

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Commission File Number 1-10308

JULY 31, 2001 (JULY 24, 2001)
Date of Report (Date Of Earliest Event Reported)

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

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

06-0918165
(IRS Employer
Identification No.)

9 WEST 57TH STREET, NEW YORK, NEW YORK
(Address of Principal Executive Office)

10019
(Zip Code)

(212) 413-1800
(Registrant's telephone number, including area code)

NONE
(Former name, former address and former fiscal year, if applicable)

ITEM 5. OTHER EVENTS.

On July 24, 2001, Cendant Corporation (the "Company") filed a Prospectus Supplement, dated July 20, 2001, to the Prospectus dated November 18, 1998, included as part of the Registration Statement on Form S-3 of the Company, Cendant Capital II and Cendant Capital III (File Nos. 333-49405 and 333-65456) (the "Registration Statement"), relating to the offering of up to 17,250,000 of the Company's Upper DECS(sm). On July 20, 2001, the Company entered into an Underwriting Agreement with Salomon Smith Barney Inc., relating to the offering and sale by the Company of up to 17,250,000 Upper DECS under the Registration Statement. Each Upper DECS consists of (i) a forward purchase contract under which the holder agreed to purchase from the Company and the Company agreed to sell shares of its CD common stock on August 17, 2004 and (ii) a senior note due August 17, 2006 of the Company. In connection with this offering, the Company is filing certain exhibits as part of this Form 8-K. See "Item 7. Exhibits." A copy of certain agreements relating to the offering and the press release regarding the offering are attached hereto as exhibits and are incorporated by reference in their entirety.

ITEM 7. EXHIBITS.

(c) Exhibits

Exhibit No.	Description
- - - - -	- - - - -
1.1	Underwriting Agreement, dated July 20, 2001, between Cendant Corporation and Salomon Smith Barney Inc.
4.1	Indenture, dated as of February 24, 1998, between Cendant Corporation and The Bank of Nova Scotia Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-3 of Cendant Corporation (Registration No. 333-45227)).
4.2	Fourth Supplemental Indenture, dated as of July 27, 2001, between Cendant Corporation and The Bank of Nova Scotia Trust Company of New York, as trustee.
4.3	Form of Note Senior Note (included in Exhibit 4.2).
4.4	Forward Purchase Contract Agreement, dated as of July 27, 2001, between Cendant Corporation and Bank One Trust Company, National Association, as Forward Purchase Contract Agent.
4.5	Form of Upper DECS Certificate (included in Exhibit 4.4).
4.6	Form of Stripped DECS Certificate (included in Exhibit 4.4).

- 4.7 Pledge Agreement, dated as of July 27, 2001, among Cendant Corporation, The Chase Manhattan Bank, as Collateral Agent, and Bank One Trust Company, National Association, as Forward Purchase Contract Agent.
- 4.8 Remarketing Agreement, dated as of July 27, 2001, among Cendant Corporation, Bank One Trust Company, National Association, as Forward Purchase Contract Agent, and Salomon Smith Barney Inc., as Remarketing Agent.
- 5.1 Opinion of Eric J. Bock regarding the legality of the Upper DECS.
- 8.1 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP as to tax matters.
- 99.1 Press Release issued by Cendant Corporation dated July 30, 2001.

SIGNATURE

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

CENDANT CORPORATION

By: /s/ Eric J. Bock

Eric J. Bock
Senior Vice President, Law
and Corporate Secretary

Date: July 31, 2001

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
REPORT DATED JULY 31, 2001 (JULY 24, 2001)

EXHIBIT INDEX

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EXECUTION COPY

CENDANT CORPORATION
(a Delaware Corporation)
15,000,000 Upper DECS(SM)

UNDERWRITING AGREEMENT

Dated: July 20, 2001

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(SM) Service mark of Salomon Smith Barney Inc.

CENDANT CORPORATION
(a Delaware corporation)

15,000,000 Upper DECS(SM)

UNDERWRITING AGREEMENT

July 20, 2001

SALOMON SMITH BARNEY INC.
388 Greenwich Street
New York, New York, 10013

Ladies and Gentlemen:

Cendant Corporation, a Delaware corporation (the "Company"), proposes to issue and sell to you (the "Underwriter"), for whom Salomon Smith Barney Inc. ("Salomon Smith Barney") is acting as representative (in such capacity, the "Representative") 15,000,000 of its Upper DECS on the terms and conditions stated herein and in Schedule II hereto. The UPPER DECS will initially consist of 15,000,000 units with a stated amount, per Upper DECS, of \$50 (the "Stated Amount"). Each Upper DECS will initially consist of (a) a stock purchase contract (a "Purchase Contract") under which (i) the holder will agree to purchase from the Company on August 17, 2004 (the "Purchase Contract Settlement Date"), for an amount of cash equal to the Stated Amount, shares of common stock, \$.01 par value ("Common Stock"), of the Company equal to the Settlement Rate (as defined in the Purchase Contract Agreement referred to below) and (ii) the Company will agree to pay to the holder contract adjustment payments and (b) \$50 principal amount of the Company's senior notes due 2006 (the "Notes") issued pursuant to the Indenture (as defined below).

The Company also proposes to grant to the Underwriter an option to purchase up to an additional 2,250,000 of its Upper DECS to cover over-allotments (the "Option Securities"; the Option Securities, together with the Initial Securities, being hereinafter called the "Securities"). The Notes that will initially constitute a component of the Upper DECS are hereinafter sometimes referred to as the "Underlying Notes". In accordance with the terms of the Purchase Contract Agreement, to be dated as of July 27, 2001 (the "Purchase Contract Agreement"), between the Company and Bank One Trust Company, National Association, as purchase contract agent (the "Purchase Contract Agent"), the Underlying Notes will be pledged by the Purchase Contract Agent, on behalf of the holders of the Upper DECS, to The Chase Manhattan Bank, as collateral agent (the "Collateral Agent"), pursuant to the Pledge Agreement, to be dated as of July 27, 2001 (the "Pledge Agreement"), among the Company, the Purchase

Contract Agent and the Collateral Agent, to secure the holders' obligations to purchase Common Stock under the Purchase Contracts. The shares of Common Stock issuable pursuant to the Purchase Contracts are hereinafter called the "Shares".

The Notes are to be issued pursuant to an indenture dated as of February 24, 1998 (the "Base Indenture"), between the Company and The Bank of Nova Scotia Trust Company of New York, as trustee (the "Trustee"), as amended and supplemented by a supplemental indenture to be dated July 27, 2001 (the "Supplemental Indenture") between the Company and the Trustee (the Base Indenture, as supplemented and amended by the Supplemental Indenture, being referred to as the "Indenture"). The Securities and the Indenture are more fully described in the Prospectus referred to below.

Pursuant to a Remarketing Agreement (the "Remarketing Agreement") to be dated as of July 27, 2001, between the Company, the Purchase Contract Agent and Salomon Smith Barney Inc., the Notes may be remarketed, subject to certain terms and conditions.

As used in this Agreement, the term "Operative Documents" means this Agreement, the Purchase Contract Agreement (including the Purchase Contracts), the Pledge Agreement, the Remarketing Agreement, the Notes, the Indenture and the Upper DECS.

The Company filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-49405) for the registration of certain securities, including the Securities, the Underlying Notes and the Shares, under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus or prospectuses, and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"). Such registration statement has been declared effective by the Commission and the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"). Such registration statement, in the form in which it became effective, including the exhibits and schedules thereto is referred to herein as the "Registration Statement"; and the final prospectus and the final prospectus supplement relating to the offering of the Securities, in the form first furnished to the Underwriter by the Company for use in connection with the offering of the Securities, are collectively referred to herein as the "Final Prospectus", provided, however, that all references to the "Registration Statement" and the "Final Prospectus" shall also be deemed to include all documents incorporated therein by reference pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), prior to the execution and delivery of this Agreement; and provided, further, that all references to "Registration Statement" shall also include the registration statement filed by the Company with the Commission pursuant to Section 462(b) of the 1933 Act Regulations (the "Rule 462(b) Registration Statement"), on July 19, 2001. A "preliminary prospectus" shall be deemed to refer to any prospectus used before the Registration Statement became effective and any prospectus that omitted information to be included upon pricing in a form of prospectus filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations and was used after such effectiveness but prior to the execution and delivery of this Agreement.

All references in this Agreement to financial statements and schedules and other information that is "contained," "included" or "stated" in the Registration Statement, any

preliminary prospectus or the Final Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information that is incorporated by reference in the Registration Statement, any preliminary prospectus or the Final Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, any preliminary prospectus or the Final Prospectus shall be deemed to mean and include the filing of any document under the 1934 Act that is incorporated by reference in the Registration Statement, such preliminary prospectus or the Final Prospectus, as the case may be.

It is understood that you propose to offer the Securities for sale to the public as set forth in the Final Prospectus.

The Company has entered into a merger agreement, dated as of June 18, 2001 (the "Merger Agreement") to purchase Galileo International Inc. (the "Acquisition").

SECTION 1. Representations and Warranties. (a) The Company represents and warrants to and agrees with each Underwriter as of the date hereof and as of the Closing Time (as defined in Section 2(b) hereof) that:

(i) The Company meets the requirements for use of Form S-3 under the 1933 Act. The Registration Statement has become effective under the 1933 Act; no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been initiated or, to the knowledge of the Company, threatened by the Commission.

(ii) On the original effective date of the Registration Statement, on the effective date of the most recent post-effective amendment thereto, if any, and on the date of the filing by the Company of any annual report on Form 10-K after the original filing of the Registration Statement, the Registration Statement complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations, the 1939 Act and the rules and regulations of the Commission under the 1939 Act (the "1939 Act Regulations") and did not or will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; on the date hereof and at the Closing Time, (A) the Registration Statement, and any amendments and supplements thereto, comply and will comply in all material respects with the requirements of the 1933 Act, the 1933 Act Regulations, the 1939 Act and the 1939 Act Regulations, (B) neither the Registration Statement nor any amendment or supplement thereto includes or will include an untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (C) neither the Final Prospectus nor any amendment or supplement thereto includes or will include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the representations and warranties in this subsection shall not apply to statements or omissions from the Registration Statement or Final Prospectus made in reliance upon and in conformity with information furnished to

the Company in writing by any Underwriter through the Representatives expressly for use in the Registration Statement or Final Prospectus.

Each preliminary prospectus and Final Prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied as so filed in all material respects with the 1933 Act and the 1933 Act Regulations and, if applicable, each preliminary prospectus and the Final Prospectus delivered to the Underwriter for use in connection with the offering of the Securities will, at the time of such delivery, be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(iii) The documents incorporated or deemed to be incorporated by reference in the Registration Statement or the Final Prospectus (other than the Company's Current Reports on Form 8-K dated January 27, 1998; February 6, 1998 and February 16, 1998), at the time they were or hereafter are filed or last amended, as the case may be, with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act, and the rules and regulations of Commission thereunder (the "1934 Act Regulations"), and at the time of filing or as of the time of any subsequent amendment, did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were or are made, not misleading; and any additional documents deemed to be incorporated by reference in the Registration Statement or the Final Prospectus will, if and when such documents are filed with the Commission, or when amended, as appropriate, comply in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however that the representations and warranties in this subsection shall not apply to statements or omissions from the Registration Statement or Final Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Registration Statement or Final Prospectus.

(iv) The accountants (individually an "Accountant" and together the "Accountants") who have reported upon the audited financial statements and schedules included or incorporated by reference in the Registration Statement are each independent public accountants as required by the 1933 Act and the 1933 Act Regulations with respect to (i) the Company and (ii) each corporation whose financial statements have been included in the Registration Statement for each of the years reported on by such Accountants.

(v) The consolidated financial statements of the Company, Avis Group Holdings, Inc. and Galileo International, Inc. included or incorporated by reference in the Registration Statement and the Final Prospectus, together with the related schedules and notes, present fairly the financial position of the Company, Avis Group Holdings, Inc. and to the knowledge of the Company, Galileo International, Inc., as the case may be, and their consolidated subsidiaries as at the dates indicated and the results of their operations

for the periods specified. Except as otherwise stated therein, such financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included or incorporated by reference in the Registration Statement and the Final Prospectus present fairly in accordance with GAAP the information required to be stated therein. The consolidated ratio of earnings to fixed charges included in the Final Prospectus has been calculated in compliance with Item 503(d) of Regulation S-K of the Commission. Any selected financial information and summary financial data included in the Final Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement and the Final Prospectus. Any pro forma financial statements and the related notes thereto included in the Registration Statement and the Final Prospectus present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. The Company has made all adjustments to its financial statements that have been required by the Commission through the date hereof in connection with the accounting irregularities described in the Prospectus Supplement.

(vi) Since the respective dates as of which information is given in the Registration Statement and the Final Prospectus, and except as otherwise stated therein, (A) there has been no material adverse change and no development with respect to either the Company or to the knowledge of the Company, Galileo International Inc. ("Galileo") that would result in a Material Adverse Effect (defined below) (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those arising in the ordinary course of business, that are material with respect to the Company and its subsidiaries, considered as one enterprise, nor any transactions entered into by Galileo, other than those in the ordinary course of business, which are material with respect to the Company, its subsidiaries and, to the knowledge of the Company, Galileo considered as one enterprise, and (C) except for regular dividends on the common stock in amounts per share that are consistent with past practice or the applicable charter document or supplement thereto, respectively, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, or to the knowledge of the Company, by Galileo on any class of their stock. For purposes of this Agreement, "Material Adverse Effect" with respect to (1) any matter relating to the Company or any of its subsidiaries, means a material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its consolidated subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business and (2) any matter relating to Galileo, means a material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, its subsidiaries and Galileo considered as one enterprise, whether or not arising in the ordinary course of business.

(vii) The Company is duly organized and is validly existing in good standing as a corporation under the laws of the State of Delaware, with corporate power and

corporate authority to own, lease and operate its properties and to conduct its business as presently conducted and as described in the Final Prospectus and to enter into and perform its obligations under, or as contemplated under, this Agreement. The Company is qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or be in good standing would not have a Material Adverse Effect.

(viii) Each significant subsidiary (as such term is defined in clauses (1) and (2) of Rule 1-02(w) of Regulation S-X promulgated under the 1933 Act), if any, of the Company (each, a "Significant Subsidiary") is set forth on Schedule III hereto. Each Significant Subsidiary is duly organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation with corporate power and corporate authority under such laws to own, lease and operate its properties and conduct its business. Each Significant Subsidiary is duly qualified to transact business as a foreign corporation and is in good standing in each other jurisdiction in which it owns or leases property of a nature, or transacts business of a type, that would make such qualification necessary, except to the extent that the failure to so qualify or be in good standing would not have a Material Adverse Effect. Except as otherwise stated in the Registration Statement and the Final Prospectus, all of the outstanding shares of capital stock of each Significant Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable and are owned by the Company, directly or through one or more Significant Subsidiaries, free and clear of any pledge, lien, security interest, charge, claim, equity or encumbrance of any kind (each, a "Lien"), except for such Liens as are not, individually or in the aggregate, material to the Company and its Significant Subsidiaries, considered as one enterprise.

(ix) The authorized, issued and outstanding capital stock of the Company is as set forth in the Final Prospectus; since the date indicated in the Final Prospectus there has been no change in the consolidated capitalization of the Company and its subsidiaries (other than changes in outstanding common stock resulting from employee benefit plan or dividend reinvestment and stock purchase plan transactions); all of the issued and outstanding capital stock of the Company has been authorized and validly issued, is fully paid and non-assessable and conforms to the descriptions thereof contained in the Final Prospectus; and no holder thereof is or will be subject to personal liability by reason of being such a holder.

(x) This Agreement has been duly authorized, executed and delivered by the Company.

(xi) The Remarketing Agreement has been duly authorized by the Company and when executed and delivered by the Company will constitute the valid and binding obligation of the Company enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) and except as

rights to indemnification, contribution or exculpation thereunder may not be enforceable, and will conform in all material respects to the description thereof in the Final Prospectus.

(xii) Each of the Purchase Contract Agreement, the Pledge Agreement, the Notes and the Indenture has been duly authorized and when executed and delivered by the Company (in the case of the Notes, in accordance with the Indenture) will constitute the valid and binding obligation of the Company enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity), and will conform in all material respects to the description thereof in the Final Prospectus. The Notes will be entitled to the benefits of the Indenture.

(xiii) The Merger Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally or by general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law); the representations and warranties of the Company set forth in the Merger Agreement are true and correct in all material respects on the date hereof, except to the extent any such representation or warranty was expressly made as of another date, in which case such representation and warranty was true and correct at such date. The Merger Agreement is in full force, and the Company has performed all of its obligations thereunder required to be performed on or prior to the date hereof.

(xiv) To the knowledge of the Company, the representations and warranties of Galileo set forth in the Merger Agreement are true and correct in all material respects on the date hereof, except to the extent any such representation or warranty was expressly made as of another date, in which case such representation and warranty was true and correct at such date. The Merger Agreement is in full force, and Galileo has performed all of its obligations thereunder required to be performed on or prior to the date hereof; to the knowledge of the Company, there is no event or condition which would reasonably be expected to materially and adversely affect the ability of Galileo to consummate the Acquisition.

(xv) The Upper DECS have been duly authorized and when executed and delivered by the Company will constitute the valid and binding obligations of the Company enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity), and will conform in all material respects to the description thereof in the Final Prospectus. The

Upper DECS and the Shares have been duly registered under the 1934 Act; and the issuance of the Upper DECS is not subject to preemptive or other similar rights.

(xvi) The Shares issuable pursuant to the Purchase Contract Agreement have been duly authorized and reserved for issuance by the Company and, when issued and delivered in accordance with the provisions of the Purchase Contract Agreement, will be validly issued and fully paid and non-assessable; and the issuance of such Shares is not and will not be subject to preemptive or other similar rights.

(xvii) The Securities and the Indenture conform in all material respects to the respective statements relating thereto contained in the Final Prospectus and are in substantially the respective forms filed or incorporated by reference, as the case may be, as exhibits to the Registration Statement.

(xviii) Neither the Company nor any of its Significant Subsidiaries is in violation of its charter or by-laws. None of the Company or any of its Significant Subsidiaries is in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, note, lease, loan or credit agreement or any other agreement or instrument (the "Agreements and Instruments") to which the Company or any of its Significant Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any Significant Subsidiary is subject, or in violation of any applicable law, rule or regulation or any judgment, order or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Significant Subsidiaries or any of their respective properties or assets, which violation or default would, singly or in the aggregate, have a Material Adverse Effect.

(xix) The execution, delivery and performance of this Agreement, the Indenture, the other Operative Documents and the Securities and the consummation of the transactions contemplated herein and in the Registration Statement (including the issuance and sale of the Securities and the sale of the Shares pursuant to the Purchase Contracts and the use of proceeds from the sale of the Securities as described in the Final Prospectus under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder and thereunder have been authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of any of the terms or provisions of, or constitute a default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Significant Subsidiaries or any of their assets, properties or operations (except for such violations that would not result in a Material Adverse Effect). As used herein, a "Repayment Event" means any event or condition that gives the holder of any note, debenture or other evidence of indebtedness of the

Company or any Significant Subsidiary (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any Significant Subsidiary.

(xx) Except as otherwise described in the Registration Statement and the Final Prospectus, there is no action, suit, proceeding, inquiry or investigation before or by any court or governmental agency or body, domestic or foreign, now pending or to the knowledge of the Company, threatened against or affecting the Company or any of its Significant Subsidiaries that is required to be disclosed in the Registration Statement and the Final Prospectus, or that might reasonably be expected to result in a Material Adverse Effect, or that might be reasonably expected to materially and adversely affect the consummation of this Agreement, the Indenture or the transactions contemplated herein or therein. The aggregate of all pending legal or governmental proceedings to which the Company or any Significant Subsidiary is a party or of which any of their respective properties or operations is the subject that are not described in the Registration Statement and the Final Prospectus, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xxi) Subject to each of the franchise and license agreements entered into by the Company or any of its Significant Subsidiaries, the Company and each of the Significant Subsidiaries own or have the unrestricted right to use such patents, patent licenses, trademarks, trademark licenses, service marks, service mark licenses and trade names and registrations thereof (collectively, "Intellectual Property") as are necessary to carry on their respective businesses as presently conducted, except where the failure to own or possess any of the Marks (as defined below) or Ramada Marks (as defined below) would not have a Material Adverse Effect. In addition to, and not in limitation of, anything else contained in this paragraph (xviii), the Company or a Significant Subsidiary (y) is the exclusive owner of all rights, title and interest (subject to all existing franchise and license agreements referred to above) in and to the Marks within the United States and outside the United States is the owner of the registrations and applications as are necessary to carry on its business as described in the Final Prospectus and as currently conducted, except where the failure to be such owner would not have a Material Adverse Effect and (z) is the exclusive licensee in the United States of the Ramada Marks. The Intellectual Property with respect to the Company's Century 21, Coldwell Banker, ERA, Days Inns of America, Inc., Super 8 Motels, Inc., Villager Franchise Systems, Inc., Knights Franchise Systems, Inc., Howard Johnson, Travelodge Hotels, Inc., Avis Rent A Car, Inc. and Resort Condominiums International, LLC businesses (each as described in the Final Prospectus and as currently conducted) is referred to herein as the "Marks" and the Intellectual Property with respect to the Company's Ramada business (as described in the Final Prospectus and as currently conducted) is referred to herein as the "Ramada Marks."

(xxii) To the best knowledge of the Company without having made any inquiry or independent investigation, no labor problem exists with the employees of any party that licenses a franchise, directly or indirectly, from a Significant Subsidiary (a "Franchisee") or is imminent that could reasonably be expected to have a Material Adverse Effect.

(xxiii) To the best knowledge of the Company, no dispute exists or is imminent with any Franchisee that could reasonably be expected to have a Material Adverse Effect.

(xxiv) Each Franchisee is such by virtue of being a party to a franchise contract with either the Company or a Significant Subsidiary and assuming each such contract has been duly authorized, executed and delivered by the parties thereto, other than the Company or a Significant Subsidiary, each such contract constitutes a valid, legal and binding obligation of each party thereto, enforceable against the Company or a Significant Subsidiary in accordance with its terms, except (A) for any one or more of such franchise contracts as would not have a Material Adverse Effect, and (B) to the extent that enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(xxv) The Company and each Significant Subsidiary have complied and are currently complying in all material respects with the rules and regulations of the United States Federal Trade Commission and the comparable laws, rules and regulations of each state or state agency applicable to the franchising business of the Company and such Significant Subsidiary in each state in which the Company or such Significant Subsidiary is doing business. The Company and each Significant Subsidiary have complied and are currently complying in all material respects with the Federal Real Estate Settlement Procedures Act and the real estate brokerage laws, rules and regulations of each state or state agency applicable to the real estate franchising business of the Company and such Significant Subsidiary in each state in which the Company or such Significant Subsidiary is doing business.

(xxvi) No authorization, approval, consent, order, registration or qualification of or with any court or governmental authority or agency is required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement or in the other Operative Documents or for the due execution, delivery or performance of the Indenture by the Company, except such as have been obtained and made under the federal securities laws and such as may be required under state or foreign securities or Blue Sky laws.

(xxvii) The Company is not, nor upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Final Prospectus will be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(xxviii) None of the Company or its Significant Subsidiaries has taken any action resulting in a violation of Regulation M under the 1934 Act, or designed to cause or result in, or that has constituted or that reasonably might be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the

sale or resale of the Securities or its common stock, in each case in violation of applicable law.

(xxix) No "forward looking statement" (as defined in Rule 175 under the 1933 Act) contained in the Registration Statement, any preliminary prospectus or the Final Prospectus was made or reaffirmed without a reasonable basis or was disclosed other than in good faith.

(b) Any certificate signed by any officer of the Company and delivered to the Underwriter or to counsel for the Underwriter shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriter; Closing. (a) On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Company, at the purchase price to the Underwriter set forth in Schedule II, the principal amount of Securities set forth in Schedule I opposite the name of such Underwriter, plus any additional number of Securities that such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 of this Agreement.

(b) In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters to purchase up to an additional 2,250,000 of its Upper DECS at the price per Security set forth in Schedule II. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Representative to the Company setting forth the number of Option Securities as to which the Underwriter is then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representative, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the Option Securities, the Underwriter will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule I opposite its name.

(c) Payment of the purchase price for, and delivery of certificates for, the Securities shall be made at the offices of Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 A.M. (New York time) on the third business day after the date of this Agreement (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called the "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriter, payment of the purchase price for, and delivery of certificates for,

such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representative and the Company, on each Date of Delivery as specified in the notice from the Representatives to the Company.

Payment for the Securities purchased by the Underwriter shall be made by wire transfer of immediately available funds, payable to the Company, against delivery to the accounts of the Underwriter of the Securities to be purchased by it. It is understood that the Underwriter has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Salomon Smith Barney, individually, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by an Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

Certificates for the Securities shall be in such denominations and registered in such names as the Underwriter may request in writing at least two full business days before the Closing Time. The certificates for Securities will be made available in New York City for examination by the Underwriter no later than 10:00 a.m. (New York time) on the business day prior to the Closing Time.

SECTION 3. Covenants of the Company. The Company agrees with the Underwriter as follows:

(a) Immediately following the execution of this Agreement, the Company will prepare a Prospectus Supplement that complies with the 1933 Act and the 1933 Act Regulations and that sets forth the principal amount of the Securities and their terms not otherwise specified in the Indenture, the name of each Underwriter participating in the offering and the principal amount of the Securities that each severally has agreed to purchase, the name of each Underwriter, if any, acting as representative of the Underwriter in connection with the offering, the price at which the Securities are to be purchased by the Underwriter from the Company, any initial public offering price, any selling concession and reallowance, and such other information as the Underwriter and the Company deem appropriate in connection with the offering of the Securities. The Company will promptly transmit copies of the Final Prospectus to the Commission for filing pursuant to Rule 424 under the 1933 Act and will furnish to the Underwriter as many copies of any preliminary prospectus and the Final Prospectus as they shall reasonably request.

