereto have been established and maintained by the Company on a consolidated basis in accordance with GAAP;

(d) liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance, or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, leases, and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;

(e) easements, rights-of-way, zoning and similar restrictions and other similar encumbrances or title defects which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Company or its Subsidiaries; and

(f) judgment liens securing amounts not in excess of \$250,000.00 in existence less than 30 days after the entry thereof or with respect to which execution has been stayed or with respect to which the appropriate insurance carrier has agreed in writing that there is full coverage by insurance.

EXHIBIT A

COMPLIANCE CERTIFICATE - FINANCIAL COVENANTS

GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower") and GIBRALTAR STEEL CORPORATION ("Company") hereby certify to THE CHASE MANHATTAN BANK, as administrative agent ("Administrative Agent") for the Banks (as such term is defined in the Second Amended and Restated Credit Agreement among the Borrower, the Company, the Administrative Agent and the Banks dated as of August 16, 1999 ("Agreement")) and to each of the Banks that:

1. Capitalized terms not defined herein shall have the meanings set forth in the Agreement.

2. The applicable date for all calculations made in this Compliance Certificate is _____ ("Measurement Date").

3. The computations, ratios and calculations set forth below, all of which are calculated as of the Measurement Date, are true and correct:

(a) Quarterly Test:

(i) Consolidated Net Worth
as of end of any
fiscal quarter \$

(ii) Cumulative Net Income
(from 6/30/97) times
50% plus \$120,000,000 = \$

(iii) (i) minus (ii) = \$

(b) (i) Funded Debt \$

(ii) Earnings before
Interest and Taxes plus
depreciation and
amortization = \$

(iii) Ratio of (i) to (ii) = to 1

(c) (i) Consolidated Earnings
Before Taxes and Interest
plus depreciation
for the four fiscal
quarters ended _____ = \$

(ii) Interest payable
on Consolidated
Total Liabilities
for same period = \$

(iii) Ratio of (i) to (ii) = to 1

(d) (i) Current Assets = \$

(ii) Current Liabilities = \$

(iii) Ratio of (i) to (ii) = to 1

(e) Leverage Test I

(i) Indebtedness of the
Company on a
Consolidated basis = \$

(ii) Consolidated Earnings
Before Taxes, Interest,
Depreciation and
Amortization = \$

(iii) Capital Expenditures
not funded with proceeds
of the Revolving Credit
as listed on a Schedule
attached hereto
(excluding Capital
Expenditures made in
connection with
permitted acquisitions)= \$

(iv) (ii) less (iii) = \$

(v) Ratio of (i) to (iv) = to

WITNESS the signature of a duly authorized
officer of the Borrower and the Company on .

Borrower:
GIBRALTAR STEEL CORPORATION OF NEW YORK

By: _____
Name: _____
Title: _____

Company:

GIBRALTAR STEEL CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT B

COMPLIANCE CERTIFICATE - GENERAL

GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower") and GIBRALTAR STEEL CORPORATION ("Company") hereby certify to THE CHASE MANHATTAN BANK as agent ("Administrative Agent") for the Banks (as such term is defined in the Second Amended and Restated Credit Agreement among the Borrower, the Company, the Administrative Agent and the Banks dated as of August 16, 1999 ("Agreement")), and to each of the Banks that:

1. Capitalized terms not defined herein shall have the meanings set forth in the Agreement.

2. The Borrower and the Company have complied with all the terms, covenants and conditions to be performed or observed by them contained in the Agreement and the Guaranties to which they are a party.

3. There exists no Default nor Event of Default on the date hereof or, if applicable, after giving effect to the Letter of Credit issued or the Advances made on the date hereof.

4. The representations and warranties contained in the Agreement or in any certificate, document or financial or other statement furnished at any time thereunder are true, correct and complete in all material respects with the same effect as though such representations and warranties had been made on the date hereof, except to the extent that any such representation and warranty relates solely to an earlier date (in which case such representation and warranty shall be true, correct and complete on and as of such earlier date).