(b) During the period when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, the Company will notify the Underwriter immediately, and confirm the notice in writing, (i) of the effectiveness of any post-effective amendment to the Registration Statement or the filing of any supplement or amendment to the Final Prospectus, (ii) the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Final Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order

suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose and (v) of the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or the exemption from qualification of the Securities under state securities or Blue Sky laws or the initiation or threatening of any proceeding for such purpose. The Company will make all reasonable efforts to prevent the issuance of any stop order and, if any stop order is issued, to promptly obtain the lifting thereof.

(c) During the period when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, the Company will give the Underwriter notice of its intention to file or prepare any amendment to the Registration Statement (including any post-effective amendment and any filing under Rule 462(b) of the 1933 Act Regulations), or any amendment, supplement or revision to either the prospectus included in the Registration Statement at the time it became effective or to the Final Prospectus, whether pursuant to the 1933 Act, the 1934 Act or otherwise; will furnish the Underwriter with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be; and will not file any such documents to which the Underwriter or counsel for the Underwriter shall reasonably object.

(d) The Company will deliver to the Underwriter and counsel for the Underwriter, without charge, conformed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and conformed copies of all consents and certificates of experts, and will also deliver to the Underwriter, without charge, a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Underwriter. If applicable, the copies of the Registration Statement and each amendment thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) The Company will furnish to each Underwriter, without charge, during the period when the Final Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the Final Prospectus (as amended or supplemented) as such Underwriter may reasonably request. If applicable, the Final Prospectus and any amendments or supplements thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(f) The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations and the 1939 Act and the 1939 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement and the Final Prospectus. If at any time when the Final Prospectus is required by the 1933 Act or the 1934 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for

the Underwriter or for the Company, to amend the Registration Statement in order that the Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or to amend or supplement the Final Prospectus in order that the Final Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement the Final Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(c) hereof, such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Final Prospectus comply with such requirements, and the Company will furnish to the Underwriter, without charge, such number of copies of such amendment or supplement as the Underwriter may reasonably request.

(g) The Company will use its best efforts, in cooperation with the Underwriter, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representatives may designate; provided, however, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for so long as may be required in connection with distribution of the Securities.

(h) The Company will make generally available to its securityholders as soon as practicable, but not later than 45 days (or 90 days, in the case of a period that is also the Company's fiscal year) after the close of the period covered thereby, an earnings statement of the Company and its subsidiaries (in form complying with the provisions of Rule 158 of the 1933 Act Regulations) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in said Rule 158) of the Registration Statement.

(i) The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Final Prospectus under "Use of Proceeds."

(j) The Company, during the period when the Final Prospectus is required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to Section 13, 14 or 15 of the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(k) For a period of 90 days from the date of this Agreement, not to, directly or indirectly, (1) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any securities, purchase contracts

or shares of Common Stock or securities convertible into or exchangeable for Common Stock or substantially similar securities (other than issuances of shares of Common Stock as consideration in acquisitions by the Company of unaffiliated entities and currently contemplated issuances of shares of Common Stock to Galileo International, Inc.) or any debt securities, or sell or grant options, rights or warrants with respect to any securities, purchase contracts or shares of Common Stock or securities convertible into or exchangeable for Common Stock or substantially similar securities (other than the Shares, options granted pursuant to employee stock option plans existing on the date hereof and shares sold or disposed of more than 30 days after the date hereof pursuant to the exercise of currently outstanding options granted under such plans), or (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such securities, purchase contracts or shares of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, in each case without the prior written consent of Salomon Smith Barney (other than transfers of shares of Common Stock to affiliates to the extent that the recipient agrees in writing to be bound by the restrictions set forth herein); and to cause each executive officer (as defined for purposes of Section 16 of the Exchange Act) and director of the Company to furnish to the Underwriter, prior to the Delivery Date, an executed letter in a form acceptable to Salomon Smith Barney relating to such matters;

(l) For a period of two years from the Closing Time, the Company will furnish to the Representatives copies of all annual reports, quarterly reports and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such similar forms (including any amendments or supplements thereto) as may be designated by the Commission, and such other documents, reports and information (including any amendments or supplements thereto) as shall be furnished by the Company to its stockholders or securityholders generally, provided, however, that the Company shall not be required to provide the Representatives with any such reports or similar forms that have been filed with the Commission by electronic transmission pursuant to EDGAR.

(m) Neither the Company nor its Significant Subsidiaries will take, directly or indirectly, any action resulting in a violation of Regulation M under the 1934 Act, or designed to cause or result in, or that reasonably might be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or its common stock, in each case, in violation of applicable law.

(n) The Company will reserve and keep available at all times, free of preemptive or other similar rights and liens and adverse claims, sufficient shares of Common Stock to satisfy its obligations to issue Shares upon settlement of the Purchase Contracts.

SECTION 4. Payment of Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including, without limitation, expenses related to the following, if incurred: (i) the preparation, delivery, printing and filing of the Registration Statement and Final Prospectus as originally filed (including financial

statements and exhibits) and of each amendment thereto; (ii) the printing and delivery to the Underwriter of this Agreement, any Agreement among Underwriter and such other documents as may be required in connection with the offering, purchase, sale and delivery of the Securities; (iii) the preparation, issuance and delivery of the certificates for the Securities; (iv) the fees and disbursements of the Company's counsel, accountants and other advisors or agents (including the transfer agents and registrars), as well as fees and disbursements of the Trustee and any Depositary, and their respective counsel; (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(g), including filing fees and the reasonable fees and disbursements of counsel for the Underwriter in connection therewith and in connection with the preparation of the Blue Sky Survey and any Legal Investment Survey; (vi) the printing and delivery to the Underwriter of copies of the Registration Statement as originally filed and of each amendment thereto, of each preliminary prospectus, and of the Final Prospectus and any amendments or supplements thereto; (vii) the printing and delivery to the Underwriter of copies of the Blue Sky Survey and any Legal Investment Survey, if any; (viii) any fees payable in connection with the rating of the Securities by nationally recognized statistical rating organizations; (ix) the filing fees incident to, and the fees and disbursements of counsel to the Underwriter in connection with, the review, if any, by the National Association of Securities Dealers, Inc. (the "NASD") of the terms of the sale of the Securities; and (x) any fees payable to the Commission.

If this Agreement is terminated by the Underwriter in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the Underwriter for all of their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of Shearman & Sterling, counsel for the Underwriter.

SECTION 5. Conditions of Underwriter' Obligations. The obligations of the Underwriter to purchase and pay for the Securities pursuant to this Agreement are subject to the accuracy of the representations and warranties of the Company herein contained at the date of this Agreement and at the Closing Date or in certificates of any officer of the Company or any subsidiary delivered pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to the following further conditions:

(a) On the date hereof and at the Closing Date, no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the satisfaction of counsel to the Underwriter.

(b) At the Closing Time the Underwriter shall have received:

(1) The favorable opinion, dated as of the Closing Time, of Eric J. Bock, Senior Vice President-Law and Corporate Secretary of the Company, in form and substance reasonably satisfactory to counsel for the Underwriter as set forth on Exhibit A attached hereto.

(2) The favorable opinion, dated as of the Closing Time, of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Company, in form and

substance satisfactory to counsel for the Underwriter as set forth on Exhibit B attached hereto.

(3) The favorable opinion, dated as of the Closing Time, of Steven Wagner, counsel for Bank One Trust Company, National Association, as Purchase Contract Agent, in form and substance satisfactory to counsel for the Underwriter as set forth on Exhibit C attached hereto.

(4) The favorable opinion, dated as of the Closing Time, of Shearman & Sterling, counsel for the Underwriter, in form and substance satisfactory to the Underwriter, with respect to the issuance and sale of the Securities, and other related matters as the Underwriter may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(c) Between the date of this Agreement and the Closing Time, no material adverse change shall have occurred in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Significant Subsidiaries, considered as one enterprise, whether or not in the ordinary course of business.

(d) At the Closing Time, the Underwriter shall have received a certificate of the President or a Vice President of the Company and of the Chief Financial Officer or Chief Accounting Officer of the Company to the effect that (i) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Significant Subsidiaries considered as one enterprise, whether or not in the ordinary course of business, (ii) the representations and warranties in Section 1 hereof are true and correct as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated or, to the knowledge of such officers, threatened by the Commission.

(e) At the time of the execution of this Agreement, the Underwriter shall have received letters from Deloitte & Touche LLP and KPMG LLP, dated such date and substantially in the form of Exhibit D, Exhibit E and Exhibit F attached hereto, respectively.

(f) At the Closing Time, the Underwriter shall have received a letter or letters from each Accountant that furnished a letter pursuant to subsection (e) of this Section, dated as of the Closing Time, to the effect that it reaffirms the statements made in the letter furnished pursuant to subsection (e) of this Section, except that the specified date referred to shall be a date not more than five days prior to the Closing Time.

(g) At the Closing Time counsel for the Underwriter shall have been furnished with such documents and opinions as they may require for the purpose of enabling them

to pass upon the issuance and sale of the Securities as herein contemplated and related proceedings, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Underwriter and counsel for the Underwriter.

(h) Between the date of this Agreement and the Closing Time, and at the Closing Time, (i) the Securities shall be rated in one of the four highest rating categories for debt securities ("Investment Grade") by at least one nationally recognized statistical rating agency, and the Company shall have delivered to the Underwriter a letter, dated the Closing Time, from such nationally recognized statistical rating agency, or other evidence satisfactory to the Underwriter, confirming that the Securities have Investment Grade ratings, (ii) there shall not have occurred any decrease in the rating assigned to the Securities or any securities of the Company by any "nationally recognized statistical rating organization," as defined for purposes of Rule 436(g)(2) under the 1933 Act Regulations since the date of this Agreement, and (iii) no such organization shall have publicly announced that it has under surveillance or review, without indicating an improvement, its rating of the Securities or any securities of the Company.

(i) In the event that the Underwriter exercise its option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificate furnished by the Company or any subsidiary of the Company hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representative shall have received.

- (1) A certificate, dated such Date of Delivery, signed by the President or a Vice President, and the Chief financial officer of the Company confirming that the certificate delivered at Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.
- (2) The opinion of Eric J. Bock, Senior Vice President and Corporate Secretary to the Company, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b)(1).
- (3) The opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel for the Company, in form and substance satisfactory to counsel for the Underwriter, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b)(2) hereof.

- (4) The opinion from counsel for Bank One Trust Company, National Association, as Purchase Contract Agent, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b)(3).
- (5) The opinion of Shearman & Sterling, counsel for the underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b)(4) hereof.
- (6) Letters from Deloitte & Touche LLP and KPMG LLP, in form and substance satisfactory to the Representative and dated such Date of delivery, substantially in the same form and substance as the letter furnished to the Representatives pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Underwriter by notice to the Company at any time prior to the Closing Time, and such termination shall be without liability to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Final Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, provided, that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Representatives, other than as provided in Section 6(d) below), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under clause (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Final Prospectus (or any amendment or supplement thereto) or (B) made in any preliminary prospectus and corrected in the Final Prospectus, as supplemented, where the person asserting any such loss, liability, claim, damage or expense purchased the Securities that are the subject thereof, and it shall have been established (i) that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus (excluding documents incorporated by reference) in any case where such delivery is required by the 1933 Act and (ii) the Company shall have previously furnished copies thereof in sufficient quantities to such Underwriter. The Company acknowledges that (a) the statements set forth in last paragraph of the cover page regarding delivery of the Securities and (b) under the heading "Underwriting" (x) the sentences related to concessions and reallowances and (y) the paragraph related to stabilization, syndicate covering transactions and penalty bids in the Final Prospectus constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Final Prospectus.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 6(a) above, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Final Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Final Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability that it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by the Representatives, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may

participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) above effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement. Notwithstanding the immediately preceding sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, an indemnifying party shall not be liable for any settlement of the nature contemplated by Section 6(a)(ii) above affected without its consent if such indemnifying party (i) reimburses such indemnified party in accordance with such request to the extent it considers such request to be reasonable and (ii) provides written notice to the indemnified party substantiating the unpaid balance as unreasonable, in each case prior to the date of such settlement.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand, and the Underwriter, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand, and the Underwriter, on the other hand, in connection with the statements or omissions that resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand, and the Underwriter, on the other hand, in connection with the offering of the Securities pursuant to this

Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of such Securities (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriter, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on such cover.

The relative fault of the Company, on the one hand, and the Underwriter, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriter were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Underwriter's respective obligations to contribute pursuant to this Section 7 are several in proportion to the aggregate principal amount of Securities set forth opposite their respective names in Schedule I to this Agreement, and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement or contained in certificates of officers of the Company or its subsidiaries submitted pursuant hereto, shall remain

operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or controlling person, or by or on behalf of the Company, and shall survive delivery of and payment for the Securities to the Underwriter.

SECTION 9. Termination of Agreement. (a) The Underwriter may terminate this Agreement, by notice to the Company at any time at or prior to the Closing Time, if (i) there has been, since the date of this Agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change or any development that could reasonably be expected to result in a prospective material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Significant Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) there has occurred any material adverse change in the financial markets in the United States or any outbreak of hostilities or escalation of hostilities or other calamity or crisis, or any change or development involving a prospective change in national or international political, financial or economic conditions the effect of which is such as to make it, in the judgment of the Representatives impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or limited by the Commission, NASD or the New York Stock Exchange, or if trading generally on either the American Stock Exchange, the New York Stock Exchange or in the over-the-counter market has been suspended or limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by such system or by order of the Commission, NASD or any other governmental authority, or (iv) if a banking moratorium has been declared by either Federal, New York State, New Jersey, or Delaware authorities.

(b) If this Agreement is terminated pursuant to this Section 9, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further, that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 10. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to the Underwriter c/o Salomon Smith Barney at 388 Greenwich Street, New York, New York 10013, Attention of Caesar Sweitzer, Managing Director, with a copy to Shearman & Sterling, Attention of Robert Evans III, Esq.; notices to the Company shall be directed to it at Cendant Corporation, 9 West 57th Street, New York, New York 10019, Attention of Eric J. Bock, Esq., Senior Vice President - Law.

SECTION 11. Parties. This Agreement shall inure to the benefit of and be binding upon the Company and the Underwriter and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriter and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and

their respective successors and legal representatives, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 12. GOVERNING LAW AND TIME. THIS AGREEMENT AND THE PRICING AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME UNLESS OTHERWISE INDICATED.

SECTION 13. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 14. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts hereof shall constitute a single instrument.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, shall become a binding agreement between the Company and the Underwriter in accordance with its terms.

Very truly yours,
CENDANT CORPORATION

By: _____
Name:
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

SALOMON SMITH BARNEY INC.

By:

Authorized Signatory

SCHEDULE I

15,000,000 UPPER DECS

Name of Underwriter -----	Principal Amount -----
Salomon Smith Barney Inc.....	15,000,000
	=====
TOTAL.....	15,000,000

SCHEDULE II

Dated July 20, 2001

CENDANT CORPORATION

15,000,000 UPPER DECS

1. The offering price per Security, determined as provided in said Section 2, shall be \$50.
2. The purchase price per Security to be paid by the several Underwriter shall be \$48.50, being an amount equal to the offering price set forth above less \$1.50 per Security.

SCHEDULE III
Significant Subsidiaries of the Company

Cendant Mortgage Corporation
TM Acquisition Corp.
HFS New York Corp.
Avis Rent-a-Car Systems, Inc.
D.L. Peterson Trust
Raven Funding LLC
Greyhound Funding LLC

FORM OF OPINION OF ERIC BOCK SENIOR VICE PRESIDENT - LAW AND
CORPORATE SECRETARY OF THE COMPANY

Based upon and subject to the limitations, qualifications, exceptions and assumptions set forth above, I am of the opinion that:

(i) The Company has been incorporated and is validly existing as a corporation under the laws of the State of Delaware.

(ii) The Company has corporate power and authority (i) to own, lease and operate its properties and to conduct its business as described in the Prospectus and (ii) to enter into this Agreement, the Remarketing Agreement, the Purchase Contract Agreement, the Pledge Agreement, the Indenture, the Supplemental Indenture and to perform its obligations under, or as contemplated under, each thereof.

(iii) The Company is qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, except where the failure to so qualify or be in good standing would not result in a Material Adverse Effect.

(iv) The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus (except for subsequent issuances, if any, pursuant to incentive compensation plan, employee benefit plan or dividend reinvestment and stock purchase plan transactions), and the shares of issued and outstanding capital stock of the Company have been authorized and validly issued and are fully paid and non-assessable; no holder thereof is or will be subject to personal liability by reason of being such a holder.

(v) Each Significant Subsidiary (as such term is defined in clauses (1) and (2) of Rule 1-02(w) of Regulation S-X promulgated under the 1933 Act) is forth on Schedule III to the Underwriting Agreement. Each Significant Subsidiary is duly organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation with corporate power and corporate authority under such laws to own, lease and operate its properties and conduct its business. Each Significant Subsidiary is duly qualified to transact business as a foreign corporation and is in good standing in each other jurisdiction in which it owns or leases property of a nature, or transacts business of a type, that would make such qualification necessary, except to the extent that the failure to so qualify or be in good standing would not have a Material Adverse Effect. Except as otherwise stated in the Registration Statement and the Prospectus, all of the outstanding shares of capital stock of each Significant Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable and are owned by the Company, directly or through one or more Significant Subsidiaries, free and clear of any Lien, except for such Liens as are not, individually or in the aggregate, material to the Company and its Significant Subsidiaries, considered as one enterprise.

(vi) Each of the documents incorporated by reference in the Registration Statement or the Prospectus at the time they were filed or last amended (other than the financial statements and the notes thereto, the financial schedules, and any other financial data included or incorporated by reference therein, as to which I need express no belief), complied as to form in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations, as applicable.

(vii) The Securities have been authorized for issuance and sale to the Underwriter pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement, will be validly issued and fully paid and non-assessable.

(viii) The Shares subject to the Purchase Contract Agreement have been validly authorized and reserved for issuance and, when issued and delivered by the Company in accordance with the provisions of the Purchase Contract Agreement, the Purchase Contracts and the Pledge Agreement, will be fully paid and non-assessable; the issuance of such Shares will not be subject to preemptive or other similar rights arising by law or otherwise.

(ix) The issuance of the Securities is not subject to preemptive or other similar rights arising by law or otherwise.

(x) This Agreement and the Remarketing Agreement have been duly authorized, executed and delivered by the Company.

(xi) The entry by the Company into the Purchase Contracts underlying the Securities that are Upper DECS, offer of the Securities as contemplated herein and in the Prospectus, the issue of the Shares and the sale of the Shares by the Company pursuant to the Purchase Contracts; the execution, delivery and performance of this Agreement, the Remarketing Agreement, the Purchase Contracts, the Purchase Contract Agreement, the Pledge Agreement, the Indenture and the Securities, and the consummation of the transactions contemplated herein, therein and in the Registration Statement (including the issuance and sale of the Securities and the use of proceeds from the sale of the Securities as described in the Final Prospectus under the caption "Use of Proceeds") and compliance by the Company with obligations hereunder and thereunder, have been authorized by all necessary action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of any of the terms or provisions of, or constitute a default or Repayment Event under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any Significant Subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any Significant Subsidiary or any of their assets, properties, or operations (except for such violations that would not result in a

Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any Significant Subsidiary.

(xii) There are no statutes required to be described in or incorporated by reference in the Registration Statement that are not described or incorporated by reference; and there are no legal or governmental proceedings pending or, to my knowledge, threatened that are required to be disclosed or incorporated by reference in the Registration Statement, other than those disclosed or incorporated by reference therein.

(xiii) There are no contracts, indentures, mortgages, agreements, notes, leases or other instruments required to be described or referred to or incorporated by reference in the Registration Statement or to be filed as exhibits thereto other than those described or referred to or incorporated by reference therein or filed as exhibits thereto; and the descriptions thereof or references thereto are true and correct in all material respects.

Moreover, nothing has come to my attention that causes me to believe that the Registration Statement, on the original effective date of the Registration Statement, on the effective date of the most recent post-effective amendment thereto, if any, on the date of the filing of any annual report on Form 10-K after the filing of the Registration Statement, or on the date of the Underwriting Agreement, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, or any amendment or supplement thereto, at the time the Prospectus Supplement was issued at the time any such amended or supplemented Prospectus was issued or at the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that I express no opinion or belief with respect to the financial statements, schedules and other financial data included therein or excluded therefrom.

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Based upon and subject to the limitations, qualifications, exceptions and assumptions set forth above, we are of the opinion that:

(i) The Company meets the requirements for use of Form S-3 under the 1933 Act. The Registration Statement is effective under the 1933 Act; any required filing of a preliminary prospectus and of the Final Prospectus pursuant to Rule 424(b) under the Securities Act has been made in the manner and within the time period required by such Rule 424(b).

(ii) The Registration Statement as of its effective date and the Final Prospectus and each amendment or supplement thereto as of its issue date and as of the date hereof (in each case, other than the financial statements and the notes thereto, the financial schedules, and any other financial data included or incorporated by reference therein or the Statements of Eligibility on Form T-1, as to which we express no belief), complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations; and the Indenture complied as to form in all respects with the requirements of the 1939 Act and the 1939 Act Regulations.

(iii) Each of the Purchase Contract Agreement, the Remarketing Agreement, the Pledge Agreement and the Indenture has been duly authorized, executed and delivered by the Company, and constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or equity);

(iv) The Upper DECS have been duly authorized by the Company and, when duly authenticated in accordance with the terms of the Purchase Contract Agreement and delivered to and paid for by the Underwriter in accordance with the terms of this Agreement and assuming the certificates evidencing the Upper DECS have been duly executed by the Purchase Contract Agent as attorney-in-fact of the holders thereof, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Purchase Contract Agreement, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or equity);

(v) The Notes have been duly authorized by the Company for issuance and sale to the Underwriter pursuant to this Agreement and, when issued and authenticated in

accordance with the terms of the Indenture and delivered against payment of the Upper DECS of which they are a part in accordance with the terms of this Agreement and the Indenture, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Indenture, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or equity);

(vi) The Shares initially subject to the Purchase Contract Agreement have been duly authorized and reserved for issuance by the Company and, when issued by the Company in accordance with the provisions of the Purchase Contract Agreement and the Purchase Contracts, will be validly issued, fully paid and non-assessable;

(vii) The certificates for the Upper DECS are in the respective forms contemplated by the Purchase Contract Agreement, the certificates for the Notes are in the forms contemplated by the Indenture and the certificates for the Shares comply with all applicable requirements of the General Corporation Law of the State of Delaware;

(viii) The Indenture has been authorized, executed and delivered by the Company and, assuming authorization, execution, and delivery thereof by the Trustee, is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law); and the Indenture has been duly qualified under the 1939 Act.

(ix) The statements included in the Final Prospectus under the captions "Description of the Upper DECS and Stripped DECS", "Description of the Forward Purchase Contracts", "Certain Provisions of the Purchase Contract Agreement and the Pledge Agreement", "Description of the Senior Notes", "Description of the Debt Securities" and "Description of Capital Stock", to the extent that they purport to summarize provisions of the Purchase Contract Agreement, the Remarketing Agreement, the Pledge Agreement, the Indenture, the Notes, the Upper DECS and the Company's charter and by-laws or legal matters, fairly summarize, in all material respects, such provisions or matters;

(x) To the extent that the statements in the Final Prospectus under the caption "Certain Federal Income Tax Consequences" purport to describe specific provisions of the Internal revenue Code or legal matters, such statements fairly present, in all material respects, an accurate summary of such provisions or matters;

(xi) No authorization, approval, consent, order, registration or qualification of or with any court or governmental authority or agency is required for the execution, delivery and performance by the Company of this Agreement, the Indenture, the other Operative Documents or the Securities, except such as have been obtained and made under the federal securities laws and such as may be required under state and foreign securities or Blue Sky laws.

(xii) The Company is not required to be registered as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended (the "1940 Act").

We have been orally advised by the Commission that the Registration statement was declared effective under the 1933 Act at [] [] .m., New York City time, on [], 1998 and, we have been advised by the Commission that no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued and, to the best of our knowledge, no proceedings for that purpose have been initiated or are pending or threatened by the Commission.

In addition, we have participated in conferences with officers and representatives of the Company, representatives of the independent accountants of the Company, and you and your counsel at which the contents of the Registration Statement and the Prospectus and related matters were discussed and, although we are not passing upon and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus and we have made no independent check or verification thereof, except as set forth in numbered paragraph (ix) above, on the basis of the foregoing, no facts have come to our attention that have led us to believe that the Registration Statement, at the time it became effective, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of the date of the Prospectus Supplement or as of the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that we express no opinion or belief with respect to the financial statements, schedules and other financial data included therein or excluded therefrom, including any Forms T-1.

Very truly yours,

FORM OF OPINION OF COUNSEL FOR THE
PURCHASE CONTRACT AGENT

(i) Bank One Trust Company is duly incorporated and is validly existing as a banking corporation with trust powers under the laws of the United States with all necessary power and authority to execute, deliver and perform its obligations under the Purchase Contract Agreement and the Pledge Agreement.

(ii) The execution, delivery and performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement, and the authentication and delivery of the Securities, have been duly authorized by all necessary corporate action on the part of the Purchase Contract Agent. The Purchase Contract Agreement and the Pledge Agreement have been duly executed and delivered by the Purchase Contract Agent, and constitute the legal, valid and binding obligations of the Purchase Contract Agent, enforceable against the Purchase Contract Agent in accordance with its terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(iii) the execution, delivery and performance of the Purchase Contract Agreement and the Pledge Agreement by the Purchase Contract Agent does not conflict with or constitute a breach of the charter or by-laws of the Purchase Contract Agent.

(iv) no consent, approval or authorization of, or registration with or notice to, any New York or federal governmental authority or agency is required for the execution, delivery or performance by the Purchase Contract Agent of the Purchase Contract Agreement and the Pledge Agreement.