WITNESS the signature of a duly authorized officer of the Borrower and the Company on .

BORROWER:

GIBRALTAR STEEL CORPORATION OF NEW YORK

By:

Name:
Title:

COMPANY:

GIBRALTAR STEEL CORPORATION

By:

Name:
Title:

EXHIBIT C
REPLACEMENT
REVOLVING NOTE

\$

Buffalo, New York

FOR VALUE RECEIVED, the undersigned, GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower"), hereby unconditionally promises to pay on the Termination Date (as defined in the Credit Agreement hereinafter referred to) to the order of _____, the principal sum equal to the lesser of (a) or (b) the aggregate unpaid principal amount of all Advances [and Swingloans made by The Chase Manhattan Bank ("Bank")] to the Borrower pursuant to the Second Amended and Restated Credit Agreement, dated as of August 16, 1999 among the Borrower, Gibraltar Steel Corporation, The Chase Manhattan Bank as Administrative Agent ("Administrative Agent") and the various financial institutions named as Banks therein (including the Bank), as the same may from time to time be amended, supplemented or otherwise modified ("Credit Agreement"), together with interest at the rate and on the terms as specified herein. All capitalized terms used in this Revolving Note and not otherwise defined shall have the meanings set forth in the Credit Agreement.

This Revolving Note shall bear interest at the rates and on the dates determined in accordance with Section 2.4 of the Credit Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America in immediately available funds at Administrative Agent's Office.

Each entry on the Schedule attached hereto (and any continuation thereof) shall be prima facie evidence of the facts so set forth. No failure by the Bank to make, and no error by the Bank in making, any inscription on the Schedule shall affect the Borrower's obligation to repay the full principal amount of the Advances and the Swingloans made by the Bank to the Borrower or the Borrower's obligation to pay interest thereon at the agreed upon rate. The Bank is authorized to inscribe the date of the making of each Advance or Swingloan or conversion of any portion of this Note to a LIBOR Loan, the date of the continuation of any Base Rate Loan, the amount of each Advance or Swingloan, its character as a Base Rate Loan or a LIBOR Loan, the dates on which each LIBOR Period shall begin and end, each payment of principal and the aggregate unpaid balance of this Note, on the schedule annexed hereto and constituting a part hereof, or on a

continuation thereof which shall be attached hereto and made a part hereof.

No failure by the Bank to exercise, and no delay in exercising, any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Administrative Agent or the Bank of any right or power hereunder preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Bank, or of the Administrative Agent for the benefit of the Bank, as herein specified are cumulative and not exclusive of any other rights or remedies, including those set forth in the Credit Agreement and the Guaranties.

Upon the happening of one or more Events of Default as described in Section 7.1 of the Credit Agreement, this Revolving Note may be accelerated in accordance with Section 7.2 of the Credit Agreement.

The Borrower hereby waives diligence, presentment, protest and demand, and also notice of protest, demand, dishonor and nonpayment of this Revolving Note.

This Revolving Note is one of the Revolving Note referred to in the Credit Agreement, to which reference is hereby made with respect to prepayment and rights of acceleration of the principal hereof on the occurrence of certain events.

This Revolving Note shall be construed under, and governed by, the laws of the State of New York, without regard to its conflict of laws rules which would make the laws of another jurisdiction applicable.

GIBRALTAR STEEL CORPORATION OF NEW YORK

[Seal]

By:

SCHEDULE

ADVANCES

DATE ADVANCE MADE	AMOUNT OF ADVANCE	BASIS OF INTEREST RATE (BASE RATE OR LIBOR RATE)	LIBOR PERIOD DATES	AMOUNT OF PRINCIPAL PAID OR PREPAID	AGGREGATE UNPAID PRINCIPAL	NOTATION MADE BY AND DATE
-------------------------	-------------------------	--	--------------------------	--	----------------------------------	---------------------------------

SCHEDULE FOR CHASE NOTE ONLY

SWINGLOANS

DATE ADVANCE MADE	AMOUNT OF SWINGLOAN	INTEREST RATE	NOTATION MADE BY AND DATE
----------------------	---------------------------	------------------	---------------------------------