LETTER OF DELOITTE & TOUCHE LLP
FOR THE COMPANY

LETTER OF DELOITTE & TOUCHE LLP
FOR AVIS GROUP HOLDINGS, INC

LETTER OF KPMG PEAT MARWICK LLP

FOURTH SUPPLEMENTAL INDENTURE

Dated as of July 27, 2001

between

CENDANT CORPORATION,

AS ISSUER

and

THE BANK OF NOVA SCOTIA TRUST COMPANY OF NEW YORK,

AS TRUSTEE

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FOURTH SUPPLEMENTAL INDENTURE, dated as of July 27, 2001 (the "Fourth Supplemental Indenture"), between CENDANT CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and The Bank of Nova Scotia Trust Company of New York, as trustee (the "Trustee").

WHEREAS, the Company executed and delivered the indenture, dated as of February 24, 1998 (the "Base Indenture"), to the Trustee to provide for the future issuance of the Company's senior unsecured debentures, notes or other evidences of indebtedness (the "Securities"), to be issued from time to time in one or more series as might be determined by the Company under the Base Indenture;

WHEREAS, the Company executed and delivered the First Supplemental Indenture, dated as of February 24, 1998 (the "First Supplemental Indenture"), to the Trustee to provide for the issuance of the Company's 6.45% Debentures due February 16, 2003;

WHEREAS, the Company executed and delivered the Second Supplemental Indenture, dated as of May 15, 2000 (the "Second Supplemental Indenture"), to the Trustee to provide the issuance of the Company's 6.45% Debentures due February 16, 2003;

WHEREAS, the Company executed and delivered the Third Supplemental Indenture, dated as of February 16, 2001 (the "Third Supplemental Indenture"), to the Trustee to provide for the issuance of the Company's 6.45% Debentures due February 16, 2003;

WHEREAS, pursuant to the terms of the Base Indenture, the Company desires to provide for the establishment of a new series of the Company's Securities to be known as the Company's 6.75% Senior Notes due August 17, 2006 (the "Senior Notes"), the form and substance of such Senior Notes and the terms, provisions and conditions thereof to be set forth as provided in the Base Indenture and this Fourth Supplemental Indenture;

WHEREAS, the Company has offered to the public up to 17,250,000 Upper DECS (the "Upper DECS"), consisting of (i) a forward purchase contract under which (a) the holder agreed to purchase, for \$50, shares of the Company's CD common stock on August 17, 2004 and (b) the Company agreed to pay the holders contract adjustment payments at the rate of 1.00% of the stated amount of the Upper

DECS per year and (ii) \$50 principal amount of the Senior Notes as described in a prospectus supplement, dated July 20, 2001 (the "Prospectus Supplement"); and

WHEREAS, the Company has requested that the Trustee execute and deliver this Fourth Supplemental Indenture and all requirements necessary to make this Fourth Supplemental Indenture a valid instrument in accordance with its terms, and to make the Senior Notes, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company and all acts and things necessary have been done and performed to make this Fourth Supplemental Indenture enforceable in accordance with its terms, and the execution and delivery of this Fourth Supplemental Indenture has been duly authorized in all respects:

NOW THEREFORE, in consideration of the purchase and acceptance of the Senior Notes by the holders thereof (each a "Holder" and, collectively, the "Holders"), and for the purpose of setting forth, as provided in the Indenture, the First Supplemental Indenture, the Third Supplemental Indenture and this Fourth Supplemental Indenture (together, the "Indenture"), the form and substance of the Senior Notes and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE I

DEFINITIONS

1.1 SECTION Definition of Terms .

Unless the context otherwise requires:

(a) a term defined in the Indenture has the same meaning when used in this Fourth Supplemental Indenture;

(b) a term defined anywhere in this Fourth Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) headings are for convenience of reference only and do not affect interpretation;

(e) capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Base Indenture;

(f) the following terms have the meanings given to them in the Purchase Contract Agreement: (i) Agent; (ii) Applicable Principal Amount; (iii) Authorized Newspaper; (iv) Cash Settlement; (v) Clearing Agency; (vi) Clearing Agency Participant; (vii) Initial Remarketing; (viii) Initial Remarketing Date; (ix) Underwriting Agreement; (x) Purchase Contract; (xi) Quotation Agent; (xii) Redemption Price; (xiii) Reset Announcement Date; (xiv) Reset Effective Date; (xv) Reset Rate; (xvi) Reset Spread; (xviii) Secondary Remarketing; (xviii) Secondary Remarketing Date; (xix) Tax Event; (xx) Treasury Portfolio; (xxi) Treasury Portfolio Purchase Price; (xxii) Two-Year Benchmark Treasury; and (xxiii) Two and One-Quarter Year Benchmark Treasury;

(g) the following terms have the meanings given to them in this Section 1.11(g):

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in The City of New York or in the city in which the Corporate Trust Office is located are authorized or obligated by law or executive order to close.

"Coupon Rate" shall have the meaning set forth in Section 2.4.

"Failed Initial Remarketing" shall have the meaning set forth in Section 7.1 (g).

"Maturity Date" shall have the meaning set forth in Section 2.2.

"Minimum Initial Remarketing Price" shall have the meaning set forth in the Remarketing Agreement.

"Pledge Agreement" means the Pledge Agreement dated as of July 27, 2001, among the Company, The Chase Manhattan Bank, as collateral agent (the "Collateral Agent"), custodial agent and securities intermediary and Bank One Trust Company, National Association, as purchase contract agent.

"Purchase Contract Agreement" shall mean that certain forward purchase contract agreement, dated July 27, 2001, between the Company and Bank One Trust Company, National Association, as purchase contract agent.

"Purchase Contract Settlement Date" means August 17, 2004.

"Put Option" shall have the meaning set forth in Section 3.4.

"Put Option Exercise Date" shall have the meaning set forth in Section 3.4.

"Quotation Agent" means Salomon Smith Barney Inc., or its successor or any other primary U.S. government securities dealer in New York City selected by the Company.

"Remarketing Agent" means Salomon Smith Barney Inc. or any successor thereto or replacement Remarketing Agent under the Remarketing Agreement.

"Remarketing Agreement" means the Remarketing Agreement, dated as of July 27, 2001, between the Company, Salomon Smith Barney Inc., as remarketing agent and Bank One Trust Company, National Association as purchase contract agent.

"Reset Agent" shall mean Salomon Smith Barney Inc., or its successor or any other agent as is mutually agreed on by the Company and the Trustee to act as reset agent.

"Reset Effective Date" means (i) May 17, 2004 in case the interest rate is reset on the Initial Remarketing Date, or (ii) the Purchase Contract Settlement Date, in case the interest rate is reset on the Secondary Remarketing Date.

"Senior Notes Repayment Price" shall have the meaning set forth in Section 3.4 hereof.

"Tax Event Redemption Date" shall have the meaning set forth in Section 3.1 hereof.

ARTICLE II

GENERAL TERMS AND CONDITIONS OF THE SENIOR NOTES

SECTION 2.1 SECTION Designation, Principal Amount and Authorized Denomination .

There is hereby authorized a series of Securities designated the 6.75% Senior Notes (the "Senior Notes") due August 17, 2006, limited in aggregate principal amount to \$826,500,000, which amount to be issued shall be as set forth in any written order of the Company for the authentication and delivery of Senior Notes pursuant to the Base Indenture. The denominations in which Senior Notes shall be issuable is \$50 and integral multiples thereof.

SECTION 2.2 SECTION Maturity . The date upon which the Senior Notes shall become due and payable at final maturity, together with accrued and unpaid interest, is August 17, 2006 (the "Maturity Date").

SECTION 2.3 Form and Payment.

Except as in Section 2.4, the Senior Notes shall be issued in fully registered certificated form bearing identical terms. Principal and interest on the Senior Notes issued in certificated form will be payable, the transfer of such Senior Notes will be registrable and such Senior Notes will be exchangeable for Senior Notes bearing identical terms and provisions at the office or agency maintained by the Company for this purpose in the Borough of Manhattan, The City of New York. However, at the Company's option, payment of interest may be made by check mailed to the Holder at such address as shall appear in the Security Register or by wire transfer to an account properly designated by the Holder entitled to payment. The registrar, transfer agent and initial Paying Agent for the Senior Notes shall be the Trustee.

SECTION 2.4 Global Senior Note.

(a) Any Senior Notes that are no longer part of Upper DECS will be issued initially in the form of one or more Global Securities (the "Global Senior Notes") registered in the name of the Clearing Agency or its nominee. Unless and until it is exchanged for the Senior Notes in registered form, such Global Senior Notes may be transferred, in whole but not in part, only to the Clearing Agency or

nominee of the Clearing Agency, or to a successor Clearing Agency selected or provided by the Company or to a nominee of such successor Clearing Agency.

(b) If at any time (i) the Clearing Agency notifies the Company that it is unwilling or unable to continue as a Clearing Agency for the Global Senior Notes and no successor Clearing Agency shall have been appointed within 90 days after such notification, (ii) the Clearing Agency ceases to be a clearing agency registered under the Securities Exchange Act of 1934 at any time the Clearing Agency is required to be so registered to act as such Clearing Agency and no successor Clearing Agency shall have been appointed within 90 days after the Company becoming aware of the Clearing Agency's ceasing to be so registered, (iii) the Company, in its sole discretion, determines that the Global Senior Notes shall be so exchangeable or (iv) there shall have occurred and be continuing an Event of Default, the Company will execute, and subject to Article Five of the Base Indenture, the Trustee, upon written notice from the Company, will authenticate and deliver the Notes in definitive registered form without coupons, in authorized denominations and in an aggregate principal amount equal to the principal amount of the Global Senior Note in exchange for such Global Senior Note.

Upon exchange of the Global Senior Note for such Senior Notes in definitive registered form without coupons, in authorized denominations, the Global Senior Note shall be cancelled by the Trustee. Such Notes in definitive registered form issued in exchange for the Global Senior Note shall be registered in such names and in such authorized denominations as the Clearing Agency, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the Clearing Agency for delivery to the Persons in whose names such Securities are so registered.

SECTION 2.5 Interest.

(a) Each Senior Note will bear interest initially at the rate of 6.75% per annum (the "Coupon Rate") from the original date of issuance through and including the day immediately preceding the Rest Effective Date and at the Reset Rate thereafter until the principal thereof is paid or duly made available for payment. Interest will accrue on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the Coupon Rate through and including the day immediately preceding the Reset Effective Date and at the Reset Rate thereafter. Interest will be payable quarterly in arrears on February 17, May 17, August 17 and November 17 of each year (each, an "Interest Payment Date") commencing on November 17, 2001, to the Person in

whose name such Senior Note or any predecessor Senior Note is registered at the close of business on the first day of the month on which the Interest Payment Date falls.

(b) The interest rate on the Senior Notes will be reset on the Initial Remarketing Date to the applicable Reset Rate (which Reset Rate will be effective on and after May 17, 2004) except in the event of a Failed Initial Remarketing. In the event of a Failed Initial Remarketing, the interest rate on the Senior Notes will be reset on the Secondary Remarketing Date to the applicable Rest Rate (which Reset Rate will be effective on and after the Purchase Contract Settlement Date). On the applicable Reset Announcement Date, the applicable Reset Spread and the Two-Year Benchmark Treasury or Two and One-Quarter Benchmark Treasury, as applicable, will be announced by the Company. On the Business Day immediately following such Rest Announcement Date, the Holders of Senior Notes will be notified of such Reset Spread and Two-Year Benchmark Treasury or Two and One-Quarter Benchmark Treasury, as applicable, by the Company. Such notice shall be sufficiently given to such Holders of Senior Notes if published in an Authorized Newspaper.

(c) Not later than seven calendar days nor more than 15 calendar days immediately preceding the applicable Reset Announcement Date, the Company will request that the Clearing Agency or its nominee (or any successor clearing agency or its nominee) notify the Holders of Senior Notes of such Reset Announcement Date and, in the case of a Secondary Remarketing, the procedures to be followed by such Holders of Senior Notes wishing to settle the related Purchase Contract with separate cash on the Business Day immediately preceding the Purchase Contract Settlement Date.

(d) The amount of interest payable for any period will be computed on the basis of a 360_day year consisting of twelve 30_day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full quarterly period for which interest is computed, will be computed on the basis of the actual number of days elapsed in such a 90_day period. In the event that any date on which interest is payable on the Senior Notes is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay).

ARTICLE III

REDEMPTION OF THE SENIOR NOTES

SECTION 3.1 Tax Event Redemption .

If a Tax Event shall occur and be continuing, the Company may, at its option, redeem the Senior Notes in whole (but not in part) at any time at a price per Senior Note equal to the Redemption Price. Installments of interest on the Senior Notes which are due and payable on or prior to the date of redemption (the "Tax Event Redemption Date") will be payable to the Holders of the Senior Notes registered as such at the close of business on the regular record date. If, following the occurrence of a Tax Event prior to the Purchase Contract Settlement Date, the Company exercises its option to redeem the Senior Notes, the Company shall appoint the Quotation Agent to assemble the Treasury Portfolio in consultation with the Company. Upon exercise of its option to redeem the Senior Notes, the Company shall in the notice to the Trustee pursuant to Section 1102 of the Base Indenture specify the Redemption Price. The Trustee shall have no duty or liability to determine or verify such amount. Notice of any redemption will be mailed at least 30 days but not more than 60 days before the Tax Event Redemption Date to each registered Holder of the Senior Notes to be repaid at its registered address. Unless the Company defaults in payment of the Redemption Price, on and after the Tax Event Redemption Date interest shall cease to accrue on the Senior Notes.

SECTION 3.2 Redemption Procedure for Senior Notes .

Payment of the Redemption Price to each Holder of Senior Notes shall be made by the Trustee (subject to its receipt of funds), no later than 12:00 noon, New York City time, on the Tax Event Redemption Date, by check or wire transfer in immediately available funds (provided the necessary wire instructions have been provided to the Trustee at least 15 days prior to the Tax Event Redemption Date) at such place and to such account as may be designated by each such Holder of Senior Notes, including the Collateral Agent. If the Trustee holds immediately available funds sufficient to pay the Redemption Price of the Senior Notes, then, on such Tax Event Redemption Date, such Senior Notes will cease to be outstanding and interest thereon will cease to accrue, whether or not such Senior Notes have been received by the Company, and all other rights of the Holder in respect of the Senior Notes shall terminate and lapse (other than the right to receive the Redemption Price upon delivery of such Senior Notes but without interest on such Redemption Price).

SECTION 3.3 No Sinking Fund.

The Senior Notes are not entitled to the benefit of any sinking fund.

SECTION 3.4 Option to Put Senior Notes Upon Failed Secondary Remarketing.

If a Failed Secondary Remarketing (as described in the Purchase Contract Agreement) has occurred, the Company shall immediately notify the Trustee thereof and each Holder of Senior Notes who holds such Senior Notes on the day immediately following the Purchase Contract Settlement Date shall have the right (the "Put Option"), upon at least three Business Days' prior notice, to require the Company to repurchase such Holder's Senior Notes on September 30, 2004 (the "Put Option Exercise Date"), at a repayment price per Senior Note equal to 100% of the principal amount, plus accrued and unpaid interest, if any, thereon to the date of payment (the "Senior Notes Repayment Price").

SECTION 3.5 Repurchase Procedure for Senior Notes.

(a) In order for the Senior Notes to be repurchased on the Put Option Exercise Date, the Trustee must receive on or prior to 5:00 P.M., New York City time, on the third Business Day immediately preceding the Put Option Exercise Date, at its Corporate Trust Office, the Senior Notes to be repurchased with the form entitled "Option to Elect Repayment" on the reverse of or otherwise accompanying such Senior Notes duly completed. Any such notice received by the Trustee shall be irrevocable. All questions as to the validity, eligibility (including time of receipt) and acceptance of the Senior Notes for repayment shall be determined by the Company, whose determination shall be final and binding.

(b) Payment of the Senior Notes Repayment Price to Holders of Senior Notes shall be made either through the Trustee, subject to the Trustee's receipt of payment from the Company in accordance with the terms of the Indenture or through the Company acting as Paying Agent, no later than 12:00 noon, New York City time, on the Put Option Exercise Date, and to such account as may be designated by such Holders. If the Trustee holds immediately available funds sufficient to pay the Senior Notes Repayment Price of the Senior Notes presented for repayment then, immediately prior to the close of business on the Business Day immediately preceding the Put Option Exercise Date, such Senior Notes will cease to be outstanding and interest thereon will cease to accrue, whether or not such Senior Notes have

been received by the Company, and all other rights of the Holder in respect of the Senior Notes, including the Holder's right to require the Company to repay such Senior Notes, shall terminate and lapse (other than the right to receive the Senior Notes Repayment Price upon delivery of such Senior Notes but without interest on such Senior Notes Repayment Price). Neither the Trustee nor the Company will be required to register the transfer of any Senior Notes for which repayment has been elected in accordance with Section 3.5(a).

ARTICLE IV

[RESERVED]

ARTICLE V

FORM OF SENIOR NOTE

SECTION 5.1 Form of Senior Note .

The Senior Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

If the Senior Note is to be a Global Note, Insert _ This Senior Note is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of the Depository Trust Company or a nominee of the Depository Trust Company. This Senior Note is exchangeable for Senior Notes registered in the name of a person other than the Depository Trust Company or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Senior Note (other than a transfer of this Senior Note as a whole by the Depository Trust Company to a nominee of the Depository Trust Company or by a nominee of the Depository Trust Company to the Depository Trust Company or another nominee of the Depository Trust Company) may be registered except in limited circumstances.

Unless this Senior Note is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any Senior Note issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

No. _____
CUSIP No. 151313AJ2

\$ _____

CENDANT CORPORATION
6.75% SENIOR NOTE
DUE AUGUST 17, 2006

CENDANT CORPORATION, a Delaware corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of (\$ _____) on August 17, 2006 (such date is hereinafter referred to as the "Maturity Date"), and to pay interest on said principal sum from July 27, 2001, or from the next recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, quarterly in arrears on February 17, May 17, August 17 and November 17 of each year, commencing on November 17, 2001, initially at the rate of 6.75% per annum through and including the day immediately preceding the Reset Effective Date, and at the Reset Rate thereafter until the principal hereof shall have become due and payable and, to the extent permitted by law, to pay interest compounded quarterly, on any overdue principal and premium, if any, and on any overdue installment of interest at the rate of 6.75% through and including the day immediately preceding the Reset Effective Date and at the Reset Rate thereafter. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360_day year consisting of twelve 30_day months. In the event that any date on which interest is payable on this Senior Note is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on such Interest Payment Date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Senior Note (or one or more Predecessor Securities, as defined in said Indenture) is registered at the close of business on the regular record date for such interest installment which in the case of a Global Senior Note shall be the close of business on the first day of the month in which the Interest Payment Date falls. Any such interest installment not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Senior Note (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted

interest, notice whereof shall be given to the registered Holders of this series of Senior Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Senior Notes may be listed, and upon such notice as may be required by such exchange all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Senior Note shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register or by wire transfer to an account appropriately designated by the Holder entitled thereto.

The indebtedness evidenced by this Senior Note is, to the extent provided in the Indenture, senior and unsecured and will rank in right of payment on parity with all other senior unsecured obligations of the Company.

This Senior Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed manually by or on behalf of the Trustee.

The provisions of this Senior Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated: July 27, 2001

CENDANT CORPORATION

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Senior Notes of the series of Senior Notes described in the within-mentioned Indenture.

Dated: July 27, 2001

THE BANK OF NOVA SCOTIA TRUST COMPANY
OF NEW YORK,
as Trustee

By

Authorized Signatory

(FORM OF REVERSE OF SENIOR NOTE)

This Senior Note is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of February 24, 1998 (the "Base Indenture"), duly executed and delivered between the Company and The Bank of Nova Scotia Trust Company of New York, as Trustee (the "Trustee") (as supplemented by a First Supplemental Indenture, dated February 24, 1998, a Second Supplemental Indenture, dated May 15, 2000, a Third Supplemental Indenture, dated February 16, 2001 and a Fourth Supplemental Indenture, dated July 27, 2001), (the Base Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities. By the terms of the Indenture, the Securities are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Securities is limited in aggregate principal amount as specified in said Fourth Supplemental Indenture.

If a Tax Event shall occur and be continuing, the Company may, at its option, redeem Senior Notes in whole (but not in part) at any time at a price per Senior Note equal to the Redemption Price. The Redemption Price shall be paid to each Holder of the Senior Notes by the Company, no later than 12:00 noon, New York City time, on the Tax Event Redemption Date, by check or wire transfer in immediately available funds, at such place and to such account as may be designated by each such Holder.

The Senior Notes are not entitled to the benefit of any sinking fund.

If a Failed Secondary Remarketing (as described in the Purchase Contract Agreement) has occurred, each Holder of this Senior Note who holds this Senior Note on the day immediately following the Purchase Contract Settlement Date shall have the right (the "Put Option"), upon at least three Business Days' prior notice, to require the Company to repurchase such Holder's Senior Notes on September 30, 2004 (the "Put Option Exercise Date"), at a repayment price per Senior Note equal to the principal amount of this Senior Note, plus accrued and unpaid interest, if any, thereon to the date of payment (the "Senior Note Repayment Price"). In order for the Senior Notes to be so repurchased, the Trustee must receive, on or prior to 5:00 p.m. New York City Time on the third Business Day immediately preceding the Put Option Exercise Date, at its Corporate Trust Office, the Senior Notes to be repurchased with the form entitled "Option to Elect Repayment" on the reverse of or

otherwise accompanying such Senior Notes duly completed. Any such notice received by the Trustee shall be irrevocable. All questions as to the validity, eligibility (including time of receipt) and acceptance of the Senior Notes for repayment shall be determined by the Company, whose determination shall be final and binding. The payment of the Senior Notes Repayment Price in respect of such Senior Notes shall be made, either through the Trustee or the Company acting as Paying Agent, no later than 12:00 noon, New York City time, on the Put Option Exercise Date.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Senior Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting, with certain exceptions therein provided, the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Senior Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of, among other things, adding any provisions to or changing or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying the rights of the Holders of the Senior Notes; provided, however, that, among other things, no such supplemental indenture shall (i) reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Senior Note so affected, or (ii) reduce the aforesaid percentage of Senior Notes, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Senior Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Senior Notes of such series, to waive a Default or Event of Default with respect to such series, and its consequences, except a Default or Event of Default in the payment of the principal of or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered Holder of this Senior Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Senior Note and of any Senior Note issued in exchange for or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Senior Note.

No reference herein to the Indenture and no provision of this Senior Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Senior Note at the time and place and at the rate and in the money herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, this Senior Note is transferable by the registered Holder hereof on the Security Register of the Company, upon surrender of this Senior Note for registration of transfer at the office or agency of the Trustee in the City of New York and State of New York accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Senior Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Senior Note, the Company, the Trustee, any Paying Agent and the Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Senior Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any Paying Agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Senior Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, shareholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

The Indenture imposes certain limitations on the ability of the Company to, among other things, merge or consolidate with any other Person or sell, assign,

transfer or lease all or substantially all of its properties or assets. All such covenants and limitations are subject to a number of important qualifications and exceptions. The Company must report periodically to the Trustee on compliance with the covenants in the Indenture.

The Senior Notes of this series are issuable only in registered form without coupons in denominations of \$50 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Senior Notes of this series so issued are exchangeable for a like aggregate principal amount of Senior Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Senior Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Senior Notes are subject to the covenants set forth in the Indenture.

The Senior Notes shall be governed by and construed in accordance with the law of the State of New York

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay \$_____ principal amount of the within Senior Note, pursuant to its terms, on the "Put Option Exercise Date," together with any interest thereon accrued but unpaid to the date of repayment, to the undersigned at:

(Please print or type Name and Address of the Undersigned)

and to issue to the undersigned, pursuant to the terms of the Indenture, a new Senior Note or Senior Notes representing the remaining aggregate principal amount of this Senior Note.

For this Option to Elect Repayment to be effective, this Indenture with the Option to Elect Repayment duly completed must be received by the Trustee at The Bank of Nova Scotia Trust Company of New York, One Liberty Plaza, 23rd Floor, New York, New York 10006, Attn: Corporate Trust Office, no later than 5:00 p.m. at least three business days prior to September 30, 2004.

Dated: _____ Signature: _____

Signature Guarantee: _____

Note: The signature to this Option to Elect Repayment must correspond with the name as written upon the face of the within Senior Note in every particular without alteration or enlargement or any change whatsoever.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Senior Note to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)

and irrevocably appoints

agent to transfer this Senior Note on the books of the Trust. The agent may substitute another to act for him or her.

Date: _____ Signature: _____

Signature Guarantee: _____

(Sign exactly as your name appears on the other side of this Senior Note)

ARTICLE VI

ORIGINAL ISSUE OF DISCOUNT

SECTION 6.1 Original Issue of Discount .

To the extent that such duty is not performed by the Purchase Contract Agent pursuant to Section 7.14 of the Purchase Contract Agreement, the Company shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on the outstanding Senior Notes as of the end of the year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE VII

REMARKETING

SECTION 7.1 Initial Remarketing Procedures.

(a) The Company will request, not later than seven nor more than 15 calendar days prior to the Initial Remarketing Date that the Clearing Agency notify the Holders of the Senior Notes and the Holders of the Upper DECS of the Initial Remarketing.

(b) Not later than 5:00 P.M., New York City time, on the tenth Business Day immediately preceding the Initial Remarketing Date, each Holder of the Senior Notes not constituting components of Upper DECS may elect to have the Senior Notes held by such Holder remarketed. Holders of Senior Notes that are not a component of Upper DECS shall give notice of their election to have such Notes remarketed to the Collateral Agent pursuant to the Pledge Agreement. Any such notice shall be irrevocable after 5:00 P.M., New York City time, on the second Business Day immediately preceding the Initial Remarketing Date and may not be conditioned upon the level at which the Reset Rate is established. Promptly after 5:30 P.M., New York City time, on such tenth Business Day, the Trustee, based solely on the notices received by it prior to such time from the Purchase Contract Agent and the Collateral Agent, shall notify the Company and the Remarketing Agent of the principal amount of Senior Notes to be tendered for remarketing. Under Section 5.4 of the Purchase Contract Agreement, Senior Notes that constitute components of Upper DECS will be remarketed as provided therein and in this

Section 7.1. The Senior Notes constituting components of Upper DECS shall be deemed tendered, notwithstanding any failure by the Holder of such Upper DECS to deliver or properly deliver such Senior Notes to the Remarketing Agent for purchase.

(c) The right of each Holder to have Senior Notes tendered for Initial Remarketing or the Secondary Remarketing, as the case may be, shall be limited to the extent that (i) the Remarketing Agent conducts an Initial Remarketing and, in the event of a Failed Remarketing, a Secondary Remarketing pursuant to the terms of the Remarketing Agreement, (ii) Senior Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered Senior Notes at a price of not less than the Minimum Initial Remarketing Price, in the case of the Initial Remarketing, and 100% of the principal amount thereof, in case of the Secondary Remarketing, and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required. Each Holder of Senior Notes that are remarketed in a Successful Initial Remarketing (as defined in the Remarketing Agreement) agrees that a remarketing fee in an amount set forth in the Remarketing Agreement shall be deducted from the proceeds of the remarketing.

(d) On the Initial Remarketing Date, the Remarketing Agent shall use reasonable efforts to remarket, at a price per Senior Note such that the aggregate price for the Applicable Principal Amount of Senior Notes is equal to approximately 100.5% of the Treasury Portfolio Purchase Price, Notes tendered or deemed tendered for purchase.

(e) If there are no Upper DECS outstanding and none of the Holders elect to have Senior Notes held by them remarketed, the Reset Rate shall be the rate determined by the Reset Agent, subject to the terms of the Remarketing Agreement, as the rate that would have been established had a remarketing been held on the Initial Remarketing Date.

(f) If the Remarketing Agent has determined that it will be able to remarket all Senior Notes tendered or deemed tendered prior to 4:00 P.M., New York City time, on the Initial Remarketing Date, the Reset Agent, subject to the terms of the Remarketing Agreement, shall determine the Reset Rate.

(g) If, by 4:00 P.M., New York City time, on the Initial Remarketing Date, (i) the Remarketing Agent is unable to remarket all Senior Notes tendered or deemed tendered for purchase, at a price per Senior Note such that the aggregate price for the Applicable Principal Amount of Senior Notes is equal to or at

least 100% of the Treasury Portfolio Purchase Price, or (ii) if the Initial Remarketing shall not have occurred because a condition precedent to the Remarketing shall not have been fulfilled, a failed remarketing ("Failed Initial Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Collateral Agent, the Purchase Contract Agent, Company, Trustee, and Clearing Agency. If requested by the Collateral Agent, the Purchase Contract Agent, the Trustee or the Clearing Agency, the Company shall confirm such advice in writing.

(h) By approximately 4:30 P.M., New York City time, on the Initial Remarketing Date, provided that there has not been a Failed Initial Remarketing, the Remarketing Agent shall advise, by telephone (i) the Collateral Agent, the Purchase Contract Agent, the Company, Trustee, and Clearing Agency of the Reset Rate determined in the Initial Remarketing and the aggregate principal amount of Senior Notes sold in the Initial Remarketing and the Reset Rate, (ii) each purchaser (or the Clearing Agency Participant thereof) of the Reset Rate and the aggregate principal amount of Senior Notes such purchaser is to purchase and (iii) each purchaser to give instructions to its Clearing Agency Participant to pay the purchase price on May 17, 2004 in same day funds against delivery of the Notes purchased through the facilities of the Clearing Agency.

(i) In accordance with the Clearing Agency's normal procedures, on May 17, 2004, the transactions described above with respect to each Note tendered for purchase and sold in the Initial Remarketing shall be executed through the Clearing Agency, and the accounts of the respective Clearing Agency Participants shall be debited and credited and such Senior Notes delivered by book entry as necessary to effect purchases and sales of such Senior Notes. The Clearing Agency shall make payment in accordance with its normal procedures.

(j) If any Holder selling Senior Notes in the Initial Remarketing fails to deliver such Senior Notes, the Clearing Agency Participant of such selling Holder and of any other Person that was to have purchased Senior Notes in the Initial Remarketing may deliver to any such other Person an aggregate principal amount of Senior Notes that is less than the aggregate principal amount of Senior Notes that otherwise was to be purchased by such Person. In such event, the aggregate principal amount of Senior Notes to be so delivered shall be determined by such Clearing Agency Participant, and delivery of such lesser aggregate principal amount of Senior Notes shall constitute good delivery.

(k) The Remarketing Agent is not obligated to purchase any Senior Notes in the Initial Remarketing or otherwise. Neither the Trustee, the

Purchase Contract Agent, the Company nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of Senior Notes for remarketing. The Trustee shall have no duties or obligations in respect of the Initial Remarketing except to provide the notice required of it in accordance with Section 7.1(b).

(l) The tender and settlement procedures set forth in this Section 7.1, including provisions for payment by purchasers of Senior Notes in the Initial Remarketing, shall be subject to modification, notwithstanding any provision to the contrary set forth herein, to the extent required by the Clearing Agency or if the book entry system is no longer available for the Notes at the time of the Initial Remarketing, to facilitate the tendering and remarketing of Senior Notes in certificated form. In addition, the Remarketing Agent may, notwithstanding any provision to the contrary set forth herein, modify the settlement procedures set forth herein in order to facilitate the settlement process.

(m) Anything herein to the contrary notwithstanding, the Reset Rate shall in no event exceed the maximum rate permitted by applicable law and, as provided in the Remarketing Agreement, neither the Remarketing Agent nor the Reset Agent shall have any obligation to determine whether there is any limitation under applicable law on the Reset Rate or, if there is any such limitation, the maximum permissible Reset Rate on the Senior Notes and they shall rely solely upon written notice from the Company (which the Company agrees to provide prior to the tenth Business Day before May 17, 2004) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate.

SECTION 7.2 Secondary Remarketing Procedures.

(a) If a Failed Initial Remarketing has occurred, the Company will request, not later than seven nor more than 15 calendar days prior to the Secondary Remarketing Date that the Clearing Agency notify the Holders of the Senior Notes of the Secondary Remarketing and of the procedures that must be followed if a Holder of Senior Notes wishes to exercise such Holder's rights with respect to the Put Option if there is a Failed Secondary Remarketing.

(b) If a Failed Initial Remarketing has occurred, not later than 5:00 P.M., New York City time, on the second Business Day immediately preceding the Secondary Remarketing Date, each Holder of the Senior Notes may elect to have the Senior Notes held by such Holder remarketed. Under Section 5.5 of the Purchase Contract Agreement, Holders of Upper DECS that do not give notice of intention to

make a Cash Settlement of their related Purchase Contracts shall be deemed to have consented to the disposition of the Notes constituting a component of such Upper DECS. Holders of Senior Notes that are not a component of Upper DECS shall give notice of their election to have such Senior Notes remarketed to the Collateral Agent pursuant to the Pledge Agreement. Any such notice shall be irrevocable after 5:00 P.M., New York City time, on the second Business Day immediately preceding the Secondary Remarketing Date and may not be conditioned upon the level at which the Reset Rate is established. Promptly after 5:30 P.M., New York City time, on such second Business Day, the Trustee, solely based on the notices received by it prior to such time from the Purchase Contract Agent and the Collateral Agent, shall notify the Company and the Remarketing Agent of the principal amount of Senior Notes to be tendered for remarketing. Under Section 5.5 of the Purchase Contract Agreement, the Senior Notes that constitute components of Upper DECS will be remarketed as provided therein and in this Section 7.2.

(c) If any Holder of Upper DECS does not give a notice of its intention to make a Cash Settlement or gives a notice of election to tender Senior Notes as described in Section 7.2(b), the Senior Notes of such Holder shall be deemed tendered, notwithstanding any failure by such Holder to deliver or properly deliver such Senior Notes to the Remarketing Agent for purchase.

(d) The right of each Holder to have Senior Notes tendered for purchase shall be limited to the extent that (i) the Remarketing Agent conducts a remarketing pursuant to the terms of the Remarketing Agreement, (ii) Senior Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered Senior Notes at a price of not less than 100% of the principal amount thereof, and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required. Each Holder of Notes that are remarketed in a Successful Secondary Remarketing agrees that a remarketing fee in an amount set forth in the Remarketing Agreement shall be deducted from the proceeds of the remarketing.

(e) If a Failed Initial Remarketing has occurred, on the Secondary Remarketing Date, the Remarketing Agent shall use reasonable efforts to remarket, at a price equal to approximately 100.5% of the aggregate principal amount thereof, Senior Notes tendered or deemed tendered for purchase.

(f) If none of the Holders elect or are deemed to have elected to have Senior Notes held by them remarketed, the Reset Rate shall be the rate determined by the Reset Agent, subject to the terms of the Remarketing Agreement,

as the rate that would have been established had a remarketing been held on the Secondary Remarketing Date.

(g) If the Remarketing Agent has determined that it will be able to remarket all Senior Notes tendered or deemed tendered prior to 4:00 P.M., New York City time, on the Secondary Remarketing Date, the Reset Agent shall, subject to the terms of the Remarketing Agreement, determine the Reset Rate; provided, however, that if the Remarketing Agent determines that it will not be able to remarket all Senior Notes tendered or deemed tendered prior to 4:00 P.M., New York City Time, on the Secondary Remarketing Date, there shall be no Reset Rate determined.

(h) If, by 4:00 P.M., New York City time, on the Secondary Remarketing Date, the Remarketing Agent is unable to remarket all Senior Notes tendered or deemed tendered for purchase or if the Secondary Remarketing shall not have occurred because a condition precedent to the Secondary Remarketing shall not have been fulfilled, a failed remarketing ("Failed Secondary Remarketing") shall be deemed to have occurred and the Remarketing Agent shall so advise by telephone the Collateral Agent, Company, Trustee, Purchase Contract Agent and Clearing Agency. If requested by the Collateral Agent, the Purchase Contract Agent, the Trustee or the Clearing Agency, the Company shall confirm such advice in writing.

(i) By approximately 4:30 P.M., New York City time, on the Secondary Remarketing Date, provided that there has not been a Failed Secondary Remarketing, the Remarketing Agent shall advise, by telephone (i) the Collateral Agent, the Company, Trustee, Purchase Contract Agent and Clearing Agency of the Reset Rate determined in the Secondary Remarketing and the aggregate principal amount of Senior Notes sold in the Secondary Remarketing, (ii) each purchaser (or the Clearing Agency Participant thereof) of the Reset Rate and the aggregate principal amount of Senior Notes such purchaser is to purchase and (iii) each purchaser to give instructions to its Clearing Agency Participant to pay the purchase price on the Purchase Contract Settlement Date in same day funds against delivery of the Senior Notes purchased through the facilities of the Clearing Agency.

(j) In accordance with the Clearing Agency's normal procedures, on the Purchase Contract Settlement Date, the transactions described above with respect to each Senior Note tendered for purchase and sold in the Secondary Remarketing shall be executed through the Clearing Agency, and the accounts of the respective Clearing Agency Participants shall be debited and credited and such Senior Notes delivered by book entry as necessary to effect purchases and sales of

such Senior Notes. The Clearing Agency shall make payment in accordance with its normal procedures.

(k) If any Holder selling Notes in the Secondary Remarketing fails to deliver such Senior Notes, the Clearing Agency Participant of such selling Holder and of any other Person that was to have purchased Senior Notes in the Secondary Remarketing may deliver to any such other Person an aggregate principal amount of Senior Notes that is less than the aggregate principal amount of Senior Notes that otherwise was to be purchased by such Person. In such event, the aggregate principal amount of Senior Notes to be so delivered shall be determined by such Clearing Agency Participant, and delivery of such lesser aggregate principal amount of Senior Notes shall constitute good delivery.

(l) The Remarketing Agent is not obligated to purchase any Senior Notes in the Secondary Remarketing or otherwise. Neither the Trustee, Purchase Contract Agent, the Company nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of Senior Notes for remarketing. The Trustee shall have no duties or obligations in respect of the Secondary Remarketing except to provide notice required from it in accordance with Section 7.2(b).

(m) The tender and settlement procedures set in this Section 7.2, including provisions for payment by purchasers of Senior Notes in the Secondary Remarketing, shall be subject to modification, notwithstanding any provision to the contrary set forth herein, to the extent required by the Clearing Agency or if the book_entry system is no longer available for the Senior Notes at the time of the Secondary Remarketing, to facilitate the tendering and remarketing of Senior Notes in certificated form. In addition, the Remarketing Agent may, notwithstanding any provision to the contrary set forth herein, modify the settlement procedures set forth herein in order to facilitate the settlement process.

(n) Anything herein to the contrary notwithstanding, the Reset Rate shall in no event exceed the maximum rate permitted by applicable law and, as provided in the Remarketing Agreement, neither the Remarketing Agent nor the Reset Agent shall have any obligation to determine whether there is any limitation under applicable law on the Reset Rate or, if there is any such limitation, the maximum permissible Reset Rate on the Senior Notes and they shall rely solely upon written notice from the Company (which the Company agrees to provide prior to the 10th Business Day before the Purchase Contract Settlement Date) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1 Ratification of Indenture.

The Indenture, as supplemented by the First Supplemental Indenture, dated February 24, 1998, the Second Supplemental Indenture, dated May 15, 2000, the Third Supplemental Indenture, dated February 16, 2001, and this Fourth Supplemental Indenture, is in all respects ratified and confirmed, and this Fourth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 8.2 Trustee Not Responsible for Recitals .

The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Fourth Supplemental Indenture.

SECTION 8.3 Governing Law.

This Fourth Supplemental Indenture and each Senior Note shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 8.4 Separability .

In case any one or more of the provisions contained in this Fourth Supplemental Indenture or in the Senior Notes shall for any reason be held to be invalid illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Fourth Supplemental Indenture or of the Senior Notes, but this Fourth Supplemental Indenture and the Senior Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 8.5 Counterparts.

This Fourth Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

CENDANT CORPORATION,
as Issuer

By:

Name:
Title:

THE BANK OF NOVA SCOTIA TRUST
COMPANY OF NEW YORK,
as Trustee

By:

Name:
Title:

CENDANT CORPORATION

AND

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION
as Forward Purchase Contract Agent

FORWARD PURCHASE CONTRACT AGREEMENT

dated as of July 27, 2001

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FORWARD PURCHASE CONTRACT AGREEMENT, dated as of July 27, 2001 between Cendant Corporation, a Delaware corporation (the "Company"), and Bank One Trust Company, National Association, acting as purchase contract agent for the Holders of Securities from time to time (the "Agent").

RECITALS

The Company has duly authorized the execution and delivery of this Agreement and the Certificates evidencing the Securities.

All things necessary to make the Forward Purchase Contracts, when the Certificates are executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Agent, as provided in this Agreement, the valid obligations of the Company, and to constitute these presents a valid agreement of the Company, in accordance with its terms, have been done.

WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATIONS

Section 1.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; and nouns and pronouns of the masculine gender include the feminine and neuter genders;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States;

(c) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(d) the following terms have the meanings given to them in this Section 1.1(d).

"Act" when used with respect to any Holder, has the meaning specified in Section 1.4.

"Affiliate" has the same meaning as given to that term in Rule 405 promulgated under the Securities Act of 1993, as amended, as is in effect on the date hereof.

"Agent" means the Person named as the "Agent" in the first paragraph of this instrument until a successor Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Agent" shall mean such Person.

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Applicable Market Value" has the meaning specified in Section 5.1.

"Applicable Ownership Interest" means, with respect to an Upper DECS and the Treasury Securities in the Treasury Portfolio, (A) a 1/20, or 5.0%, undivided beneficial ownership interest in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury security included in such Treasury Portfolio which matures on or prior to August 17, 2004 and (B) for the scheduled interest payment date on the Notes that occurs on the Forward Purchase Contract Settlement Date, in the case of a Successful Initial Remarketing, or for each scheduled interest payment date on the Notes that occurs after the Tax Event Redemption Date and on or before the Forward Purchase Contract Settlement Date, in the case of a Tax Event Redemption, a 5.0% undivided beneficial ownership interest in a \$1,000 principal or interest of a principal or interest strip in a U.S. Treasury security included in the Treasury Portfolio that matures on or prior to that interest payment date or dates.

"Applicable Principal Amount" means the aggregate principal amount of the Notes which are components of Upper DECS on the Initial Remarketing Date.

"Authorized Newspaper" means a daily newspaper, in the English language, customarily published on each day that is a Business Day in The City of New York, whether or not published on days that are Legal Holidays, and of general circulation in The City of New York. The Authorized Newspaper for the purposes of the Reset Announcement Date is currently anticipated to be The Wall Street Journal.

"Bankruptcy Code" means title 11 of the United States Code, or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Beneficial Owner" means, with respect to a Book-Entry Interest, a Person who is the owner of such Book-Entry Interest as reflected on the books of the Clearing Agency or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Board of Directors" means the board of directors of the Company or a duly authorized committee of that board.

"Board Resolution" means one or more resolutions of the Board of Directors, a copy of which has been certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification and delivered to the Agent.

"Book-Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 3.6.

"Business Day" means any day other than a Saturday, a Sunday or any other day on which banking institutions in New York City (in the State of New York) are permitted or required by any applicable law to close.

"Cash Settlement" has the meaning set forth in Section 5.5(a)(i).

"Certificate" means an Upper DECS Certificate or a Stripped DECS Certificate.

"Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as a depository for the Securities and in whose name, or in the name of a nominee of that organization, shall be registered a Global Certificate and which shall undertake to effect book entry transfers and pledges of the Securities.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Price" has the meaning specified in Section 5.1.

"Collateral" has the meaning specified in Section 2.1 of the Pledge Agreement.

"Collateral Agent" means The Chase Manhattan Bank, as Collateral Agent under the Pledge Agreement until a successor Collateral Agent shall have become such pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Collateral Agent" shall mean the Person who is then the Collateral Agent thereunder.

"Collateral Substitution" has the meaning specified in Section 3.13.

"Common Equity Securities" means shares of a class of stock of the Company that is not entitled to priority over any other class of stock of the

Company in the payment of dividends or with respect to rights upon the liquidation, dissolution or winding up of the Company.

"Common Stock" means the Common Stock, \$0.01 par value, of the Company.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Company" shall mean such successor.

"Constituted Person" has the meaning specified in Section 5.7(b).

"Contract Adjustment Payments" means, in the case of Upper DECS and Stripped DECS, the amount payable by the Company in respect of each Forward Purchase Contract constituting a part of an Upper DECS or a Stripped DECS, equal to 1.0% per year of the Stated Amount, in each case computed on the basis of a 360 day year of twelve 30 day months, plus any Deferred Contract Adjustment Payments accrued pursuant to Section 5.2 or 5.3.

"Corporate Trust Office" means the principal corporate trust office of the Agent at which, at any particular time, its corporate trust business shall be administered, which office at the date hereof is located at 1 Bank One Plaza Suite IL1-0126, Chicago, IL 60670-0126, Attention: Global Corporate Trust Services Division.

"Coupon Rate" means the percentage rate per year at which each Note will bear interest initially.

"Current Market Price" has the meaning specified in Section 5.7(a)(8).

"Deferred Contract Adjustment Payments" has the meaning specified in Section 5.3.

"Depository" means, initially, DTC until another Clearing Agency becomes its successor.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Early Settlement" has the meaning specified in Section 5.10(a).

"Early Settlement Amount" has the meaning specified in Section 5.10(a).

"Early Settlement Date" has the meaning specified in Section 5.10(a).

"Early Settlement Rate" has the meaning specified in Section 5.10(b).

"Exchange Act" means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time, and the rules and regulations promulgated thereunder.

"Expiration Date" has the meaning specified in Section 1.4.

"Expiration Time" has the meaning specified in Section 5.7(a)(6).

"Failed Initial Remarketing" has the meaning specified in Section 5.4.

"Failed Secondary Remarketing" has the meaning specified in Section 5.5(b).

"Global Certificate" means a Certificate that evidences all or part of the Securities and is registered in the name of a Depositary or a nominee thereof.

"Global Note Certificate" means a certificate evidencing the respective rights and obligations of Holders in respect of the number of Notes specified on such certificate and which is registered in the name of a Clearing Agency or a nominee thereof.

"Holder," when used with respect to a Security, means the Person in whose name the Security evidenced by an Upper DECS Certificate and/or a Stripped DECS Certificate is registered in the related Upper DECS Register and/or Stripped DECS Register, as the case may be.

"Indenture" means the Indenture dated as of February 24, 1998 between the Company and the Indenture Trustee, as amended and supplemented by the Fourth Supplemental Indenture dated as of July 27, 2001 between the Company and the Indenture Trustee.

"Indenture Trustee" means The Bank of Nova Scotia Trust Company of New York, as trustee under the Indenture, or any successor thereto.

"Initial Remarketing" has the meaning specified in Section 5.4.

"Initial Remarketing Date" has the meaning specified in Section 5.4.

"Issuer Order" or "Issuer Request" means a written order or request signed in the name of the Company by its Chairman of the Board, its President or a Vice President and by its Chief Financial Officer, its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Agent.

"New York Office" shall have the meaning set forth in Section 10.2

"Notes" means the series of senior notes of the Company designated the senior notes due August 17, 2006, to be issued under the Indenture as of the date hereof.

"NYSE" has the meaning specified in Section 5.1.

"Officer's Certificate" means a certificate of the Company signed on its behalf by the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company and delivered to the Agent.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or an Affiliate and who shall be reasonably acceptable to the Agent.

"Outstanding Securities," with respect to the Upper DECS or Stripped DECS, means, as of the date of determination, all Upper DECS or Stripped DECS, as the case may be, evidenced by Certificates theretofore authenticated, executed and delivered under this Agreement, except:

(i) If a Termination Event has occurred, (A) Stripped DECS for which the Stated Amount of Treasury Securities has been theretofore deposited with the Agent in trust for the Holders of such Stripped DECS and (B) Upper DECS for which the Stated Amount of the related Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, has been theretofore deposited with the Agent in trust for the Holders of such Upper DECS;

(ii) Upper DECS or Stripped DECS evidenced by Certificates theretofore cancelled by the Agent or delivered to the Agent for cancellation or deemed cancelled pursuant to the provisions of this Agreement; and

(iii) Upper DECS or Stripped DECS evidenced by Certificates in exchange for or in lieu of which other Certificates have been authenticated, executed on behalf of the Holder and delivered pursuant to this Agreement, other than any such Certificate in respect of which there shall have been presented to the Agent proof satisfactory to it that such Certificate is held by a protected purchaser in whose hands the Upper DECS or Stripped DECS evidenced by such Certificate are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite number of the Upper DECS or Stripped DECS have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Upper DECS or Stripped DECS owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, in determining whether the Agent shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Upper DECS or Stripped DECS which a Responsible Officer of the Agent knows to be so owned shall be so disregarded. Upper DECS or Stripped DECS so owned which have been

pledged in good faith may be regarded as Outstanding Securities if the pledgee establishes to the satisfaction of the Agent the pledgee's right so to act with respect to such Upper DECS or Stripped DECS and that the pledgee is not the Company or any Affiliate of the Company.

"Payment Date" means each February 17, May 17, August 17 and November 17, commencing November 17, 2001.

"Permitted Investments" has the meaning set forth in Section 1 of the Pledge Agreement.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated association or government or any agency or political subdivision thereof or any other entity of whatever nature.

"Pledge" means the pledge under the Pledge Agreement of the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and of the Treasury Securities, in each case constituting a part of the Securities.

"Pledge Agreement" means the Pledge Agreement, dated as of July 27, 2001, by and among the Company, the Collateral Agent and the Agent, on its own behalf and as attorney-in-fact for the Holders from time to time of the Securities, as the same may hereafter be amended in accordance with the terms thereof.

"Predecessor Certificate" means a Predecessor Upper DECS Certificate or a Predecessor Stripped DECS Certificate.

"Predecessor Upper DECS Certificate" of any particular Upper DECS Certificate means every previous Upper DECS Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Upper DECS evidenced thereby; and, for the purposes of this definition, any Upper DECS Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Upper DECS Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Upper DECS Certificate.

"Predecessor Stripped DECS Certificate" of any particular Stripped DECS Certificate means every previous Stripped DECS Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Stripped DECS evidenced thereby; and, for the purposes of this definition, any Stripped DECS Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Stripped DECS Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Stripped DECS Certificate.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in The City of New York.

"Proceeds" has the meaning set forth in Section 1 of the Pledge Agreement.

"Underwriting Agreement" means the Underwriting Agreement dated July 20, 2001 between the Company and Salomon Smith Barney Inc.

"Forward Purchase Contract," when used with respect to any Security, means the contract forming a part of such Security and obligating the Company to sell and the Holder of such Security to purchase Common Stock on the terms and subject to the conditions set forth in Article Five hereof.

"Forward Purchase Contract Settlement Date" means August 17, 2004.

"Forward Purchase Contract Settlement Fund" has the meaning specified in Section 5.6.

"Purchase Price" has the meaning specified in Section 5.1.

"Purchased Shares" has the meaning specified in Section 5.7(a)(6).

"Quotation Agent" means (i) Salomon Smith Barney Inc. and its respective successors, provided, however, that if the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer or (ii) any other Primary Treasury Dealer selected by the Sponsor.

"Record Date" for the distribution payable in respect of the Notes or the Applicable Ownership Percentage of the Treasury Portfolio payable on any Payment Date means the first day of the month in which the relevant Payment Date occurs.

"Redemption Amount" means, for each Note, the product of (i) the principal amount of such Note and (ii) a fraction whose numerator is the applicable Treasury Portfolio Purchase Price and whose denominator is the applicable Tax Event Redemption Principal Amount.

"Redemption Price" means the redemption price per Note equal to the Redemption Amount plus any accrued and unpaid interest on such Note to the date of redemption.

"Register" means the Upper DECS Register and the Stripped DECS Register.

"Registrar" means the Upper DECS Registrar and the Stripped DECS Registrar.

"Remarketing Agent" has the meaning specified in Section 5.3.

"Remarketing Agreement" means the Remarketing Agreement dated as of July 27, 2001 by and among the Company, the Remarketing Agent and the Forward Purchase Contract Agent.

"Remarketing Fee" has the meaning specified in Section 5.4.

"Reorganization Event" has the meaning specified in Section 5.7(b).