FIRST AMENDMENT TO SECOND AMENDED
AND RESTATED CREDIT AGREEMENT

This First Amendment dated as of November 1, 1999 to Second Amended and Restated Credit Agreement dated as of August 16, 1999 by and among GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower"), GIBRALTAR STEEL CORPORATION ("Company") and THE CHASE MANHATTAN BANK, as administrative agent ("Administrative Agent") for THE CHASE MANHATTAN BANK, FLEET NATIONAL BANK (formerly known as Fleet Bank), MELLON BANK, N.A., BANK OF AMERICA, N.A. (successor by merger to NATIONSBANK, NA.), KEYBANK NATIONAL ASSOCIATION, and HSBC BANK USA (formerly known as MARINE MIDLAND BANK) (collectively, "Existing Banks").

A. Preliminary Statement

WHEREAS, the Borrower, the Company, the Administrative Agent and the Existing Banks are parties to a Second Amended and Restated Credit Agreement dated as of August 16, 1999 pursuant to which the Banks have agreed to extend credit to the Borrower ("Credit Agreement"); and

WHEREAS, the Borrower, the Company and the Banks wish to (i) increase the maximum amount of the Revolving Credit, (ii) add PNC Bank, N.A. as a Bank under the Credit Agreement and (iii) amend certain other terms of the Credit Agreement;

WHEREAS, unless otherwise defined herein, terms used in the Credit Agreement shall have such defined meanings when used herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, receipt of which is hereby acknowledged, and upon satisfaction of the conditions set forth in Section C, below, the Banks, the Borrower, the Company, and the Administrative Agent, hereby agree as follows:

B. Amendment

1. Section 1.1 of the Credit Agreement is amended so that the definition of "Bank" and "Banks" are amended to include PNC Bank, N.A.

2. Section 2.1 of the Credit Agreement is amended so that the phrase "Two Hundred Sixty Million Dollars (\$260,000,000.00)" is deleted and the phrase "Two Hundred Eighty Million Dollars (\$280,000,000.00)" is substituted in its place, each time it appears.

3. Section 2.2(a) of the Credit Agreement is amended so that "\$260,000,000" is deleted and "\$280,000,000" is substituted in its place.

4. The following are added as new subsections (e) and (f) to Section 10.1 of the Credit Agreement:

"(e) which would release any material portion of the collateral described in the Security Agreements shall be made without the consent of each Bank; or

(f) which would increase the total Commitments above \$280,000,000."

5. Schedule 1 of the Credit Agreement is deleted in its entirety and replaced by Schedule 1 attached hereto.

6. Schedule 3.1(d) and Schedule 4.11 to the Credit Agreement are each amended to add the following:

"Brazing Concepts Company, a Michigan corporation"

7. The Schedule attached hereto as Schedule 4.17 is attached to the Agreement as a new Schedule 4.17.

C. Conditions. The effectiveness of this Agreement shall be conditioned upon the satisfaction of the following conditions:

1. The Borrower shall have executed and delivered to PNC Bank, N.A. a Revolving Note in the maximum principal amount of \$20,000,000.

2. Brazing Concepts Company shall have executed and delivered to the Administrative Agent, for the benefit of the Banks, an unlimited continuing guaranty in form acceptable to the Administrative Agent and the Banks, guarantying payment of any and all indebtedness and obligations of the Borrower and/or the Company to the Banks.

3. The Borrower and/or the Company shall have paid all costs and expenses incurred by the Administrative Agent and the Banks in connection with the transactions contemplated by this Agreement including, without limitation, reasonable attorney's fees.

D. Other Provisions

1. By execution of this Agreement, each of the Banks consents to the acquisition by Gibraltar of the stock of Brazing Concepts Company and waives any default under Section 6.7 of the Credit Agreement resulting from such acquisition.