"Reset Agent" means a nationally recognized investment banking firm chosen by the Company to determine the Reset Rate. It is currently anticipated that Salomon Smith Barney Inc. will act in such capacity.

"Reset Announcement Date" means, in the case of the Reset Rate to be determined on the Initial Remarketing Date, the tenth Business Day immediately preceding May 17, 2004 and, in the case of the Reset Rate to be determined on the Secondary Remarketing Date, the tenth Business Day immediately preceding the Forward Purchase Contract Settlement Date.

"Reset Rate" means the interest rate per year (to be determined by the Reset Agent), equal to the sum of (X) the Reset Spread and (Y) the rate of interest on (1) in the case of the Reset Rate to be determined on the Initial Remarketing Date, the Two and One-Quarter Year Benchmark Treasury in effect on the Initial Remarketing Date or (2) in the case of the Reset Rate to be determined on the Secondary Remarketing Date, the Two-Year Benchmark Treasury in effect on the Secondary Remarketing Date; provided, however, that the Reset Rate shall not exceed the maximum rate permitted by applicable law.

"Reset Spread" means (a) in the case of the Reset Rate to be determined on the Initial Remarketing Date, a spread amount to be determined by the Reset Agent on the applicable Reset Announcement Date as the appropriate spread so that the Reset Rate will be the interest rate that the Notes should bear in order for the Applicable Principal Amount of Notes to have an approximate aggregate market value of 100.5% of the Treasury Portfolio Purchase Price on the Initial Remarketing Date and (b) in the case of the Reset Rate to be determined on the Secondary Remarketing Date, a spread amount determined by the Reset Agent on the applicable Reset Announcement Date as the appropriate spread so that the Reset Rate will be the interest rate that the Notes should bear in order for the Notes to have an approximate market value of 100.5% of their principal amount on the Secondary Remarketing Date.

"Responsible Officer," when used with respect to the Agent, means any officer of the Agent assigned by the Agent with primary responsibility to administer its duties and responsibilities hereunder and under the Pledge Agreement.

"Secondary Remarketing" has the meaning specified in Section 5.5(b).

"Secondary Remarketing Date" has the meaning specified in Section 5.5(b).

"Security" means an Upper DECS or a Stripped DECS.

"Senior Indebtedness" means indebtedness of any kind of the Company unless the instrument under which such indebtedness is incurred expressly provides that it is on a parity in right of payment with or subordinate in right of payment to the Contract Adjustment Payments.

"Settlement Rate" has the meaning specified in Section 5.1.

"Stated Amount" means \$50.

"Stripped DECS" means the collective rights and obligations of a Holder of a Stripped DECS Certificate in respect of the Treasury Securities, subject to the Pledge thereof, and the related Forward Purchase Contract.

"Stripped DECS Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Stripped DECS specified on such certificate.

"Stripped DECS Register" and "Stripped DECS Registrar" have the respective meanings specified in Section 3.5.

"Subsidiary" means (i) a corporation, a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is, at the date of determination, directly or indirectly owned by the Company, by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, (ii) a partnership in which the Company or a Subsidiary of the Company holds a majority interest in the equity capital or profits of such partnership, or (iii) any other person (other than a corporation) in which the Company, a Subsidiary of the Company or the Company and one or more Subsidiaries of the Company, directly or indirectly, at the date of determination, has (x) at least a majority ownership interest or (y) the power to elect or direct the election of a majority of the directors or other governing body of such person.

"Successful Initial Remarketing" has the meaning specified in Section 5.4.

"Successful Secondary Remarketing" has the meaning specified in Section 5.5(b).

"Tax Event" means the receipt by the Company of an opinion of a nationally recognized independent tax counsel experienced in such matters, which may be Skadden, Arps, Slate, Meagher & Flom LLP, to the effect that, as a result of (a) any amendment to, or change (including any announced proposed change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, (b) any

amendment to or change in an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority or (c) any interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the generally accepted position on July 20, 2001, which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after July 20, 2001, 2001, there is more than an insubstantial risk that interest on the Notes would not be deductible, in whole or in part, by the Company for United States federal income tax purposes.

"Tax Event Redemption" means, if a Tax Event shall occur and be continuing, the redemption of the Notes, at the option of the Company, in whole but not in part, on not less than 30 days nor more than 60 days' written notice.

"Tax Event Redemption Date" means the date upon which a Tax Event Redemption is to occur.

"Tax Event Redemption Principal Amount" means either (i) if the Tax Event Redemption Date occurs prior to May 17, 2004 or, in the event of Failed Initial Remarketing, prior to the Forward Purchase Contract Settlement Date, the aggregate principal amount of the Notes which are components of Upper DECS on the Tax Event Redemption Date or (ii) if the Tax Event Redemption Date occurs on or after May 17, 2004 or, in the event of a Failed Initial Remarketing, on or after the Forward Purchase Contract Settlement Date, the aggregate principal amount of the Notes outstanding on such Tax Event Redemption Date.

"Termination Date" means the date, if any, on which a Termination Event occurs.

"Termination Event" means the occurrence of any of the following events: (i) at any time on or prior to the Forward Purchase Contract Settlement Date, a judgment, decree or court order shall have been entered granting relief under the Bankruptcy Code, adjudicating the Company to be insolvent, or approving as properly filed a petition seeking reorganization or liquidation of the Company under the Bankruptcy Code or any other similar applicable Federal or State law, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Forward Purchase Contract Settlement Date, such decree or order shall have continued undischarged and unstayed for a period of 60 days; or (ii) at any time on or prior to the Forward Purchase Contract Settlement Date, a judgment, decree or court order for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or of its property, or for the winding up or liquidation of its affairs, shall have been entered, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Forward Purchase Contract Settlement Date, such judgment, decree or order shall have continued undischarged and unstayed for a period of 60 days, or (iii) at any time on or prior to the Forward Purchase Contract Settlement Date the Company shall file a petition for relief under the Bankruptcy Code, or shall

consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or liquidation under the Bankruptcy Code or any other similar applicable Federal or State law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

"Threshold Appreciation Price" has the meaning specified in Section 5.1.

"TIA" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"Trading Day" has the meaning specified in Section 5.1.

"Treasury Portfolio" means (1) in connection with the Initial Remarketing, a portfolio of zero-coupon U.S. Treasury Securities consisting of (a) principal or interest strips of U.S. Treasury Securities that mature on or prior to August 15, 2004 in an aggregate amount equal to the Applicable Principal Amount and (b) with respect to the scheduled interest payment date on the Notes that occurs on the Forward Purchase Contract Settlement Date, principal or interest strips of U.S. Treasury Securities that mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on the Applicable Principal Amount of the Notes on such date if the applicable Coupon Rate on the Notes were not reset to the Reset Rate as described in Section 4.1 and (2) in connection with a Tax Event Redemption, (a) if the Tax Event Redemption Date occurs prior to May 17, 2004 or, in the event of a Failed Initial Remarketing, prior to the Forward Purchase Contract Settlement Date, a portfolio of zero-coupon U.S. Treasury Securities consisting of (i) principal or interest strips of U.S. Treasury Securities which mature on or prior to August 15, 2004 in an aggregate amount equal to the applicable Tax Event Redemption Principal Amount and (ii) with respect to each scheduled interest payment date on the Notes that occurs after the Tax Event Redemption Date and on or before the Forward Purchase Contract Settlement Date, principal or interest strips of U.S. Treasury Securities that mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on the applicable Tax Event Redemption Principal Amount of the Notes on such date, and (b) if the Tax Event Redemption Date occurs on or after May 17, 2004 or, in the event of a Failed Initial Remarketing, on or after the Forward Purchase Contract Settlement Date, a portfolio of zero-coupon U.S. Treasury Securities consisting of (i) principal or interest strips of U.S. Treasury Securities which mature on or prior to August 15, 2006 in an aggregate amount equal to the applicable Tax Event Redemption Principal Amount and (ii) with respect to each scheduled interest payment date on the Notes that occurs after the Tax Event Redemption Date, principal or interest strips of such U.S. Treasury Securities that mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on

the applicable Tax Event Redemption Principal Amount of the Notes on such date.

"Treasury Portfolio Purchase Price" means the lowest aggregate price quoted by the Primary Treasury Dealer to the Quotation Agent (a) in the case of a Tax Event Redemption, on the third Business Day immediately preceding the Tax Event Redemption Date for the purchase of the applicable Treasury Portfolio for settlement on the Tax Event Redemption Date and (b) in the case of the Initial Remarketing, on the Initial Remarketing Date for the purchase of the applicable Treasury Portfolio for settlement on May 17, 2004.

"Treasury Security" means zero-coupon U.S. Treasury Securities (CUSIP Number 912820BK2) which are the principal strip of the U.S. Treasury Securities that mature on August 16, 2004.

"Two-Year Benchmark Treasury" means direct obligations of the United States (which may be obligations traded on a when-issued basis only) having a maturity comparable to the remaining term to maturity of the Notes, as agreed upon by the Company and the Reset Agent. The rate for the Two-Year Benchmark Treasury will be the bid side rate displayed at 10:00 A.M., New York City time, on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date in the Telerate system (or if the Telerate system is (a) no longer available on the Secondary Remarketing Date or (b) in the opinion of the Reset Agent (after consultation with the Company) no longer an appropriate system from which to obtain such rate, such other nationally recognized quotation system as, in the opinion of the Reset Agent (after consultation with the Company), is appropriate). If such rate is not so displayed, the rate for the Two-Year Benchmark Treasury shall be, as calculated by the Reset Agent, the yield to maturity for the Two-Year Benchmark Treasury, expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis, and computed by taking the arithmetic mean of the secondary market bid rates, as of 10:30 A.M., New York City time, on the Secondary Remarketing Date of three leading United States government securities dealers selected by the Reset Agent (after consultation with the Company)(which may include the Reset Agent or an Affiliate thereof).

"Two and One-Quarter Year Benchmark Treasury" means direct obligations of the United States (which may be obligations traded on a when-issued basis only) having a maturity comparable to the remaining term to maturity of the Notes, as agreed upon by the Company and the Reset Agent. The rate for the Two and One-Quarter Year Benchmark Treasury will be the bid side rate displayed at 10:00 A.M., New York City time, on the Initial Remarketing Date in the Telerate system (or if the Telerate system is (a) no longer available on the Initial Remarketing Date or (b) in the opinion of the Reset Agent (after consultation with the Company), no longer an appropriate system from which to obtain such rate, such other nationally recognized quotation system as, in the opinion of the Reset Agent (after consultation with the Company) is appropriate).

If such rate is not so displayed, the rate for the Two and One-Quarter Year Benchmark Treasury shall be, as calculated by the Reset Agent, the yield to maturity for the Two and One-Quarter Year Benchmark Treasury, expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis, and computed by taking the arithmetic mean of the secondary market bid rates, as of 10:30 A.M., New York City time, on the Initial Remarketing Date of three leading United States government securities dealers selected by the Reset Agent (after consultation with the Company) (which may include the Reset Agent or an Affiliate thereof).

"Upper DECS" means the collective rights and obligations of a Holder of an Upper DECS Certificate in respect of a Note or an appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, subject in each case to the Pledge thereof, and the related Forward Purchase Contract.

"Upper DECS Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Upper DECS specified on such certificate.

"Upper DECS Register" and "Upper DECS Registrar" have the respective meanings specified in Section 3.5.

"Vice President" means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

Section 1.2 Compliance Certificates and Opinions.

Except as otherwise expressly provided by this Agreement, upon any application or request by the Company to the Agent to take any action under any provision of this Agreement, the Company shall furnish to the Agent an Officer's Certificate stating that all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and, if reasonably requested by the Agent, an Opinion of Counsel addressed to the Agent stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Agreement shall include:

(1) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such Person, he or she or it has made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

Section 1.3 Form of Documents Delivered to Agent.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless the Company knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, the Company stating that the information with respect to such factual matters is in the possession of the Company unless the Person giving such certificate or Opinion of Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Agreement, they may, but need not, be consolidated and form one instrument.

Section 1.4 Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Agent and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement and (subject to Section 7.1) conclusive in favor of the Agent and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Agent deems sufficient.

(c) The ownership of Securities shall be proved by the Upper DECS Register or the Stripped DECS Register, as the case may be.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Certificate shall bind every future Holder of the same Certificate and the Holder of every Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Certificate.

(e) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Agreement to be given, made or taken by Holders of Securities. If any record date is set pursuant to this paragraph, the Holders of the Outstanding Upper DECS and the Outstanding Stripped DECS, as the case may be, on such record date, and no other Holders, shall be entitled to take the relevant action with respect to the Upper DECS or the Stripped DECS, as the case may be, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite number of Outstanding Securities on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite number of Outstanding Securities on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Agent in writing and to each Holder of Securities in the manner set forth in Section 1.6.

With respect to any record date set pursuant to this Section, the Company may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the Agent in writing, and to each Holder of Securities in the manner set forth in Section 1.6, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the Company shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Section 1.5 Notices.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with,

(1) the Agent by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid, to the Agent at 1 Bank One Plaza Suite IL1-0126, Chicago, IL 60670-0126, Attention: Global Corporate Trust Services Division, or at any other address previously furnished in writing by the Agent to the Holders and the Company; or

(2) the Company by the Agent or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid, to the Company at Cendant Corporation, 6 Sylvan Way, Parsippany, New Jersey 07054, Attention: Chief Financial Officer, or at any other address previously furnished in writing to the Agent by the Company; or

(3) the Collateral Agent by the Agent, the Company or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid, addressed to the Collateral Agent at 450 West 33rd Street, New York, NY 10001-2697, Attention Corporate Trust Administration Department, or at any other address previously furnished in writing by the Collateral Agent to the Agent, the Company and the Holders; or

(4) the Indenture Trustee by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid, addressed to the Indenture Trustee at One Liberty Plaza, 23rd Floor, New York, NY 10006, Attention: Corporate Trust Administration, with a copy to the Agent, or at any other address previously furnished in writing by the Indenture Trustee to the Company.

Section 1.6 Notice to Holders; Waiver.

Where this Agreement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at its address as it appears in the applicable Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be

made with the approval of the Agent shall constitute a sufficient notification for every purpose hereunder.

Section 1.7 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.8 Successors and Assigns.

All covenants and agreements in this Agreement by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.9 Separability Clause.

In case any provision in this Agreement or in the Securities shall be invalid, illegal or unenforceable, then, to the extent permitted by law, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby.

Section 1.10 Benefits of Agreement.

Nothing in this Agreement or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and, to the extent provided hereby, the Holders, any benefits or any legal or equitable right, remedy or claim under this Agreement. The Holders from time to time shall be beneficiaries of this Agreement and shall be bound by all of the applicable terms and conditions hereof and of the Securities evidenced by their Certificates by their acceptance of delivery of such Certificates.

Section 1.11 Governing Law.

THIS AGREEMENT AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 1.12 Legal Holidays.

In any case where any Forward Purchase Contract Settlement Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement, the Upper DECS Certificates or the Stripped DECS Certificates), the Forward Purchase Contracts shall not be performed on such date, but the Forward Purchase Contracts shall be performed on the immediately following Business Day with the same force and effect as if performed on the Forward Purchase Contract Settlement Date, provided that no interest shall accrue or be payable by the Company or any Holder for the period from and after any such Payment Date unless there shall be a default in the payment due on such next succeeding Business Day, except that, if such next succeeding Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day with the same force and effect as if made on the applicable Payment Date.

Section 1.13 Counterparts.

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

Section 1.14 Inspection of Agreement.

A copy of this Agreement shall be available at all reasonable times during normal business hours at the Corporate Trust Office for inspection by any Holder.

ARTICLE II

CERTIFICATE FORMS

Section 2.1 Forms of Certificates Generally.

The Upper DECS Certificates (including the form of Forward Purchase Contract forming part of the Upper DECS evidenced thereby) shall be in substantially the form set forth in Exhibit A hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Upper DECS are listed or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Upper DECS Certificates, as evidenced by their execution of the Upper DECS Certificates.

The definitive Upper DECS Certificates may be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Upper DECS Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

The Stripped DECS Certificates (including the form of Forward Purchase Contract forming part of the Stripped DECS evidenced thereby) shall be in substantially the form set forth in Exhibit B hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Stripped DECS are listed or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Stripped DECS Certificates, as evidenced by their execution of the Stripped DECS Certificates.

The definitive Stripped DECS Certificates may be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing such Stripped DECS Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

Every Global Certificate authenticated, executed on behalf of the Holders and delivered hereunder shall bear a legend in substantially the following form:

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE FORWARD PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE FORWARD PURCHASE CONTRACT AGREEMENT.

Section 2.2 Form of Agent's Certificate of Authentication.

The form of the Agent's certificate of authentication of the Upper DECS shall be in substantially the form set forth on the form of the Upper DECS Certificates.

The form of the Agent's certificate of authentication of the Stripped DECS shall be in substantially the form set forth on the form of the Stripped DECS Certificates.

ARTICLE III

THE SECURITIES

Section 3.1 Title and Terms; Denominations.

The aggregate number of Upper DECS and Stripped DECS evidenced by Certificates authenticated, executed on behalf of the Holders and delivered hereunder is limited to 15,000,000 (or 17,250,000 if the Underwriters' overallotment option is exercised in full) except for Certificates authenticated, executed and delivered upon registration of transfer of, in exchange for, or in lieu of, other Certificates pursuant to Section 3.4, 3.5, 3.9, 3.10, 3.13, 3.14, 5.10 or 8.5.

The Certificates shall be issuable only in registered form and only in denominations of a single Upper DECS or Stripped DECS and any integral multiple thereof.

Section 3.2 Rights and Obligations Evidenced by the Certificates.

Each Upper DECS Certificate shall evidence the number of Upper DECS specified therein, with each such Upper DECS representing the ownership by the Holder thereof of a beneficial interest in a Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, subject to the Pledge of such Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Forward Purchase Contract. The Agent as attorney-in-fact for, and on behalf of, the Holder of each Upper DECS shall pledge, pursuant to the Pledge Agreement, the Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, forming a part of such Upper DECS, to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title, and interest of such Holder in such Note or the Applicable Ownership Interest of the Treasury

Portfolio, as the case may be, for the benefit of the Company, to secure the obligation of the Holder under each Forward Purchase Contract to purchase the Common Stock of the Company.

Each Stripped DECS Certificate shall evidence the number of Stripped DECS specified therein, with each such Stripped DECS representing the ownership by the Holder thereof of a 1/20, or 5.0%, undivided beneficial interest in a Treasury Security with a principal amount at maturity equal to \$1,000, subject to the Pledge of such Treasury Security by such Holder pursuant to the Pledge Agreement, and the rights and obligations of the Holder thereof and the Company under one Forward Purchase Contract. The Agent as attorney-in-fact for, and on behalf of, the Holder of each Stripped DECS shall pledge, pursuant to the Pledge Agreement, the Treasury Security to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title and interest of such Holder in such Treasury Security, for the benefit of the Company, to secure the obligation of the Holder under each Forward Purchase Contract to purchase the Common Stock of the Company.

Section 3.3 Execution, Authentication, Delivery and Dating.

Subject to the provisions of Sections 3.13 and 3.14 hereof, upon the execution and delivery of this Agreement, and at any time and from time to time thereafter, the Company may deliver Certificates executed by the Company to the Agent for authentication, execution on behalf of the Holders and delivery, together with its Issuer Order for authentication of such Certificates, and the Agent in accordance with such Issuer Order shall authenticate, execute on behalf of the Holders and deliver such Certificates.

The Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents and its Treasurer or one of its Assistant Treasurers or its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Certificates may be manual or facsimile.

Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

No Forward Purchase Contract evidenced by a Certificate shall be valid until such Certificate has been executed on behalf of the Holder by the manual signature of an authorized signatory of the Agent, as such Holder's attorney-in-fact. Such signature by an authorized signatory of the Agent shall be conclusive evidence that the Holder of such Certificate has entered into the Forward Purchase Contracts evidenced by such Certificate.

Each Certificate shall be dated the date of its authentication.

No Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by an authorized signatory of the Agent by manual signature, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder.

Section 3.4 Temporary Certificates.

Pending the preparation of definitive Certificates, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holders, and deliver, in lieu of such definitive Certificates, temporary Certificates that are in substantially the form set forth in Exhibit A or Exhibit B hereto, as the case may be, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Upper DECS or Stripped DECS are listed, or as may, consistently herewith, be determined by the officers of the Company executing such Certificates, as evidenced by their execution of the Certificates.

If temporary Certificates are issued, the Company will cause definitive Certificates to be prepared without unreasonable delay. After the preparation of definitive Certificates, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of the temporary Certificates at the Corporate Trust Office or the New York Office, at the expense of the Company and without charge to the Holder. Upon surrender for cancellation of any one or more temporary Certificates, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, one or more definitive Certificates of like tenor and denominations and evidencing a like number of Upper DECS or Stripped DECS, as the case may be, as the temporary Certificate or Certificates so surrendered. Until so exchanged, the temporary Certificates shall in all respects evidence the same benefits and the same obligations with respect to the Upper DECS or Stripped DECS, as the case may be, evidenced thereby as definitive Certificates.

Section 3.5 Registration; Registration of Transfer and Exchange.

The Agent shall keep at the Corporate Trust Office a Register (the "Upper DECS Register") in which, subject to such reasonable regulations as it may prescribe, the Agent shall provide for the registration of Upper DECS Certificates and of transfers of Upper DECS Certificates (the Agent, in such capacity, the "Upper DECS Registrar") and a Register (the "Stripped DECS Register") in which, subject to such reasonable regulations as it may prescribe, the Agent shall provide for the registration of Stripped DECS Certificates and of transfers of Stripped DECS Certificates (the Agent, in such capacity, the "Stripped DECS Registrar").

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office or the New York Office, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the designated transferee or transferees, and deliver, in the name of the designated transferee or transferees, one or more new Certificates of any authorized denominations, like tenor, and evidencing a like number of Upper DECS or Stripped DECS, as the case may be.

At the option of the Holder, Certificates may be exchanged for other Certificates, of any authorized denominations and evidencing a like number of Upper DECS or Stripped DECS, as the case may be, upon surrender of the Certificates to be exchanged at the Corporate Trust Office or the New York Office. Whenever any Certificates are so surrendered for exchange, the Company shall execute and deliver to the Agent, and the Agent shall authenticate,

execute on behalf of the Holder, and deliver the Certificates that the Holder making the exchange is entitled to receive.

All Certificates issued upon any registration of transfer or exchange of a Certificate shall evidence the ownership of the same number of Upper DECS or Stripped DECS, as the case may be, and be entitled to the same benefits and subject to the same obligations, under this Agreement as the Upper DECS or Stripped DECS, as the case may be, evidenced by the Certificate surrendered upon such registration of transfer or exchange.

Every Certificate presented or surrendered for registration of transfer or for exchange shall (if so required by the Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Agent duly executed, by the Holder thereof or its attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of a Certificate, but the Company and the Agent may require payment from the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Certificates, other than any exchanges pursuant to Sections 3.4, 3.6, 3.9 and 8.5 not involving any transfer.

Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Agent, and the Agent shall not be obligated to authenticate, execute on behalf of the Holder and deliver, any Certificate presented or surrendered for registration of transfer or for exchange on or after the Business Day immediately preceding the earlier of the Forward Purchase Contract Settlement Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Agent shall (i) if the Forward Purchase Contract Settlement Date has occurred, deliver the shares of Common Stock issuable in respect of the Forward Purchase Contracts forming a part of the Securities evidenced by such Certificate (together with any cash or other property to which the Holder is entitled), or (ii) if a Termination Event shall have occurred prior to the Forward Purchase Contract Settlement Date, transfer the Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Treasury Securities, as the case may be, evidenced thereby, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five hereof.

Notwithstanding anything in this Agreement to the contrary, no transfer by any holder to any Person other than the Company of any Upper DECS, Stripped DECS or Note may be made or will be recognized unless such instrument has been surrendered and accepted for registration of transfer in accordance with the provisions of this Section 3.5, or unless such transfer is effectuated through the book-entry system described in Section 3.6.

Section 3.6 Book-Entry Interests.

The Certificates, on original issuance, will be issued in the form of one or more fully registered Global Certificates, to be delivered to the Depository by, or on behalf of, the Company. Such Global Certificate shall initially be registered on the books and records of the

Company in the name of Cede & Co., the nominee of the Depository, and no Beneficial Owner will receive a definitive Certificate representing such Beneficial Owner's interest in such Global Certificate, except as provided in Section 3.9. The Agent shall enter into an agreement with the Depository if so requested by the Company. Unless and until definitive, fully registered Certificates have been issued to Beneficial Owners pursuant to Section 3.9:

(a) the provisions of this Section 3.6 shall be in full force and effect;

(b) the Company and the Agent shall be entitled to deal with the Clearing Agency for all purposes of this Agreement (including receiving approvals, votes or consents hereunder) as the Holder of the Securities and the sole holder of the Global Certificate(s) and shall have no obligation to the Beneficial Owners;

(c) to the extent that the provisions of this Section 3.6 conflict with any other provisions of this Agreement, the provisions of this Section 3.6 shall control; and

(d) the rights of the Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. The Clearing Agency will make book entry transfers among Clearing Agency Participants.

Section 3.7 Notices to Holders.

Whenever a notice or other communication to the Holders is required to be given under this Agreement, the Company or the Agent shall give such notices and communications to the Holders and, with respect to any Securities registered in the name of a Clearing Agency or the nominee of a Clearing Agency, the Company or the Agent shall, except as set forth herein, have no obligations to the Beneficial Owners.

Section 3.8 Appointment of Successor Clearing Agency.

If any Clearing Agency elects to discontinue its services as securities depository with respect to the Securities, the Company may, in its sole discretion, appoint a successor Clearing Agency with respect to the Securities.

Section 3.9 Definitive Certificates.

If (i) a Clearing Agency elects to discontinue its services as securities depository with respect to the Securities and a successor Clearing Agency is not appointed within 90 days after such discontinuance pursuant to Section 3.8, (ii) the Company elects to terminate the book-entry system through the Clearing Agency with respect to the Securities, or (iii) there shall have occurred and be continuing a default by the Company in respect of its obligations under one or more Forward Purchase Contracts, or one or more Notes, then upon surrender of the Global Certificates representing the Book-Entry Interests with respect to the Securities by the Clearing Agency, accompanied by registration instructions, the Company shall cause definitive Certificates to be delivered to Beneficial Owners in accordance with the instructions of the Clearing Agency.

Section 3.10 Mutilated, Destroyed, Lost and Stolen

Certificates.

If any mutilated Certificate is surrendered to the Agent, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, a new Certificate at the cost of the Holder, evidencing the same number of Upper DECS or Stripped DECS, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

If there shall be delivered to the Company and the Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Certificate, and (ii) such security or indemnity at the cost of the Holder as may be required by them to hold each of them and any agent of any of them harmless, then, in the absence of notice to the Company or the Agent that such Certificate has been acquired by a protected purchaser, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver to the Holder, in lieu of any such destroyed, lost or stolen Certificate, a new Certificate, evidencing the same number of Upper DECS or Stripped DECS, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

Notwithstanding the foregoing, the Company shall not be obligated to execute and deliver to the Agent, and the Agent shall not be obligated to authenticate, execute on behalf of the Holder, and deliver to the Holder, a Certificate on or after the Business Day immediately preceding the earlier of the Forward Purchase Contract Settlement Date or the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Agent shall (i) if the Forward Purchase Contract Settlement Date has occurred, deliver the shares of Common Stock issuable in respect of the Forward Purchase Contracts forming a part of the Securities evidenced by such Certificate (together with any cash or other property to which the Holder is entitled), or (ii) if a Termination Event shall have occurred prior to the Forward Purchase Contract Settlement Date, transfer the Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Treasury Securities, as the case may be, evidenced thereby, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five hereof.

Upon the issuance of any new Certificate under this Section, the Company and the Agent may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Agent) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any destroyed, lost or stolen Certificate shall constitute an original additional contractual obligation of the Company and of the Holder in respect of the Security evidenced thereby, whether or not the destroyed, lost or stolen Certificate (and the Securities evidenced thereby) shall be at any time enforceable by anyone, and shall be entitled to all the benefits and be subject to all the obligations of this Agreement equally and proportionately with any and all other Certificates delivered hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates.

Section 3.11 Persons Deemed Owners.

Prior to due presentment of a Certificate for registration of transfer, the Company and the Agent, and any agent of the Company or the Agent, may treat the Person in whose name such Certificate is registered as the owner of the Upper DECS or Stripped DECS evidenced thereby, for the purpose of receiving interest on the Notes or on the maturing quarterly interest strips of the Treasury Portfolio, as applicable, receiving payments of Contract Adjustment Payments (if any), for the performance of the Forward Purchase Contracts and for all other purposes whatsoever, whether or not any interest on the Notes shall be overdue and notwithstanding any notice to the contrary, and neither the Company nor the Agent, nor any agent of the Company or the Agent, shall be affected by notice to the contrary.

Notwithstanding the foregoing, with respect to any Global Certificate, nothing herein shall prevent the Company, the Agent or any agent of the Company or the Agent, from giving effect to any written certification, proxy or other authorization furnished by any Clearing Agency (or its nominee), as a Holder, with respect to such Global Certificate or impair, as between such Clearing Agency and owners of beneficial interests in such Global Certificate, the operation of customary practices governing the exercise of rights of such Clearing Agency (or its nominee) as Holder of such Global Certificate.

Section 3.12 Cancellation.

All Certificates surrendered for delivery of shares of Common Stock on or after the Forward Purchase Contract Settlement Date, upon the transfer of Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, after the occurrence of a Termination Event or pursuant to an Early Settlement, or upon the registration of a transfer or exchange of a Security, or a Collateral Substitution or the re-establishment of an Upper DECS or Stripped DECS shall, if surrendered to any Person other than the Agent, be delivered to the Agent and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Agent for cancellation any Certificates previously authenticated, executed and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Certificates so delivered shall, upon Issuer Order, be promptly cancelled by the Agent. No Certificates shall be authenticated, executed on behalf of the Holder and delivered in lieu of or in exchange for any Certificates cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Certificates held by the Agent shall upon written request be returned to the Company.

If the Company or any Affiliate of the Company shall acquire any Certificate, such acquisition shall not operate as a cancellation of such Certificate unless and until such Certificate is delivered to the Agent cancelled or for cancellation.

Section 3.13 Establishment of Stripped DECS.

A Holder may separate the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as applicable, from the related Forward Purchase Contracts in respect of an Upper DECS by substituting for such Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, Treasury Securities in an aggregate principal amount of such Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable (a "Collateral Substitution"), at any time from and after the date of this Agreement and on or prior to the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date in the case of the Notes and on or prior to the second Business Day immediately preceding the Forward Purchase Contract Settlement Date in the case of the appropriate Applicable Ownership Interest of the Treasury Portfolio, in each case by (a) depositing with the Collateral Agent Treasury Securities having an aggregate principal amount at maturity equal to the aggregate principal amount of the Notes comprising part of such Upper DECS or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio comprising part of such Upper DECS, as the case may be, and (b) transferring the related Upper DECS to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant amount of Treasury Securities to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, underlying such Upper DECS, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit C hereto. Upon receipt of the Treasury Securities described in clause (a) above and the instruction described in clause (b) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release to the Agent, on behalf of the Holder, Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, having the appropriate aggregate principal amount in the case of such Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

(i) cancel the related Upper DECS;

(ii) transfer the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, to the Holder; and

(iii) authenticate, execute on behalf of such Holder and deliver a Stripped DECS Certificate executed by the Company in accordance with Section 3.3 evidencing the same number of Forward Purchase Contracts as were evidenced by the cancelled Upper DECS.

Holdes who elect to separate the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from the related Forward Purchase Contract and to substitute Treasury Securities for such Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

Holders may make Collateral Substitutions (i) only in integral multiples of 20 Upper DECS if Treasury Securities are being substituted for by the Notes, or (ii) only in integral multiples of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 if Treasury Securities are being substituted for appropriate Applicable Ownership Interest of the Treasury Portfolio.

In the event a Holder making a Collateral Substitution pursuant to this Section 3.13 fails to effect a book-entry transfer of the Upper DECS or fails to deliver an Upper DECS Certificate(s) to the Agent after depositing Treasury Securities with the Collateral Agent, the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, constituting a part of such Upper DECS, and any interest on such Note or the Applicable Ownership Interest of the Treasury Portfolio, as the case may be, shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Upper DECS are so transferred or the Upper DECS Certificate is so delivered, as the case may be, or, with respect to an Upper DECS Certificate, such Holder provides evidence satisfactory to the Company and the Agent that such Upper DECS Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Except as described in this Section 3.13, for so long as the Forward Purchase Contract underlying an Upper DECS remains in effect, such Upper DECS shall not be separable into its constituent parts, and the rights and obligations of the Holder in respect of the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and Forward Purchase Contract comprising such Upper DECS may be acquired, and may be transferred and exchanged, only as an Upper DECS.

Section 3.14 Reestablishment of Upper DECS.

A Holder of a Stripped DECS may recreate Upper DECS at any time (i) on or prior to the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing has not occurred, and (ii) on or prior to the second Business Day immediately preceding the Forward Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing has occurred and an Applicable Ownership Interest in the Treasury Portfolio has become a component of the Upper DECS, in each case by (a) depositing with the Collateral Agent Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, having an aggregate principal amount in the case of the Notes, or an appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, equal to the aggregate principal amount of the Treasury Securities comprising part of the Stripped DECS and (b) transferring the related Stripped DECS to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit D hereto, stating that the Holder has transferred the relevant amount of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the Treasury Securities underlying such Stripped DECS, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit C hereto. Upon receipt of the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, described in clause (a) above and the instruction described in clause (b) above, in accordance

with the terms of the Pledge Agreement, the Collateral Agent will release to the Agent, on behalf of the Holder, the Treasury Securities having a corresponding aggregate principal amount from the Pledge, free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

- (i) cancel the related Stripped DECS;
- (ii) transfer the Treasury Securities to the Holder; and
- (iii) authenticate, execute on behalf of such Holder and deliver an Upper DECS Certificate executed by the Company in accordance with Section 3.3 evidencing the same number of Forward Purchase Contracts as were evidenced by the cancelled Stripped DECS.

Holders of Stripped DECS may reestablish Upper DECS in integral multiples of 20 Stripped DECS for the same multiple of 20 Upper DECS if a Tax Event Redemption or a Successful Initial Remarketing has not occurred, and in integral multiples of 32,000 Stripped DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 for the same multiple of Upper DECS if a Tax Event Redemption or a Successful Initial Remarketing has occurred.

In the event a Holder re-establishing Upper DECS pursuant to this Section 3.14 fails to effect a book-entry transfer of the Stripped DECS or fails to deliver a Stripped DECS Certificate(s) to the Agent after depositing Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, with the Collateral Agent, the Treasury Securities constituting a part of such Stripped DECS shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Stripped DECS are so transferred or the Stripped DECS Certificate is so delivered, as the case may be, or, with respect to a Stripped DECS Certificate, such Holder provides evidence satisfactory to the Company and the Agent that such Stripped DECS Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Except as provided in this Section 3.14, for so long as the Forward Purchase Contract underlying a Stripped DECS remains in effect, such Stripped DECS shall not be separable into its constituent parts and the rights and obligations of the Holder of such Stripped DECS in respect of the Treasury Security and Forward Purchase Contract comprising such Stripped DECS may be acquired, and may be transferred and exchanged, only as a Stripped DECS.

Section 3.15 Transfer of Collateral upon Occurrence of Termination Event.

Upon the occurrence of a Termination Event and the transfer to the Agent of the Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Treasury Securities, as the case may be, underlying the Upper DECS and the Stripped DECS pursuant to the terms of the Pledge Agreement, the Agent shall request transfer instructions with respect to such Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, from each Holder by written request mailed to such Holder at its address as it appears in the Upper DECS Register or the Stripped DECS Register, as

the case may be. Upon book-entry transfer of the Upper DECS or Stripped DECS or delivery of an Upper DECS Certificate or a Stripped DECS Certificate to the Agent with such transfer instructions, the Agent shall transfer the Notes, the Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, underlying such Upper DECS or Stripped DECS, as the case may be, to such Holder by book-entry transfer, or other appropriate procedures, in accordance with such instructions; provided, however, that, to the extent that a Holder of Upper DECS or Stripped DECS would otherwise be entitled to receive less than \$1,000 principal amount at maturity of the Treasury Portfolio or the Treasury Securities, the Agent shall dispose of such securities for cash, and transfer the appropriate amount of such cash to such Holder in accordance with such Holder's instructions. In the event a Holder of Upper DECS or Stripped DECS fails to effect such transfer or delivery, the Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, underlying such Upper DECS or Stripped DECS, as the case may be, and any distributions thereon, shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Upper DECS or Stripped DECS are transferred or the Upper DECS Certificate or Stripped DECS Certificate is surrendered or such Holder provides satisfactory evidence that such Upper DECS Certificate or Stripped DECS Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Section 3.16 No Consent to Assumption.

Each Holder of a Security, by acceptance thereof, shall be deemed expressly to have withheld any consent to the assumption under Section 365 of the Bankruptcy Code or otherwise, of the Forward Purchase Contract by the Company, receiver, liquidator or a person or entity performing similar functions, its trustee in the event that the Company becomes the debtor under the Bankruptcy Code or subject to other similar state or federal law providing for reorganization or liquidation.

Section 3.17 CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Agent shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Agent of any changes in the "CUSIP" numbers.

ARTICLE IV

THE NOTES

Section 4.1 Interest and Other Payments; Rights to Payments Preserved; Rate Reset; Notice.

Interest on any Note or on the appropriate Applicable Ownership Interest in the Treasury Portfolio, as the case may be, which is made on any Payment Date shall, subject to receipt thereof by the Agent from the Collateral Agent as provided by the terms of the Pledge Agreement, be paid to the Person in whose name the Upper DECS Certificate (or one or more Predecessor Upper DECS Certificates) of which such Note or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, is a part is registered at the close of business on the Record Date for such Payment Date.

Each Upper DECS Certificate evidencing Notes delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Upper DECS Certificate shall carry the rights to accrued and unpaid interest, and other amounts that are to accrue, which were or will be carried by the Notes underlying such other Upper DECS Certificate.

In the case of any Upper DECS with respect to which Cash Settlement of the underlying Forward Purchase Contract is effected on the Business Day immediately preceding the Forward Purchase Contract Settlement Date pursuant to prior notice, or with respect to which Early Settlement of the underlying Forward Purchase Contract is effected on an Early Settlement Date, or with respect to which a Collateral Substitution is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, interest on the Notes or distributions on the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, underlying such Upper DECS otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Cash Settlement or Early Settlement or Collateral Substitution, and such distributions shall, subject to receipt thereof by the Agent, be payable to the Person in whose name the Upper DECS Certificate (or one or more Predecessor Certificates) was registered at the close of business on the Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Upper DECS with respect to which Cash Settlement or Early Settlement of the underlying Forward Purchase Contract is effected on the Business Day immediately preceding the Forward Purchase Contract Settlement Date or an Early Settlement Date, as the case may be, or with respect to which a Collateral Substitution has been effected, distributions on the related Notes or on the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, that would otherwise be payable after the Forward Purchase Contract Settlement Date or Early Settlement Date shall not be payable hereunder to the Holder of such Upper DECS; provided, however, that to the extent that such Holder continues to hold the separated Notes that formerly comprised a part of such Holder's Upper DECS, such Holder shall be entitled to receive any payments made on such separated Notes.

Unless a Tax Event Redemption has occurred, the applicable Coupon Rate on the Notes on and after May 17, 2004 will be reset on the Initial Remarketing Date to the applicable Reset Rate (such Reset Rate to be in effect on and after May 17, 2004), except in the event of a Failed Initial Remarketing. In the event of a Failed Initial Remarketing, the applicable Coupon Rate on the Notes outstanding on and after the Forward Purchase Contract Settlement Date will be reset on the Secondary Remarketing Date to the applicable Reset Rate (such Reset Rate to be in effect on and after the Forward Purchase Contract Settlement Date), except in the event of a Failed Secondary Remarketing. In the event of a Failed Secondary Remarketing, the applicable Coupon Rate on the Notes will not be reset. On the applicable Reset Announcement Date, the Reset Spread and the Two-Year Benchmark Treasury or Two and One-Quarter Benchmark

Treasury, as applicable, to be used to determine the Reset Rate will be announced by the Company. On the Business Day immediately following the Reset Announcement Date, the Holders of Notes will be notified of such Reset Spread and Two-Year Benchmark Treasury or Two and One-Quarter Benchmark Treasury, as applicable, by the Company. Such notice shall be sufficiently given to Holders of Notes if published in an Authorized Newspaper in The City of New York.

Not later than seven calendar days nor more than fifteen calendar days prior to the Reset Announcement Date, the Company will notify DTC or its nominee (or any successor Clearing Agency or its nominee) by first-class mail, postage prepaid, to notify the Beneficial Owners or Clearing Agency Participants holding Upper DECS or Stripped DECS of such Reset Announcement Date and, in the case of a Secondary Remarketing, the procedures to be followed by Holders of Upper DECS who intend to settle their obligation under the Forward Purchase Contract with separate cash on the Forward Purchase Contract Settlement Date.

Section 4.2 Notice and Voting.

Under the terms of the Pledge Agreement, the Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Notes pledged with the Collateral Agent but only to the extent instructed by the Holders as described below. Upon receipt of notice of any meeting at which holders of Notes are entitled to vote or upon any solicitation of consents, waivers or proxies of holders of Notes, the Agent shall, as soon as practicable thereafter, mail to the Holders of Upper DECS a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Holder on the record date set by the Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of Notes entitled to vote) shall be entitled to instruct the Agent as to the exercise of the voting rights pertaining to the Notes underlying their Upper DECS and (c) stating the manner in which such instructions may be given. Upon the written request of the Holders of Upper DECS on such record date, the Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Notes as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of an Upper DECS, the Agent shall abstain from voting the Notes underlying such Upper DECS. The Company hereby agrees, if applicable, to solicit Holders of Upper DECS to timely instruct the Agent in order to enable the Agent to vote such Notes.

Section 4.3 Tax Event Redemption.

Upon the occurrence of a Tax Event Redemption prior to May 17, 2004, or in the event of a Failed Initial Remarketing, prior to the Forward Purchase Contract Settlement Date, pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply, out of the aggregate Redemption Price for the Notes that are components of Upper DECS, an amount equal to the aggregate Redemption Amount for the Notes that are components of Upper DECS to purchase on behalf of the Holders of Upper DECS the Treasury Portfolio and promptly remit the remaining portion of such Redemption Price to the Agent for payment to the Holders of such Upper DECS. The Treasury Portfolio will be substituted for the pledged Notes, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the

obligation of each Holder of an Upper DECS to purchase the Common Stock of the Company under the Forward Purchase Contract constituting a part of such Upper DECS. Following the occurrence of a Tax Event Redemption prior to May 17, 2004, or, in the event of a Failed Initial Remarketing, prior to the Forward Purchase Contract Settlement Date, the Holders of Upper DECS and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Upper DECS and the Collateral Agent had in respect of the Notes, as the case may be, subject to the Pledge thereof as provided in Sections 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein or in the Certificates to the Note shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Upper DECS Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Notes as collateral.

Upon the occurrence of a Tax Event Redemption after the Purchase Contract Settlement Date, the Redemption Price will be payable in cash to the holders of the Notes.

Section 4.4 CUSIP Numbers.

The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Indenture Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Indenture Trustee and the Agent of any changes in the "CUSIP" numbers.

ARTICLE V

THE FORWARD PURCHASE CONTRACTS

Section 5.1 Purchase of Shares of Common Stock.

Each Forward Purchase Contract shall, unless an Early Settlement has occurred in accordance with Section 5.10 hereof, obligate the Holder of the related Security to purchase, and the Company to sell, on the Forward Purchase Contract Settlement Date at a price equal to the Stated Amount (the "Purchase Price"), a number of newly issued shares of Common Stock equal to the Settlement Rate unless, on or prior to the Forward Purchase Contract Settlement Date, there shall have occurred a Termination Event with respect to the Security of which such Forward Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$28.42 (the "Threshold Appreciation Price"), 1.7593 shares of Common Stock per Forward Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$21.53, the number of shares of Common Stock per Forward Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or

equal to \$21.53, 2.3223 shares of Common Stock per Forward Purchase Contract, in each case subject to adjustment as provided in Section 5.7 (and in each case rounded upward or downward to the nearest 1/10,000th of a share). As provided in Section 5.11, no fractional shares of Common Stock will be issued upon settlement of Forward Purchase Contracts.

The "Applicable Market Value" means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Forward Purchase Contract Settlement Date or, for purposes of determining cash payable in lieu of fractional shares in connection with an Early Settlement, the third Trading Day immediately preceding the relevant Early Settlement Date.

The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing sale price is reported, the last reported sale price) of the Common Stock on The New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, as reported by the Nasdaq National Market or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Each Holder of an Upper DECS or a Stripped DECS, by its acceptance thereof, irrevocably authorizes the Agent to enter into and perform the related Forward Purchase Contract on its behalf as its attorney-in-fact (including the execution of Certificates on behalf of such Holder), agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Forward Purchase Contracts, and consents to the provisions hereof, irrevocably authorizes the Agent as its attorney-in-fact to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to and agrees to be bound by the Pledge of the Notes, the Treasury Portfolio or the Treasury Securities pursuant to the Pledge Agreement; provided that upon a Termination Event, the rights of the Holder of such Security under the Forward Purchase Contract may be enforced without regard to any other rights or obligations. Each Holder of an Upper DECS or a Stripped DECS, by its acceptance thereof, further covenants and agrees that, to the extent and in the manner provided in Section 5.5 and the Pledge Agreement, but subject to the terms thereof, Proceeds of the Treasury Securities, the Notes or the Treasury Portfolio, as applicable, on the Forward Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Forward Purchase Contract and such Holder shall acquire no right, title or interest in such Proceeds.

Upon registration of transfer of a Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee), under the terms of this Agreement, the Forward Purchase Contracts underlying such Certificate and the Pledge Agreement and the transferor shall be released from the obligations under this Agreement, the Forward Purchase Contracts underlying the Certificates so transferred and the Pledge Agreement. The Company covenants and agrees, and each Holder of a Certificate, by its acceptance thereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

Section 5.2 Contract Adjustment Payments.

(a) Subject to Section 5.3 herein, the Company shall pay, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Forward Purchase Contract to the Person in whose name a Certificate (or one or more Predecessor Certificates) is registered at the close of business on the Record Date next preceding such Payment Date in such coin or currency of the United States as at the time of payment shall be legal tender for payments. The Contract Adjustment Payments, if any, will be payable at the New York Office maintained for that purpose or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Upper DECS Register or the Stripped DECS Register or by wire transfer to the account designated by a prior written notice by such Person.

Upon the occurrence of a Termination Event, the Company's obligation to pay Contract Adjustment Payments (including any accrued Deferred Contract Adjustment Payments), if any, shall cease.

Each Certificate delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of (including as a result of a Collateral Substitution or the re-establishment of an Upper DECS) any other Certificate shall carry the rights to Contract Adjustment Payments, if any, accrued and unpaid, and to accrue Contract Adjustment Payments, if any, which were carried by the Forward Purchase Contracts underlying such other Certificates.

Subject to Section 5.10, in the case of any Security with respect to which Early Settlement of the underlying Forward Purchase Contract is effected on an Early Settlement Date, or in respect of which Cash Settlement of the underlying Forward Purchase Contract is effected on the Business Day immediately preceding the Forward Purchase Contract Settlement Date, or with respect to which a Collateral Substitution or an establishment or re-establishment of Upper DECS pursuant to Section 3.14 is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, Contract Adjustment Payments on the Forward Purchase Contracts underlying such Securities otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Cash Settlement, Early Settlement, Collateral Substitution or establishment or re-establishment of Upper DECS, and such Contract Adjustment Payments shall be paid to the Person in whose name the Certificate evidencing such Security (or one or more Predecessor Certificates) is registered at the close of business on such Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Security with respect to which Cash Settlement or Early Settlement of the underlying Forward Purchase Contract is effected on the Business Day immediately preceding

the Forward Purchase Contract Settlement Date or on an Early Settlement Date, as the case may be, or with respect to which a Collateral Substitution or an establishment or re-establishment of Upper DECS has been effected, Contract Adjustment Payments, if any, that would otherwise be payable after the Forward Purchase Contract Settlement Date or Early Settlement Date, Collateral Substitution or such establishment or reestablishment with respect to such Forward Purchase Contract shall not be payable.

(b) The Company's obligations with respect to Contract Adjustment Payments, if any, will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness.

(c) In the event (x) of any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, to creditors upon any dissolution, winding-up, liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, or (y) subject to the provisions of Subsection 5.2(e) below, that (i) a default shall have occurred and be continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Senior Indebtedness and such default shall have continued beyond the period of grace, if any, specified in the instrument evidencing such Senior Indebtedness (and the Agent shall have received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued), or (ii) the maturity of any Senior Indebtedness shall have been accelerated because of a default in respect of such Senior Indebtedness (and the Agent shall have received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued), then:

(i) the holders of all Senior Indebtedness shall first be entitled to receive, in the case of clause (x) above, payment of all amounts due or to become due upon all Senior Indebtedness and, in the case of subclauses (i) and (ii) of clause (y) above, payment of all amounts due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Securities are entitled to receive any Contract Adjustment Payments on the Forward Purchase Contracts underlying the Securities;

(ii) any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, to which the Holders of any of the Securities would be entitled except for the provisions of Subsections 5.2(b) through (n), including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of such Contract Adjustment Payments on the Forward Purchase Contracts underlying the Securities, shall be paid or delivered by the Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably

according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made of such Contract Adjustment Payments to the Holders of such Securities; and

(iii) in the event that, notwithstanding the foregoing, any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of Contract Adjustment Payments on the Forward Purchase Contracts underlying the Securities, shall be received by the Agent or the Holders of any of the Securities when such payment or distribution is prohibited pursuant to Subsections 5.2(b) through (n), such payment or distribution shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

(d) For purposes of Subsections 5.2(b) through (n), the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other Person provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in Subsections 5.2(b) through (n) with respect to such Contract Adjustment Payments on the Securities to the payment of all Senior Indebtedness which may at the time be outstanding; provided that (i) the indebtedness or guarantee of indebtedness, as the case may be, that constitutes Senior Indebtedness is assumed by the Person, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of each such holder adversely affected thereby, altered by such reorganization or readjustment;

(e) Any failure by the Company to make any payment on or perform any other obligation under Senior Indebtedness, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any indebtedness or obligation as to which the provisions of Subsections 5.2(b) through (d) shall have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default or event of default if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company which is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, and (B) in the event a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an

appeal or other proceeding for review and a stay of execution shall have been obtained pending such appeal or review.

(f) Subject to the payment in full of all Senior Indebtedness, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all obligations of the Company which by their express terms are subordinated to Senior Indebtedness of the Company to the same extent as payment of the Contract Adjustment Payments in respect of the Forward Purchase Contracts underlying the Securities is subordinated and which are entitled to like rights of subrogation) to the rights of the holders of Senior Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Indebtedness until all such Contract Adjustment Payments owing on the Securities shall be paid in full, and as between the Company, its creditors other than holders of such Senior Indebtedness and the Holders, no such payment or distribution made to the holders of Senior Indebtedness by virtue of Subsections 5.2(b) through (n) that otherwise would have been made to the Holders shall be deemed to be a payment by the Company on account of such Senior Indebtedness, it being understood that the provisions of Subsections 5.2(b) through (n) are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of Senior Indebtedness, on the other hand.

(g) Nothing contained in Subsections 5.2(b) through (n) or elsewhere in this Agreement or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders such Contract Adjustment Payments on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Agent or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Agreement, subject to the rights, if any, under these Subsections 5.2(b) through (n), of the holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

(h) Upon payment or distribution of assets of the Company referred to in these Subsections 5.2(b) through (n), the Agent and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation or reorganization proceeding affecting the affairs of the Company is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or other person making any payment or distribution, delivered to the Agent or to the Holders, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to these Subsections 5.2(b) through (n).