2. Except as specifically set forth herein, the Credit Agreement shall remain in full force and effect and is hereby reaffirmed. The Borrower and the Company acknowledge that they are bound by all of the terms, covenants and conditions set forth in the Credit

Agreement, and that, if there has occurred any Default or Event of Default, the Agent and the Banks shall have no obligation to make any Advances or Swingloans or to issue any Letters of Credit. If there has occurred a Default or an Event of Default, Agent and the Banks may condition the making of any subsequent Advances or Swingloans or the issuance of any Letters of Credit upon the execution and delivery by Borrower and Company of an amendment to the Credit Agreement which may include, without limitation, additional or revised covenants, an increased rate of interest on the Revolving Credit, increased Letter of Credit or other fees and such other terms, conditions and covenants as the Agent and the Banks may require.

3. The terms "Administrative Agent" and "Banks" as used herein shall include the successors and assigns of those parties and shall include PNC Bank, N.A.

4. This Agreement shall be construed under, and governed by, the internal laws of the State of New York without regard to its conflict of laws and rules which would make the laws of another jurisdiction applicable.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers, all on the date hereof.

Borrower:

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ John E. Flint
John E. Flint
Vice President

Company:

GIBRALTAR STEEL CORPORATION

By: /s/ John E. Flint
John E. Flint
Vice President

THE CHASE MANHATTAN BANK,
as Administrative Agent

By:/s/ Robert J. McCardle
Robert J. McCardle
Vice President

Consented to this 1st day of November, 1999

FLEET NATIONAL BANK
(formerly known as Fleet Bank)

By:/s/ John C. Wright
Name: John C. Wright
Title: Vice President

Consented to this 1st day of November, 1999

MELLON BANK, N.A.

By: /s/ Edward T. Kloeskery
Name: Edward T. Kloeskery
Title: Vice President

Consented to this 1st day of November, 1999

BANK OF AMERICA, N.A (successor by
Merger to NATIONSBANK, N.A.)

By: /s/ Thomas Blake
Name: Thomas Blake
Title: Managing Director

Consented to this 1 day of November, 1999

KEYBANK NATIONAL ASSOCIATION

By: /s/ Mark F. Wachowiak
Name: Mark F. Wachowiak
Title: Assistant Vice President

Consented to this 1st day of November, 1999

HSBC BANK USA (formerly known
as MARINE MIDLAND BANK)

By: /s/ William H. Graser
Name: William H. Graser
Title: Vice President

Consented to this 1st day of November, 1999

PNC BANK, N.A.

By: David B. Gookin
Name: David B. Gookin
Title: Vice President

SCHEDULE 1

BANKS

Percentage	Commitment	Name; Notice Address; LIBOR Lending Office
23.21429%	\$65,000,000.00	THE CHASE MANHATTAN BANK Notice Address: 2300 Main Place Tower Buffalo, New York 14202 Facsimile No. (716) 843-4939 Telephone No. (716) 858-1418 LIBOR Lending Office: Same as above.
17.85714%	\$50,000,000.00	FLEET BANK Notice Address: 10 Fountain Plaza, 9th Fl. Buffalo, New York 14202 Facsimile No. (716) 847-4491 Telephone No. (716) 847-7332 LIBOR Lending Office: Same as above.
14.28571%	\$40,000,000.00	MELLON BANK, N.A. Notice Addresses: Two Mellon Bank Center Pittsburgh, Pennsylvania 15259 Facsimile No. (412) 234-9010 Telephone No. (412) 234-1098

and
1128 State Street
Erie, Pennsylvania 16501
Facsimile No. (814) 453-7273
Telephone No. (814) 453-7275
LIBOR Lending Office:
Same as above.

8.92857% \$25,000,000.00 BANK OF AMERICA, N.A.