(i) The Agent shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a trustee or representative on behalf of such holder) to establish that such notice has been given by a holder of Senior Indebtedness or a trustee or representative on behalf of any such holder or holders. In the event that the Agent determines in good faith that further evidence is required with respect to

the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to Subsections 5.2(b) through (n), the Agent may request such Person to furnish evidence to the reasonable satisfaction of the Agent as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under Subsections 5.2(b) through (n), and, if such evidence is not furnished, the Agent may defer payment to such Person pending judicial determination as to the right of such Person to receive such payment.

(j) Nothing contained in Subsections 5.2(b) through (n) shall affect the obligations of the Company to make, or prevent the Company from making, payment of the Contract Adjustment Payments, except as otherwise provided in these Subsections 5.2(b) through (n).

(k) Each Holder of Securities, by his acceptance thereof, authorizes and directs the Agent on his, her or its behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in Subsections 5.2(b) through (n) and appoints the Agent his, her or its attorney-in-fact, as the case may be, for any and all such purposes.

(l) The Company shall give prompt written notice to the Agent of any fact known to the Company that would prohibit the making of any payment of moneys to or by the Agent in respect of the Securities pursuant to the provisions of this Section. Notwithstanding the provisions of Subsections 5.2(b) through (e) or any other provisions of this Agreement, the Agent shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment of moneys to or by the Agent, or the taking of any other action by the Agent, unless and until the Agent shall have received written notice thereof mailed or delivered to a Responsible Officer of the Agent from the Company, any Holder, any paying agent or the holder or representative of any Senior Indebtedness; provided that if at least two Business Days prior to the date upon which by the terms hereof any such moneys may become payable for any purpose, the Agent shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Agent shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary that may be received by it within two Business Days prior to or on or after such date.

(m) The Agent in its individual capacity shall be entitled to all the rights set forth in this Section with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness and nothing in this Agreement shall deprive the Agent of any of its rights as such holder.

(n) No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

(o) Nothing in this Section 5.2 shall apply to claims of, or payments to, the Agent under or pursuant to Section 7.7.

With respect to the holders of Senior Indebtedness, (i) the duties and obligations of the Agent shall be determined solely by the express provisions of this Agreement; (ii) the Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement; (iii) no implied covenants or obligations shall be read into this Agreement against the Agent; and (iv) the Agent shall not be deemed to be a fiduciary as to such holders.

Section 5.3 Deferral of Payment Dates For Contract Adjustment Payments.

The Company shall have the right, at any time prior to the Forward Purchase Contract Settlement Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Agent written notice of its election to defer such payment (specifying the amount to be deferred) at least ten Business Days prior to the earlier of (i) the next succeeding Payment Date or (ii) the date the Company is required to give notice of the Record Date or Payment Date with respect to payment of such Contract Adjustment Payments to the NYSE or other applicable self-regulatory organization or to Holders of the Securities, but in any event not less than one Business Day prior to such Record Date. Any Contract Adjustment Payments so deferred shall, to the extent permitted by law, bear additional Contract Adjustment Payments thereon at the rate of 7.75% per year (computed on the basis of a 360 day year of twelve 30 day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments accrued thereon, being referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to this Section. No Contract Adjustment Payments may be deferred to a date that is after the Forward Purchase Contract Settlement Date and no such deferral period may end other than on a Payment Date. If the Forward Purchase Contracts are terminated upon the occurrence of a Termination Event, the Holder's right to receive Contract Adjustment Payments, if any, and Deferred Contract Adjustment Payments will terminate.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Forward Purchase Contracts until a Payment Date prior to the Forward Purchase Contract Settlement Date, then all Deferred Contract Adjustment Payments, if any, shall be payable to the registered Holders as of the close of business on the Record Date immediately preceding such Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Forward Purchase Contracts until the Forward Purchase Contract Settlement Date, each Holder will receive on the Forward Purchase Contract Settlement Date in lieu of a cash payment a number of shares of Common Stock (in addition to a number of shares of Common Stock equal to the Settlement Rate) equal to (x) the aggregate amount of Deferred Contract Adjustment Payments payable to such Holder divided by (y) the Applicable Market Value.

No fractional shares of Common Stock will be issued by the Company with respect to the payment of Deferred Contract Adjustment Payments on the Forward Purchase Contract Settlement Date. In lieu of fractional shares otherwise issuable with respect to such payment of Deferred Contract Adjustment Payments, the Holder will be entitled to receive an amount in cash as provided in Section 5.11.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments then, until the Deferred Contract Adjustment Payments have been paid, the Company shall not, and shall not permit its Subsidiaries to, declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's capital stock other than:

(i) purchases, redemptions or acquisitions of shares of capital stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers or directors or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date the Company exercises its right to defer the Contract Adjustment Payments;

(ii) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock;

(iii) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged;

(iv) dividends or distributions in capital stock of the Company (or rights to acquire capital stock) or repurchases, acquisitions or redemptions of capital stock in exchange for or out of the net cash proceeds of the sale of the Company's capital stock (or securities convertible into or exchangeable for shares of the Company's capital stock);

(v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(vi) mandatory sinking fund payments with respect to any series of preferred stock of the Company; provided that the aggregate stated value of all such series outstanding at the time of such payment does not exceed 5% of the aggregate of (1) the total principal amount of all then outstanding bonds or other securities representing secured indebtedness issued or assumed by the Company and (2) the Company's capital and surplus to be stated on the Company's books of account after giving effect to such payment; provided however that any moneys deposited in to any sinking fund and not in violation of this clause (vi) may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund without regard to the foregoing restrictions.

Section 5.4 Initial Remarketing.

Unless a Tax Event Redemption has occurred, the Company shall engage a nationally recognized investment bank (the "Remarketing Agent") pursuant to the Remarketing Agreement to sell the Notes (the "Initial Remarketing") on the fifth Business Day immediately preceding May 17, 2004 (the "Initial Remarketing Date"). In order to facilitate the remarketing, the Agent shall notify, by 10:00 a.m., New York City time, on the Business Day immediately preceding the Initial Remarketing Date, the Remarketing Agent of the aggregate principal amount of Notes to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing such Notes to the Remarketing Agent. Upon receipt of such notice from the Agent and such Notes from the Collateral Agent, the Remarketing Agent will, on the Initial Remarketing Date, use its reasonable efforts to remarket such Notes on such date at a price of approximately 100.5% (but not less than 100%) of the Treasury Portfolio Purchase Price. If the Remarketing Agent is able to remarket the Notes at a price equal to or greater than 100% of the Treasury Portfolio Purchase Price (a "Successful Initial Remarketing"), the portion of the proceeds from such Successful Initial Remarketing equal to the Treasury Portfolio Purchase Price will be applied to purchase the Treasury Portfolio. In addition, the Remarketing Agent may deduct as a remarketing fee ("Remarketing Fee") an amount equal to 25 basis points (0.25%) of the Treasury Portfolio Purchase Price from any amount of such proceeds in excess of the Treasury Portfolio Purchase Price. Any proceeds in excess of those required to pay the Treasury Portfolio Purchase Price and the Remarketing Fee will be remitted to the Agent for payment to the Holders of the related Upper DECS. Upper DECS Holders whose Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith. The Treasury Portfolio will be substituted for the Notes of Holders of Upper DECS and will be pledged to the Collateral Agent to secure the Upper DECS Holders' obligation to pay the Purchase Price for the Common Stock under the related Forward Purchase Contracts on the Forward Purchase Contract Settlement Date. Following the occurrence of a Successful Initial Remarketing, the Holders of Upper DECS and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Upper DECS and the Collateral Agent had in respect of the Notes, as the case may be, subject to the Pledge thereof as provided in Sections 2, 3, 4, 5 and 6 of the Pledge Agreement, and any reference herein or in the Certificates to the Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio. The Company may cause to be made in any Upper DECS Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Treasury Portfolio for Notes as collateral.

If, (i) in spite of using its reasonable efforts, the Remarketing Agent cannot remarket the related Notes (other than to the Company) of such Holders of Upper DECS at a price not less than 100% of the Treasury Portfolio Purchase Price, or (ii) the remarketing has not occurred because of a condition precedent to the remarketing has not been fulfilled, the remarketing will be deemed to have failed (a "Failed Initial Remarketing"). The Company will cause a notice of a Failed Initial Remarketing to be published on the second Business Day immediately preceding May 17, 2004 in an Authorized Newspaper and by means of Bloomberg and Reuters newswire.

Section 5.5 Payment of Purchase Price.

(a) (i) Unless a Tax Event Redemption, Successful Initial Remarketing, Termination Event or Early Settlement has occurred, each Holder of an Upper DECS may pay in cash ("Cash Settlement") the Purchase Price for the shares of Common Stock to be purchased pursuant to a Forward Purchase Contract if such Holder notifies the Agent by use of a notice in substantially the form of Exhibit E hereto of its intention to make a Cash Settlement. Such notice shall be made on or prior to 5:00 p.m., New York City time, on the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date. The Agent shall promptly notify the Collateral Agent of the receipt of such a notice from a Holder intending to make a Cash Settlement.

(ii) A Holder of an Upper DECS who has so notified the Agent of its intention to make a Cash Settlement is required to pay the Purchase Price to the Collateral Agent prior to 11:00 a.m., New York City time, on the Business Day immediately preceding the Forward Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer, in each case payable to or upon the order of the Company. Any cash received by the Collateral Agent will be invested promptly by the Collateral Agent in Permitted Investments and paid to the Company on the Forward Purchase Contract Settlement Date in settlement of the Forward Purchase Contract in accordance with the terms of this Agreement and the Pledge Agreement. Any funds received by the Collateral Agent in respect of the investment earnings from the investment in such Permitted Investments, will be distributed to the Agent when received for payment to the Holder.

(iii) If a Holder of an Upper DECS fails to notify the Agent of its intention to make a Cash Settlement in accordance with paragraph (a)(i) above, such failure shall constitute an event of default and the Holder shall be deemed to have consented to the disposition of the pledged Notes pursuant to the Secondary Remarketing as described in paragraph (b) below. If a Holder of an Upper DECS does notify the Agent as provided in paragraph (a)(i) above of its intention to pay the Purchase Price in cash, but fails to make such payment as required by paragraph (a)(ii) above, such failure shall also constitute a default; however, the Notes of such a Holder will not be remarketed but instead the Collateral Agent, for the benefit of the Company, will exercise its rights as a secured party with respect to such Notes, including but not limited to those rights specified in paragraph (c) below.

(b) Unless a Tax Event Redemption or a Successful Initial Remarketing has occurred, the Notes of Upper DECS Holders who have not notified the Agent of their intention to effect a Cash Settlement as provided in paragraph (a)(i) above will be sold by the Remarketing Agent (the "Secondary Remarketing") on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date (the "Secondary Remarketing Date"). The Agent shall notify, by 10:00 a.m., New York City time, on the Business Day immediately preceding the Secondary Remarketing Date, the Remarketing Agent of the aggregate principal amount of Notes to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing such Notes to the Remarketing Agent. Upon receipt of such notice from the Agent and such Notes from the Collateral Agent, the Remarketing Agent will, on the Secondary Remarketing Date, use its reasonable efforts to remarket such Notes on such date at a price of approximately 100.5% (but not less than 100%) of the aggregate principal

amount of such Notes. If the Remarketing Agent is able to remarket the Notes at a price equal to or greater than 100% of the aggregate principal amount of Notes (a "Successful Secondary Remarketing"), the Remarketing Agent will remit the entire amount of the proceeds from such Successful Secondary Remarketing to the Collateral Agent; provided, however, that the Remarketing Agent may deduct as the Remarketing Fee an amount equal to 25 basis points (0.25%) of the aggregate principal amount of the remarketed Notes from any amount of the proceeds of a Successful Secondary Remarketing in excess of the aggregate principal amount of the remarketed Notes. The portion of the proceeds equal to the aggregate principal amount of Notes will automatically be applied by the Collateral Agent, in accordance with the Pledge Agreement, to satisfy in full such Upper DECS holders' obligations to pay the Purchase Price for the Common Stock under the related Forward Purchase Contracts on the Forward Purchase Contract Settlement Date. Any proceeds in excess of those required to pay the Purchase Price and the Remarketing Fee will be remitted to the Agent for payment to the Holders of the related Upper DECS. Upper DECS Holders whose Notes are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith. If, (i) in spite of using its reasonable efforts, the Remarketing Agent cannot remarket the related Notes (other than to the Company) of such Holders of Upper DECS at a price not less than 100% of the aggregate principal amount of the Notes, or (ii) the remarketing has not occurred because of a condition precedent to the remarketing has not been fulfilled, the remarketing will be deemed to have failed (a "Failed Secondary Remarketing") and in accordance with the terms of the Pledge Agreement the Collateral Agent for the benefit of the Company will exercise its rights as a secured party with respect to such Notes, including those actions specified in paragraph (c) below. The Company will cause a notice of such Failed Secondary Remarketing to be published on the second Business Day immediately preceding the Forward Purchase Contract Settlement Date in an Authorized Newspaper and by means of Bloomberg and Reuters newswire.

(c) With respect to any Notes beneficially owned by Holders who have elected Cash Settlement but failed to deliver cash as required in (a)(ii) above, or with respect to Notes which are subject to a Failed Secondary Remarketing, the Collateral Agent for the benefit of the Company reserves all of its rights as a secured party with respect thereto and, subject to applicable law and paragraph (h) below, may, among other things, (i) retain the Notes in full satisfaction of the Holders obligations under the Forward Purchase Contracts or (ii) sell the Notes in one or more public or private sales.

(d) Unless a Termination Event or an Early Settlement has occurred, the Forward Purchase Contract underlying each Stripped DECS and, if a Tax Event Redemption or a Successful Initial Remarketing has occurred, each Upper DECS will be settled with the Proceeds at maturity of the Treasury Security or the Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable. Upon receipt of such Proceeds, the Collateral Agent will invest the Proceeds promptly in Permitted Investments and pay the Proceeds to the Company on the Forward Purchase Contract Settlement Date in accordance with the terms of this Agreement and the Pledge Agreement. Any such Proceeds received by the Collateral Agent in excess of the Purchase Price and any funds received by the Collateral Agent in respect of the investment earnings from the investment in such Permitted Investments will be distributed to the Agent when received for payment to the Holders.

(e) Any distribution to Holders of excess funds and interest described above, shall be payable at the New York Office maintained for that purpose or, at the option of the Holder, by check mailed to the address of the Person entitled thereto at such address as it appears on the Register, or, at the option of the Company, by wire transfer to the bank account designated by such Holders in writing, such payments to be made to the same Persons entitled to receive Common Stock with respect to the Forward Purchase Contracts referred to in Subsection (d) above.

(f) Unless a Holder settles the underlying Forward Purchase Contract through the Early Settlement in the manner described in Section 5.10, the Company shall not be obligated to issue any shares of Common Stock in respect of a Forward Purchase Contract or deliver any certificate therefor to the Holder unless it shall have received payment in full of the Purchase Price for the shares of Common Stock to be purchased thereunder in the manner set forth in this Section 5.5.

(g) Upon Cash Settlement of any Forward Purchase Contract, (i) the Collateral Agent will in accordance with the terms of the Pledge Agreement cause the pledged Notes underlying the relevant Security to be released from the Pledge by the Collateral Agent free and clear of any security interest of the Company and transferred to the Agent for delivery to the Holder thereof or its designee as soon as practicable and (ii) subject to the receipt thereof from the Collateral Agent, the Agent shall, by book-entry transfer, or other appropriate procedures, in accordance with instructions provided by the Holder thereof, transfer such Notes (or, if no such instructions are given to the Agent by the Holder, the Agent shall hold such Notes and any distributions thereon in the name of the Agent or its nominee in trust for the benefit of such Holder).

(h) The obligations of the Holders to pay the Purchase Price are non-recourse obligations and are payable solely out of any Cash Settlement or the Proceeds of any Collateral pledged to secure the obligations of the Holders and in no event will Holders be liable for any deficiency between the Proceeds of Collateral and the Purchase Price.

Section 5.6 Issuance of Shares of Common Stock.

Unless a Termination Event or an Early Settlement shall have occurred, on the Forward Purchase Contract Settlement Date, upon its receipt of payment in full of the Purchase Price for the shares of Common Stock purchased by the Holders pursuant to the foregoing provisions of this Article and subject to Section 5.7(b), the Company shall issue and deposit with the Agent, for the benefit of the Holders of the Outstanding Securities, one or more certificates representing newly issued shares of Common Stock registered in the name of the Agent (or its nominee) as custodian for the Holders (such certificates for shares of Common Stock, together with any dividends or distributions for which both a record date and payment date for such dividend or distribution has occurred on or after the Forward Purchase Contract Settlement Date, being hereinafter referred to as the "Forward Purchase Contract Settlement Fund") to which the Holders are entitled hereunder. Subject to the foregoing, upon surrender of a Certificate to the Agent on or after the Forward Purchase Contract Settlement Date, together with settlement instructions thereon duly completed and executed, the Holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of

Common Stock which such Holder is entitled to receive pursuant to the provisions of this Article Five (after taking into account all Securities then held by such Holder) together with cash in lieu of fractional shares as provided in Section 5.11 and any dividends or distributions with respect to such shares constituting part of the Forward Purchase Contract Settlement Fund, but without any interest thereon, and the Certificate so surrendered shall forthwith be cancelled. Such shares shall be registered in the name of the Holder or the Holder's designee as specified in the settlement instructions provided by the Holder to the Agent. If any shares of Common Stock issued in respect of a Forward Purchase Contract are to be registered to a Person other than the Person in whose name the Certificate evidencing such Forward Purchase Contract is registered, no such registration shall be made unless the Person requesting such registration has paid any transfer and other taxes required by reason of such registration in a name other than that of the registered Holder of the Certificate evidencing such Forward Purchase Contract or has established to the satisfaction of the Company that such tax either has been paid or is not payable.

Section 5.7 Adjustment of Settlement Rate.

(a) Adjustments for Dividends, Distributions, Stock Splits,
Etc.

(1) In case the Company shall pay or make a dividend or other distribution on the Common Stock in Common Stock, the Settlement Rate, as in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by dividing such Settlement Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include any shares issuable in respect of any share certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock (not being available on an equivalent basis to Holders of the Securities upon settlement of the Forward Purchase Contracts underlying such Securities) entitling them, for a period expiring within 45 days after the record date for the determination of stockholders entitled to receive such rights, options or warrants, to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price per share of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants (other than pursuant to a dividend reinvestment plan or share purchase plan), the Settlement Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Settlement Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Current Market Price and the denominator shall be the number of shares of Common Stock outstanding at the close of

business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include any shares issuable in respect of any share certificates issued in lieu of fractions of shares of Common Stock. The Company shall not issue any such rights, options or warrants in respect of shares of Common Stock held in the treasury of the Company.

(3) In case outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, the Settlement Rate in effect at the opening of business on the day following the day upon which such subdivision or split becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Settlement Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, split or combination becomes effective.

(4) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, shares of capital stock, securities, cash or other property (but excluding any rights or warrants referred to in paragraph (2) of this Section, any dividend or distribution paid exclusively in cash and any dividend or distribution referred to in paragraph (1) of this Section), the Settlement Rate shall be increased so that the same shall equal the rate determined by dividing the Settlement Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Current Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution filed with the Agent) on such date of the portion of the evidences of indebtedness, shares of capital stock, securities, cash or other property so distributed applicable to one share of Common Stock and the denominator shall be such Current Market Price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. In any case in which this paragraph (4) is applicable, paragraph (2) of this Section shall not be applicable.

(5) In case the Company shall, (I) by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding (i) regular quarterly cash distributions, (ii) any cash that is distributed in a Reorganization Event to which Section 5.7(b) applies

or (iii) cash that is distributed as part of a distribution referred to in paragraph (4) of this Section) in an aggregate amount that, combined together with (II) the aggregate amount of any other distributions to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (5) or paragraph (6) of this Section has been made and (III) the aggregate of any cash plus the fair market value, as of the expiration of the applicable tender or exchange offer referred to below (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), of consideration payable in respect of any tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer) by the Company or any of its Subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of the distribution described in clause (I) above and in respect of which no adjustment pursuant to this paragraph (5) or paragraph (6) of this Section has been made, exceeds 10% of the product of the Current Market Price per share of the Common Stock on the date for the determination of holders of shares of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date, then, and in each such case, immediately after the close of business on such date for determination, the Settlement Rate shall be increased so that the same shall equal the rate determined by dividing the Settlement Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the Current Market Price per share of the Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the combined amount distributed or payable in the transactions described in clauses (I), (II) and (III) above and (y) the number of shares of Common Stock outstanding on such date for determination and (ii) the denominator of which shall be equal to the Current Market Price per share of the Common Stock on such date for determination.

(6) In case (I) a tender or exchange offer made by the Company or any Subsidiary of the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (II) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender or exchange offer, of consideration payable in respect of any other tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer) by the Company or any Subsidiary of the Company for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made and (III) the aggregate amount of any distributions (other than regular quarterly cash distributions) to all holders of the Company's Common Stock made exclusively in cash within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made,

exceeds 10% of the product of the Current Market Price per share of the Common Stock as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender or exchange offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Settlement Rate shall be adjusted so that the same shall equal the rate determined by dividing the Settlement Rate immediately prior to the close of business as of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (I) the Current Market Price per share of the Common Stock as of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less (B) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the transactions described in clauses (I), (II) and (III) above (assuming in the case of clause (I) the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares), and (ii) the denominator of which shall be equal to the product of (A) the Current Market Price per share of the Common Stock as of the Expiration Time and (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities including securities other than Common Stock (other than any reclassification upon a Reorganization Event to which Section 5.7(b) applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision, split or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision or split becomes effective" or "the day upon which such combination becomes effective", as the case may be, and "the day upon which such subdivision, split or combination becomes effective" within the meaning of paragraph (3) of this Section).

(8) The "Current Market Price" per share of Common Stock on any day means the average of the daily Closing Prices for the five consecutive Trading Days selected by the Company commencing not more than 30 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date", when used with respect to any issuance or distribution, shall mean the first date on which the Common Stock trades regular way on such exchange or in such market without the right to receive such issuance or distribution.

(9) All adjustments to the Settlement Rate, shall be calculated to the nearest 1/10,000th of a share of Common Stock (or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share). No adjustment in the Settlement Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of this subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment. If an adjustment is made to the Settlement Rate pursuant to paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.7(a), an adjustment shall also be made to the Applicable Market Value solely to determine which of clauses (a), (b) or (c) of the definition of Settlement Rate in Section 5.1 will apply on the Forward Purchase Contract Settlement Date. Such adjustment shall be made by multiplying the Applicable Market Value by a fraction of which the numerator shall be the Settlement Rate immediately after such adjustment pursuant to paragraph (1), (2), (3), (4), (5), (6), (7) or (10) of this Section 5.7(a) and the denominator shall be the Settlement Rate immediately before such adjustment; provided, however, that if such adjustment to the Settlement Rate is required to be made pursuant to the occurrence of any of the events contemplated by paragraph (1), (2), (3), (4), (5), (7) or (10) of this Section 5.7(a) during the period taken into consideration for determining the Applicable Market Value, appropriate and customary adjustments shall be made to the Settlement Rate.

(10) The Company may make such increases in the Settlement Rate, in addition to those required by this Section, as it considers to be advisable in order to avoid or diminish any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons.

(b) Adjustment for Consolidation, Merger or Other Reorganization Event. In the event of (i) any consolidation or merger of the Company with or into another Person (other than a merger or consolidation in which the Company is the continuing corporation and in which the Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of the Company or another corporation), (ii) any sale, transfer, lease or conveyance to another Person of the property of the Company as an entirety or substantially as an entirety, (iii) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition) or (iv) any liquidation, dissolution or winding up of the Company other than as a result of or after the occurrence of a Termination Event (any such event, a "Reorganization Event"), the Settlement Rate will be adjusted to provide that each Holder of Securities will receive on the Forward Purchase Contract Settlement Date with respect to each Forward Purchase Contract forming a part thereof (or upon any Early Settlement), the kind and amount of securities, cash and other property receivable upon such Reorganization Event (without any interest thereon, and without any right to dividends or distribution thereon which have a record date that is prior to the Forward Purchase Contract Settlement Date) by a Holder of the number of shares of Common Stock issuable on account of each Forward Purchase Contract if the Forward Purchase Contract Settlement Date had occurred immediately prior to such Reorganization Event assuming such Holder of Common Stock is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was

made, as the case may be (any such Person, a "Constituent Person"), or an Affiliate of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Company and non-affiliates and such Holder failed to exercise its rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such Reorganization Event (provided that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such Reorganization Event by each non-electing share shall be deemed to be the kind and amount so receivable per share by the non-electing shares). In the event of such a Reorganization Event, the Person formed by such consolidation, merger or exchange or the Person which acquires or leases the assets of the Company or, in the event of a liquidation or dissolution of the Company, the Company or a liquidating trust created in connection therewith, shall execute and deliver to the Agent an agreement supplemental hereto providing that the Holders of each Outstanding Security shall have the rights provided by this Section 5.7. Such supplemental agreement shall provide for adjustments which, for events subsequent to the effective date of such supplemental agreement, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section. The above provisions of this Section shall similarly apply to successive Reorganization Events.

Section 5.8 Notice of Adjustments and Certain Other Events.

(a) Whenever the Settlement Rate is adjusted as herein provided, the Company shall:

(i) forthwith compute the Settlement Rate in accordance with Section 5.7 and prepare and transmit to the Agent an Officer's Certificate setting forth the Settlement Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and

(ii) within 10 Business Days following the occurrence of an event that requires an adjustment to the Settlement Rate pursuant to Section 5.7 (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), provide a written notice to the Holders of the Securities of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the Settlement Rate was determined and setting forth the adjusted Settlement Rate.