Notice Addresses:

Bank of America Plaza
Mail Code TX1-492-67-01
901 Main Street, 67th Floor
Dallas, TX 75202
Facsimile: (214) 209-0980
Telephone: (214) 209-0193

LIBOR Lending Office:

(Same as above)

14.28571% \$40,000,000 KEYBANK NATIONAL ASSOCIATION

Notice Address:

50 Fountain Plaza, 5th Floor
Buffalo, New York 14202
Facsimile No. (716) 847-7897
Telephone No. (716) 847-2314

Libor Lending Office:

50 Fountain Plaza, 5th Floor
Buffalo, New York 14202
Facsimile No. (716) 847-7897
Telephone No. (716) 847-2314

14.28571% \$40,000,000
HSBC BANK USA

Notice Address:

One HSBC Center, Lobby Level
Buffalo, New York 14203
Facsimile No. (716) 855-0384
Telephone No. (716) 841-2556

Libor Lending Office:

Same as above

7.14286%

\$20,000,000
PNC BANK, N.A.

Notice Address:

249 Fifth Avenue
Pittsburgh, PA 15222-2707
Facsimile No. (412) 705-3232
Telephone No. (412) 762-6278

Schedule 4.17

To be Produced by Borrower; may include Liens on Real Estate and Equipment being assumed in connection with the acquisition.

SECOND AMENDMENT TO SECOND AMENDED
AND RESTATED CREDIT AGREEMENT

This Second Amendment dated as of December 1, 1999 to Second Amended and Restated Credit Agreement dated as of August 16, 1999 by and among GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower"), GIBRALTAR STEEL CORPORATION ("Company") and THE CHASE MANHATTAN BANK, as administrative agent ("Administrative Agent") for THE CHASE MANHATTAN BANK, FLEET NATIONAL BANK (formerly known as Fleet Bank), MELLON BANK, N.A., BANK OF AMERICA, N.A. (successor by merger to NATIONSBANK, NA.), KEYBANK NATIONAL ASSOCIATION, HSBC BANK USA (formerly known as MARINE MIDLAND BANK) and PNC Bank, N.A. (collectively, "Banks").

A. Preliminary Statement

WHEREAS, the Borrower, the Company, the Administrative Agent and the Banks are parties to a Second Amended and Restated Credit Agreement dated as of August 16, 1999 as amended pursuant to a First Amendment to Second Amended and Restated Credit Agreement dated as of November 1, 1999 pursuant to which the Banks have agreed to extend credit to the Borrower ("Credit Agreement"); and

WHEREAS, the Borrower, the Company and the Banks wish to amend certain other terms of the Credit Agreement;

WHEREAS, unless otherwise defined herein, terms used in the Credit Agreement shall have such defined meanings when used herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, receipt of which is hereby acknowledged, and upon satisfaction of the conditions set forth in Section C, below, the Banks, the Borrower, the Company, and the Administrative Agent, hereby agree as follows:

B. Amendment

1. Section 6.13 of the Credit Agreement (Lease Rentals) is amended so that "\$5,000,000" is deleted and "\$7,000,000" is substituted in its place.

2. Schedule 3.1(d) and Schedule 4.11 to the Credit Agreement are each amended to add the following as a Subsidiary of Borrower:

"Hughes Manufacturing, Inc., a Florida corporation"

3. Schedule 4.17 to the Credit Agreement is amended to add the following as the sole location of Hughes Manufacturing, Inc. ("Hughes"):

"11910 62nd Street, North Largo, Florida"

C. Conditions. The effectiveness of this Agreement shall be conditioned upon the satisfaction of the following conditions:

1. Hughes shall have executed and delivered to the Administrative Agent, for the benefit of the Banks, an unlimited continuing guaranty in form acceptable to the Administrative Agent and the Banks, guarantying payment of any and all indebtedness and obligations of the Borrower and/or the Company to the Banks, and a general security agreement in form acceptable to the Administrative Agent and the Banks.

2. The Borrower shall have paid to the Administrative Agent, for the benefit of the Banks, a consent fee in the amount of \$100,000.00.

3. The Borrower and/or the Company shall have paid all costs and expenses incurred by the Administrative Agent and the Banks in connection with

the transactions contemplated by this Agreement including, without limitation, reasonable attorney's fees.

D. Other Provisions

1. By execution of this Agreement, each of the Banks consents to the acquisition by Gibraltar of the stock of Hughes. The Company, the Agent and the Banks acknowledge that the acquisition of Hughes shall not constitute a violation of Section 6.7 of the Credit Agreement, and that following the acquisition of Hughes, the amount remaining available under Subsection (ii)(c) of Section 6.7 for Expansions, joint ventures, partnerships and the book value of assets acquired shall be \$8,000,000 in the aggregate from the date hereof and for the entire period the Credit or any portion thereof is outstanding.

2. Except as specifically set forth herein, the Credit Agreement shall remain in full force and effect and is hereby reaffirmed. The Borrower and the Company acknowledge that they are bound by all of the terms, covenants and conditions set forth in the Credit Agreement, and that, if there has occurred any Default or Event of Default, the Agent and the Banks shall have no obligation to make any Advances or Swingloans or to issue any Letters of Credit. If there has occurred a Default or an Event of Default, Agent and the Banks may condition the making of any subsequent Advances or Swingloans or the issuance of any Letters of Credit upon the execution and delivery by Borrower and Company of an amendment to the Credit Agreement which may include, without limitation, additional or revised covenants, an increased rate of interest on the Revolving Credit, increased Letter of Credit or other fees and such other terms, conditions and covenants as the Agent and the Banks may require.

3. The terms "Administrative Agent" and "Banks" as used herein shall include the successors and assigns of those parties.

4. This Agreement shall be construed under, and governed by, the internal laws of the State of New York without regard to its conflict of laws and rules which would make the laws of another jurisdiction applicable.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers, all on the date hereof.

Borrower:

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ John E. Flint
John E. Flint
Vice President

Company:

GIBRALTAR STEEL CORPORATION

By: /s/ John E. Flint
John E. Flint
Vice President

THE CHASE MANHATTAN BANK,
as Administrative Agent

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

Consented to this 1st day of December, 1999

FLEET NATIONAL BANK
(formerly known as Fleet Bank)

By: /s/ John C. Wright
Name: John C. Wright
Title: Vice President

Consented to this 1st day of December, 1999

MELLON BANK, N.A.

By: /s/ Brian V. Ciaverella
Name: Brian V. Ciaverella
Title: Vice President

Consented to this 1st day of December, 1999

BANK OF AMERICA, N.A (successor by
Merger to NATIONSBANK, N.A.)

By: /s/ Suzanne B. Smith
Name: Suzanne B. Smith
Title: Principal

Consented to this 1st day of December, 1999

KEYBANK NATIONAL ASSOCIATION

By: /s/ Mark F. Wachowiak
Name: Mark F. Wachowiak
Title: Assistant Vice President

Consented to this 1st day of December, 1999

HSBC BANK USA (formerly known
as MARINE MIDLAND BANK)

By: /s/ William H. Graser
Name: William H. Graser
Title: Vice President

Consented to this 1st day of December, 1999

PNC BANK, N.A.

By: /s/ David B. Gookin
Name: David B. Gookin
Title: Vice President

FIRST AMENDMENT
TO THE
PARTNERSHIP AGREEMENT
OF SAMUEL STEEL PICKLING COMPANY

THIS FIRST AMENDMENT TO THE PARTNERSHIP AGREEMENT OF SAMUAL STEEL PICKLING COMPANY ("Amendment") is made as of May 28, 1999, by and among Samuel Pickling Management Company, a New York general partnership ("Samuel Management"), Cleveland Pickling Inc., a Delaware corporation ("Cleveland"), and Samuel Manu-Tech Pickling Inc., a Delaware corporation ("Manu-Tech").

WHEREAS, Samuel Steel Pickling Company (the "Partnership") is a general partnership formed under the laws of the State of New York; and

WHEREAS, the operations and management of the Partnership are governed by a partnership agreement having an effective date of June 1, 1988 (the "Partnership Agreement"); and

WHEREAS, as a result of the redemption and withdrawal of Universal Steel Co., an Ohio corporation, as a general partner in the Partnership, Samuel Management now owns 100 percent of the partnership interests in the Partnership; and

WHEREAS, Manu-Tech is about to acquire a general partnership interest representing a 68.75 percent interest in the capital and profits in the Partnership from Samuel Management and Cleveland is about to acquire the remaining general partnership interest representing a 31.25 percent interest in the capital and profits in the Partnership from Samuel Management, and Samuel Management is about to withdraw as a partner; and

WHEREAS, it is the intent of the parties of this Amendment that the Partnership continue without dissolution or termination pursuant to law or otherwise; and

WHEREAS, the parties have executed consents authorizing the herein before mentioned transactions;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Partnership Agreement of Samuel Steel Pickling Company, and other good and valuable consideration now paid by each of the parties hereto to the other, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Agreement of Partnership as follows:

1. Manu-Tech is admitted as a partner in the Partnership with all the attending rights, benefits, and privileges thereto and by executing this Amendment shall be treated as a substitute partner and as satisfying all requirements of Article 17 of the Partnership Agreement.
2. Cleveland is admitted as a partner in the Partnership with all the attending rights, benefits, and privileges thereto and by executing this Amendment shall be treated as a substitute partner and as satisfying all requirements of Article 17 of the Partnership Agreement.
3. Section 4.2 of the Partnership Agreement

is amended in its entirety as follows:

4.2 "Managing Partner" shall refer to Manu-Tech.

4. Sections 7.1, 7.2 and 7.5 are deleted in their entirety and the reference to Sections 7.1 and 7.2 contained in Section 7.4 are deleted.

5. Section 9.2(i)(a) of the Partnership Agreement is amended in its entirety as follows:

9.2 (i)(a) The respective partnership shares of the Partners (the "Partnership Shares") shall be as set forth opposite the Partners' names below:

Partner	Partnership Share
Manu-Tech	68.75%
Cleveland	31.25%

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

Samuel Pickling Management Company

By /s/ Ed O'Connor
Ed O'Connor

Cleveland Pickling Inc.

By /s/ Brian J. Lipke
Brian J. Lipke

Samuel Manu-Tech Pickling Inc.

By /s/ Ed O'Connor
Ed O'Connor

Subsidiaries

The following is a list of the subsidiaries of Gibraltar Steel Corporation. The names of indirectly owned subsidiaries are indented under the name of their respective parent corporations:

Gibraltar Steel Corporation of New York	New York
Wm. R. Hubbell Steel Corporation	Illinois
Carolina Commercial Heat Treating, Inc.	Nevada
Southeastern Metals Manufacturing Company, Inc.	Florida
Gibraltar Steel Corporation Flight Services Corp.	New York
Solar Group, Inc.	Delaware
Appleton Supply Co., Inc.	Delaware
United Steel Products Company	Minnesota
Harbor Metal Treating Co.	Michigan
Rock River Heat Treating Company	Michigan
Harbor Metal Treating of Indiana, Inc.	Michigan
K & W Metal Fabricators, Inc.	Colorado
Hi-Temp Heat Treating, Inc.	Delaware
Brazing Concepts Company	Michigan
Hughes Manufacturing, Inc.	Florida
Gibraltar Strip Steel, Inc.	Delaware
Integrated Technologies International, Ltd.	Delaware
Cleveland Picking, Inc.	Delaware
GIT Limited	New York
Gibraltar Steel Corporation of Tennessee	Tennessee

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS ON FORM 10-K AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
US DOLLARS

12-MOS		
	DEC-31-1999	
	JAN-01-1999	
	DEC-31-1999	
	1	
		4,687
	0	
	79,929	
	1,511	
	94,994	
	182,591	
		274,513
	58,483	
	522,080	
69,668		235,302
0		0
		126
		185,333
522,080		621,918
	621,918	
		493,945
	493,945	
	72,504	
	0	
	13,439	
	42,030	
	17,022	
25,008		0
	0	
		0
	25,008	
	1.99	
	1.95	