(b) The Agent shall not at any time be under any duty or responsibility to any Holder of Securities to determine whether any facts exist which may require any adjustment of the Settlement Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at the time be issued or delivered with respect to any Forward Purchase Contract; and the Agent makes no representation with respect thereto. The Agent shall not be responsible for any failure of the Company to issue,

transfer or deliver any shares of Common Stock pursuant to a Forward Purchase Contract or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article.

Section 5.9 Termination Event; Notice.

The Forward Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights and obligations of Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Forward Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon and after the occurrence of a Termination Event, the Securities shall thereafter represent the right to receive the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, forming a part of such Securities in the case of Upper DECS, or Treasury Securities in the case of Stripped DECS, in accordance with the provisions of Section 4.3 of the Pledge Agreement; provided, however, that, to the extent that a Holder of Upper DECS or Stripped DECS would otherwise be entitled to receive less than \$1,000 principal amount at maturity of the Treasury Portfolio or the Treasury Securities, the Agent shall dispose of such securities for cash, and transfer the appropriate amount of such cash to such Holder in accordance with such Holder's instructions. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Register.

Section 5.10 Early Settlement.

(a) Subject to and upon compliance with the provisions of this Section 5.10, at any time Forward Purchase Contracts underlying Securities having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof may be settled early ("Early Settlement") at the option of the Holder thereof; provided however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, Forward Purchase Contracts underlying Upper DECS may be settled early but only in an aggregate amount of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000. In order to exercise the right to effect Early Settlement with respect to any Forward Purchase Contracts, the Holder of the Certificate evidencing Securities shall deliver such Certificate to the Agent at the Corporate Trust Office or the New York Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early on the reverse thereof duly completed and accompanied by payment (payable to the Company) in lawful money of the United States by wire transfer, in each case in immediately available funds in an amount (the "Early Settlement Amount") equal to (A) the product of (i) the Stated Amount times (ii) the number of Forward Purchase Contracts with respect to which the Holder has elected to effect Early Settlement, plus (B) if such delivery is made with respect to any Forward Purchase Contracts during the period from close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Payment Contracts; provided that no payment shall be required pursuant to clause (B) of this sentence if the Company shall have elected to defer the Contract Adjustment Payments which would

otherwise be payable on such Payment Date. Except as provided in the immediately preceding sentence and subject to the second to last paragraph of Section 5.2, no payment or adjustment shall be made upon Early Settlement of any Forward Purchase Contract on any Contract Adjustment Payments accrued on such Forward Purchase Contract or on account of dividends on the Common Stock issued upon such Early Settlement or on account of any Deferred Contract Adjustment Payments. If the foregoing requirements are first satisfied with respect to Forward Purchase Contracts underlying any Securities at or prior to 5:00 p.m., New York City time, on a Business Day, such day shall be the "Early Settlement Date" with respect to such Securities and if such requirements are first satisfied after 5:00 p.m., New York City time, on a Business Day or on a day that is not a Business Day, the "Early Settlement Date" with respect to such Securities shall be the next succeeding Business Day.

(b) Upon Early Settlement of Forward Purchase Contracts by a Holder of the related Securities and payment of any transfer or similar taxes payable by such Holder in connection with the issuance of the related Common Stock to any Person other than such Holder, the Company shall issue, and the Holder shall be entitled to receive, 1.7593 shares of newly issued Common Stock on account of each Forward Purchase Contract as to which Early Settlement is effected (the "Early Settlement Rate"). The Early Settlement Rate shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted. As promptly as practicable after Early Settlement of Forward Purchase Contracts in accordance with the provisions of this Section 5.10, the Company shall issue and shall deliver to the Agent at the Corporate Trust Office a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.11.

(c) No later than the third Business Day after the applicable Early Settlement Date, the Company shall cause (i) the shares of Common Stock issuable upon Early Settlement of Forward Purchase Contracts to be issued and delivered, and (ii) the related Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, in the case of Upper DECS, or the related Treasury Securities, in the case of Stripped DECS, to be released from the Pledge by the Collateral Agent and transferred, in each case to the Agent for delivery to the Holder thereof or its designee.

(d) Upon Early Settlement of any Forward Purchase Contracts, and subject to receipt of shares of Common Stock from the Company and the Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or Treasury Securities, as the case may be, from the Collateral Agent, as applicable, the Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early on the reverse of the Certificate evidencing the related Securities, (i) transfer to the Holder the Notes, Treasury Portfolio or Treasury Securities, as the case may be, forming a part of such Securities, and (ii) deliver to the Holder a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.11.

(e) In the event that Early Settlement is effected with respect to Forward Purchase Contracts underlying less than all the Securities evidenced by a Certificate, upon such Early Settlement the Company shall execute and the Agent shall authenticate, countersign and

deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Securities as to which Early Settlement was not effected.

(f) Upon determination that Holders are or will be entitled to settle Forward Purchase Contracts underlying their Securities early in accordance with the provisions of this Section 5.10, but in no event later than 20 calendar days prior to the Applicable Transaction Date, the Company shall issue a press release and publish such information on its web site.

Section 5.11 No Fractional Shares.

No fractional shares or scrip representing fractional shares of Common Stock shall be issued or delivered upon settlement on the Forward Purchase Contract Settlement Date or upon Early Settlement of any Forward Purchase Contracts. If Certificates evidencing more than one Forward Purchase Contract shall be surrendered for settlement at one time by the same Holder, the number of full shares of Common Stock which shall be delivered upon settlement shall be computed on the basis of the aggregate number of Forward Purchase Contracts evidenced by the Certificates so surrendered. Instead of any fractional share of Common Stock which would otherwise be deliverable upon settlement of any Forward Purchase Contracts on the Forward Purchase Contract Settlement Date or upon Early Settlement, the Company, through the Agent, shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional shares times the Applicable Market Value. The Company shall provide the Agent from time to time with sufficient funds to permit the Agent to make all cash payments required by this Section 5.11 in a timely manner.

Section 5.12 Charges and Taxes.

The Company will pay all stock transfer and similar taxes attributable to the initial issuance and delivery of the shares of Common Stock pursuant to the Forward Purchase Contracts and in payment of any Deferred Contract Adjustment Payments; provided, however, that the Company shall not be required to pay any such tax or taxes which may be payable in respect of any exchange of or substitution for a Certificate evidencing a Security or any issuance of a share of Common Stock in a name other than that of the registered Holder of a Certificate surrendered in respect of the Securities evidenced thereby, other than in the name of the Agent, as custodian for such Holder, and the Company shall not be required to issue or deliver such share certificates or Certificates unless or until the Person or Persons requesting the transfer or issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that no such tax is due.

ARTICLE VI

REMEDIES

Section 6.1 Unconditional Right of Holders to Purchase Common Stock.

The Holder of any Upper DECS or Stripped DECS shall have the right, which is absolute and unconditional, (A), subject to the right of the Company to defer payment thereof pursuant to Section 5.3, and to the forfeiture of any Deferred Contract Adjustment Payments upon Early Settlement pursuant to Section 5.10(c) or upon the occurrence of a Termination

Event, to receive payment of each installment of the Contract Adjustment Payments, if any, with respect to the Forward Purchase Contract constituting a part of such Security on the respective Payment Date for such Security, and (B) to purchase Common Stock pursuant to such Forward Purchase Contract and, in each such case, to institute suit for the enforcement of any such payment and right to purchase Common Stock, and such rights shall not be impaired without the consent of such Holder.

Section 6.2 Restoration of Rights and Remedies.

If any Holder has instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of such Holder shall continue as though no such proceeding had been instituted.

Section 6.3 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates in the last paragraph of Section 3.10, no right or remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.4 Delay or Omission Not Waiver.

No delay or omission of any Holder to exercise any right or remedy upon a default shall impair any such right or remedy or constitute a waiver of any such right. Every right and remedy given by this Article or by law to the Holders may be exercised from time to time, and as often as may be deemed expedient, by such Holders.

Section 6.5 Undertaking for Costs.

All parties to this Agreement agree, and each Holder of Upper DECS or Stripped DECS, by its acceptance of such Upper DECS or Stripped DECS shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Agreement, or in any suit against the Agent for any action taken, suffered or omitted by it as Agent, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Agent, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of interest on any Notes on or after the respective Payment Date therefor in respect

of any Security held by such Holder, or for enforcement of the right to purchase shares of Common Stock under the Forward Purchase Contracts constituting part of any Security held by such Holder.

Section 6.6 Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Agreement; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Agent or the Holders, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

THE AGENT

Section 7.1 Certain Duties and Responsibilities.

(a) (1) The Agent undertakes to perform, with respect to the Securities, such duties and only such duties as are specifically set forth in this Agreement and the Pledge Agreement, and no implied covenants or obligations shall be read into this Agreement and Pledge Agreement against the Agent; and

(2) The Agent may, with respect to the Securities, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Agent and conforming to the requirements of this Agreement, but in the case of any certificates or opinions which by any provision hereof are specifically required to be furnished to the Agent, the Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement, but need not confirm or investigate the accuracy of mathematical calculations stated therein.

(b) No provision of this Agreement shall be construed to relieve the Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or bad faith, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Agent was negligent in ascertaining the pertinent facts; and

(3) no provision of this Agreement shall require the Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(c) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Agent shall be subject to the provisions of this Section.

(d) The Agent is authorized to execute and deliver the Pledge Agreement in its capacity as Agent.

Section 7.2 Notice of Default.

Within 30 days after the occurrence of any default by the Company hereunder of which a Responsible Officer of the Agent has actual knowledge, the Agent shall transmit by mail to the Company and the Holders of Securities, as their names and addresses appear in the Register, notice of such default hereunder, unless such default shall have been cured or waived.

Section 7.3 Certain Rights of Agent.

Subject to the provisions of Section 7.1:

(a) the Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by an Officer's Certificate, Issuer Order or Issuer Request, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Agreement the Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate of the Company;

(d) the Agent may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, other evidence of indebtedness or other paper or document, but the Agent, in its discretion, may make reasonable further inquiry

or investigation into such facts or matters related to the execution, delivery and performance of the Forward Purchase Contracts as it may see fit, and, if the Agent shall determine to make such further inquiry or investigation, it shall be given a reasonable opportunity to examine the books, records and premises of the Company, personally or by agent or attorney; and

(f) the Agent may execute any of the powers, perform any duties hereunder, or delegate any administrative functions either directly to, by or through its employees, officers, agents or attorneys or an Affiliate located in any state of the United States and the Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney or an Affiliate appointed with due care by it hereunder.

Section 7.4 Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Certificates shall be taken as the statements of the Company and the Agent assumes no responsibility for their accuracy. The Agent makes no representations as to the validity or sufficiency of either this Agreement or of the Securities, or of the Pledge Agreement or the Pledge. The Agent shall not be accountable for the use or application by the Company of the proceeds in respect of the Forward Purchase Contracts.

Section 7.5 May Hold Securities.

Any Registrar or any other agent of the Company, or the Agent and its Affiliates, in their individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Company, the Collateral Agent or any other Person with the same rights it would have if it were not Registrar or such other agent, or the Agent.

Section 7.6 Money Held in Custody.

Money held by the Agent in custody hereunder need not be segregated from the other funds except to the extent required by law or provided herein. The Agent shall be under no obligation to invest or pay interest on any money received by it hereunder except as otherwise expressly provided herein or as otherwise agreed in writing with the Company.

Section 7.7 Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Agent from time to time such compensation for all services rendered by it hereunder as the parties shall agree from time to time;

(2) except as otherwise expressly provided herein, to reimburse the Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Agent in accordance with any provision of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct or bad faith; and

- (3) to indemnify the Agent and any predecessor Agent for, and to hold it harmless against, any loss, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Agent) incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its duties hereunder, including the costs and expenses of counsel selected by the Agent to defend the Agent against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The provisions of this Section shall survive the termination of this Agreement.

Section 7.8 Corporate Agent Required; Eligibility.

There shall at all times be an Agent hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having (or being a subsidiary of a bank holding company having) a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or State authority and having an office in the Borough of Manhattan, The City of New York, if there be such a corporation in the Borough of Manhattan, The City of New York, qualified and eligible under this Article and willing to act on reasonable terms. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article. The provisions of this Section shall survive the termination of this Agreement.

Section 7.9 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Agent and no appointment of a successor Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Agent in accordance with the applicable requirements of Section 7.10.

(b) The Agent may resign at any time by giving written notice thereof to the Company 30 days prior to the effective date of such resignation. If the instrument of acceptance by a successor Agent required by Section 7.10 shall not have been delivered to the Agent within 30 days after the giving of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent.

(c) The Agent may be removed at any time by Act of the Holders of a majority in number of the Outstanding Securities delivered to the Agent and the Company. If the instrument of acceptance by a successor Agent required by Section 7.10 shall not have been delivered to the Agent within 30 days after the giving of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent.

(d) If at any time

(1) the Agent fails to comply with Section 310(b) of the TIA, as if the Agent were an indenture trustee under an indenture qualified under the TIA, after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Agent shall cease to be eligible under Section 7.8 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Agent or of its property shall be appointed or any public officer shall take charge or control of the Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Agent, or (ii) any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Agent and the appointment of a successor Agent.

(e) If the Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Agent for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Agent and shall comply with the applicable requirements of Section 7.10. If no successor Agent shall have been so appointed by the Company and accepted appointment in the manner required by Section 7.10, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Agent.

(f) The Company shall give, or shall cause such successor Agent to give, notice of each resignation and each removal of the Agent and each appointment of a successor Agent by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the applicable Register. Each notice shall include the name of the successor Agent and the address of its Corporate Trust Office and New York Office, if any.

Section 7.10 Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Agent, every such successor Agent so appointed shall execute, acknowledge and deliver to the Company and to the retiring Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Agent shall become effective and such successor Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, agencies and duties of the retiring Agent; but, on the request of the Company or the successor Agent, such retiring Agent shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Agent all the rights, powers and trusts of the retiring Agent and shall duly assign, transfer and deliver to such successor Agent all property and money held by such retiring Agent hereunder.

(b) Upon request of any such successor Agent, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Agent all such rights, powers and agencies referred to in paragraph (a) of this Section.

(c) No successor Agent shall accept its appointment unless at the time of such acceptance such successor Agent shall be qualified and eligible under this Article.

Section 7.11 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Agent shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Agent, shall be the successor of the Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Certificates shall have been authenticated and executed on behalf of the Holders, but not delivered, by the Agent then in office, any successor by merger, conversion or consolidation to such Agent may adopt such authentication and execution and deliver the Certificates so authenticated and executed with the same effect as if such successor Agent had itself authenticated and executed such Securities.

Section 7.12 Preservation of Information; Communications to Holders.

(a) The Agent shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Agent in its capacity as Registrar.

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Agent, and furnish to the Agent reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Agreement or under the Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Agent shall mail to all the Holders copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Agent of the materials to be mailed and of payment, or provision for the payment, of the reasonable expenses of such mailing.

Section 7.13 No Obligations of Agent.

Except to the extent otherwise provided in this Agreement, the Agent assumes no obligations and shall not be subject to any liability under this Agreement, the Pledge Agreement or any Forward Purchase Contract in respect of the obligations of the Holder of any Security thereunder. The Company agrees, and each Holder of a Certificate, by his acceptance thereof, shall be deemed to have agreed, that the Agent's execution of the Certificates on behalf of the Holders shall be solely as agent and attorney-in-fact for the Holders, and that the Agent shall have no obligation to perform such Forward Purchase Contracts on behalf of the Holders, except to the extent expressly provided in Article V hereof.

Section 7.14 Tax Compliance.

(a) The Agent, on its own behalf and on behalf of the Company, will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or administrative practice with respect to (i) any payments made with respect to the Securities or (ii) the issuance, delivery, holding, transfer, redemption or exercise of rights under the Securities or the Notes. Such compliance shall include, without limitation, (i) preparing, timely filing with the applicable taxing authority, and (to the extent required under applicable tax laws) timely furnishing Holders with copies of, all tax reports or statements with respect to payments on, or redemptions of, the Securities which are required to be prepared, filed, and furnished under applicable tax laws, (ii) withholding and paying over to the applicable taxing authorities any tax withholdings that are required to be made with respect to payments on, or redemptions of, the Securities under applicable tax laws, and (iii) making reasonable efforts to obtain from Holders all IRS Forms (and similar forms under applicable state, local, and foreign tax law) and other documentation required under applicable tax laws in order to establish exemptions from or reductions in withholding taxes.

(b) The Agent shall comply with any written direction received from the Company with respect to the application of such requirements to particular payments or Holders or in other particular circumstances, and may for purposes of this Agreement rely on any such direction in accordance with the provisions of Section 7.1(a)(2) hereof.

(c) The Agent shall maintain all appropriate records documenting compliance with such requirements, until such time as all applicable periods of limitation for assessing or collecting any taxes or penalties for failure to comply fully with such requirements have expired, and shall make such records available, on written request, to the Company or its authorized representative within a reasonable period of time after receipt of such request.

ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

Section 8.1 Supplemental Agreements Without Consent of Holders.

Without the consent of any Holders, the Company and the Agent, at any time and from time to time, may enter into one or more agreements supplemental hereto, in form satisfactory to the Company and the Agent, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Certificates; or
- (2) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company; or
- (3) to evidence and provide for the acceptance of appointment hereunder by a successor Agent; or

(4) to make provision with respect to the rights of Holders pursuant to the requirements of Section 5.7(b); or

(5) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

Section 8.2 Supplemental Agreements with Consent of Holders.

With the consent of the Holders of not less than a majority of the Outstanding Forward Purchase Contracts voting together as one class, by Act of said Holders delivered to the Company and the Agent, the Company, when authorized by a Board Resolution, and the Agent may enter into an agreement or agreements supplemental hereto for the purpose of modifying in any manner the terms of the Forward Purchase Contracts or the provisions of this Agreement or the rights of the Holders in respect of the Securities (other than the Notes, which may be modified only in accordance with the applicable provisions of the Indenture); provided, however, that, except as contemplated herein, no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change any Payment Date;

(2) change the amount or the type of Collateral required to be Pledged to secure a Holder's obligations under any Forward Purchase Contract, impair the right of the Holder of any Forward Purchase Contract to receive distributions on the related Collateral (except for the rights of Holders of Upper DECS to substitute the Treasury Securities for the pledged Notes or the rights of holders of Stripped DECS to substitute Notes for the Pledged Treasury Securities) or otherwise adversely affect the Holder's rights in or to such Collateral or adversely alter the rights in or to such Collateral;

(3) reduce any Contract Adjustment Payments, if any, or any Deferred Contract Adjustment Payment, or change any place where, or the coin or currency in which, any Contract Adjustment Payment is payable;

(4) impair the right to institute suit for the enforcement of any Forward Purchase Contract, any Contract Adjustment Payment, if any, or any Deferred Contract Adjustment Payment, if any;

(5) reduce the number of shares of Common Stock (or the amount of any other property) to be purchased pursuant to any Forward Purchase Contract, increase the price to purchase shares of Common Stock (or any other property) upon settlement of any Forward Purchase Contract, change the Forward Purchase Contract Settlement Date or otherwise adversely affect the Holder's rights under any Forward Purchase Contract; or

(6) reduce the percentage of the outstanding Forward Purchase Contracts the consent of whose Holders is required for any such supplemental agreement;

provided, that if any amendment or proposal referred to above would adversely affect only the Upper DECS or the Stripped DECS, then only the affected class of Holder as of the record date for the Holders entitled to vote thereon will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the consent of Holders of not less than a majority of such class.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such Act shall approve the substance thereof.

Section 8.3 Execution of Supplemental Agreements.

In executing, or accepting the additional agencies created by, any supplemental agreement permitted by this Article or the modifications thereby of the agencies created by this Agreement, the Agent shall be entitled to receive and (subject to Section 7.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement. The Agent may, but shall not be obligated to, enter into any such supplemental agreement which affects the Agent's own rights, duties or immunities under this Agreement or otherwise.

Section 8.4 Effect of Supplemental Agreements.

Upon the execution of any supplemental agreement under this Article, this Agreement and the Securities shall be modified in accordance therewith, and such supplemental agreement shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered hereunder shall be bound thereby.

Section 8.5 Reference to Supplemental Agreements.

Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any supplemental agreement pursuant to this Article may, and shall if required by the Company or the Agent, bear a notation in form approved by the Company and the Agent as to any matter provided for in such supplemental agreement. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Agent and the Company, to any such supplemental agreement may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Agent in exchange for Outstanding Certificates.

ARTICLE IX

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 9.1 Covenant Not to Merge, Consolidate, Sell or Convey Property Except Under Certain Conditions.

The Company covenants that it will not merge or consolidate with any other Person or sell, assign, transfer, lease or convey all or substantially all of its properties and assets

to any Person or group of affiliated Persons in one transaction or a series of related transactions, unless (i) either the Company shall be the continuing corporation, or the successor (if other than the Company) shall be a corporation organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such corporation shall expressly assume all the obligations of the Company under the Forward Purchase Contracts, this Agreement, the Indenture, the Remarketing Agreement and the Pledge Agreement by one or more supplemental agreements in form reasonably satisfactory to the Agent and the Collateral Agent, executed and delivered to the Agent and the Collateral Agent by such corporation, and (ii) the Company or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale, assignment, transfer, lease or conveyance, be in default of its payment obligations under this Agreement or the Notes, or in default of its obligations to deliver Common Stock (or other property) on the Forward Purchase Contract Settlement Date or any Early Settlement Date, or in material default in the performance of any other covenant hereunder or under the Notes, the Indenture, the Remarketing Agreement, the Forward Purchase Contracts or the Pledge Agreement.

Section 9.2 Rights and Duties of Successor Corporation.

In case of any such consolidation, merger, sale, assignment, transfer, lease or conveyance and upon any such assumption by a successor corporation in accordance with Section 9.1, such successor corporation shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company, and its predecessor shall, except in the case of a lease, be released from its obligations under this Agreement. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of Cendant Corporation any or all of the Certificates evidencing Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Agent; and, upon the order of such successor corporation, instead of the Company, and subject to all the terms, conditions and limitations in this Agreement prescribed, the Agent shall authenticate and execute on behalf of the Holders and deliver any Certificates which previously shall have been signed and delivered by the officers of the Company to the Agent for authentication and execution, and any Certificate evidencing Securities which such successor corporation thereafter shall cause to be signed and delivered to the Agent for that purpose. All the Certificates so issued shall in all respects have the same legal rank and benefit under this Agreement as the Certificates theretofore or thereafter issued in accordance with the terms of this Agreement as though all of such Certificates had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, assignment, transfer, lease or conveyance, such change in phraseology and form (but not in substance) may be made in the Certificates evidencing Securities thereafter to be issued as may be appropriate.

Section 9.3 Opinion of Counsel Given to Agent.

The Agent, subject to Sections 7.1 and 7.3, shall receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, assignment, transfer, lease or conveyance, and any such assumption, complies with the provisions of this Article and that all conditions precedent hereunder to the consummation of any such consolidation, merger, sale, assignment, transfer, lease or conveyance have been met.

ARTICLE X

COVENANTS

Section 10.1 Performance Under Forward Purchase Contracts.

The Company covenants and agrees for the benefit of the Holders from time to time of the Securities that it will duly and punctually perform its obligations under the Forward Purchase Contracts in accordance with the terms of the Forward Purchase Contracts and this Agreement.

Section 10.2 Maintenance of Office or Agency.

The Company will maintain or cause to be maintained in the Borough of Manhattan, The City of New York an office or agency (a "New York Office") where Certificates may be presented or surrendered for payment and for acquisition of shares of Common Stock (or other property) upon settlement of the Forward Purchase Contracts on the Forward Purchase Contract Settlement Date or Early Settlement and for transfer of Collateral upon occurrence of a Termination Event, where Certificates may be surrendered for registration of transfer or exchange, for a Collateral Substitution or re-establishment of an Upper DECS and where notices and demands to or upon the Company in respect of the Securities and this Agreement may be served. The Company will give prompt written notice to the Agent of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Agent with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Agent as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where Certificates may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company will give prompt written notice to the Agent of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Borough of Manhattan, the City of New York, as the places of payment for the Securities, and hereby appoints the Agent, acting through its Corporate Trust Office at 1 Bank One Plaza, Suite 1L1-0126, Chicago, IL 60670-0126, Attention: Global Corporate Trust Services Division, as the registrar, paying agent and transfer agent for the Upper DECS and the Stripped DECS and for the other purposes contemplated by this Section 10.2.

Section 10.3 Company to Reserve Common Stock.

The Company shall at all times prior to the Forward Purchase Contract Settlement Date reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock the full number of shares of Common Stock issuable against tender of payment

in respect of all Forward Purchase Contracts constituting a part of the Securities evidenced by Outstanding Certificates.

Section 10.4 Covenants as to Common Stock.

The Company covenants that all shares of Common Stock which may be issued against tender of payment in respect of any Forward Purchase Contract constituting a part of the Outstanding Securities will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable. The Company shall comply with all applicable securities laws regulating the offer, issuance and delivery of shares of Common Stock upon settlement of Forward Purchase Contracts and will endeavor to list such shares on each national securities exchange or automated quotation system on which the Common Stock is then listed.

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

CENDANT CORPORATION

By: -----
Name:
Title:

By: -----
Name:
Title:

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION,
as Forward Purchase Contract Agent

By: -----
Name:
Title:

EXHIBIT A

(Form of Face of Upper DECS Certificate)

[THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE FORWARD PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE FORWARD PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]*

No. _____

CUSIP No. 151313 889

Number of Upper DECS _____

- -----

* To be inserted in Global Certificates only.

7.75% Upper DECS

This Upper DECS Certificate certifies that _____ is the registered Holder of the number of Upper DECS set forth above. Each Upper DECS represents (i) either (a) beneficial ownership by the Holder of \$50 principal amount of Notes due 2006 (the "Note") of Cendant Corporation, a Delaware corporation, subject to the Pledge of such Note by such Holder pursuant to the Pledge Agreement or (b) upon the occurrence of a Tax Event Redemption prior to the Forward Purchase Contract Settlement Date or a Successful Initial Remarketing, the appropriate Applicable Ownership Interest of the Treasury Portfolio, subject to the Pledge of such Applicable Ownership Interest of the Treasury Portfolio by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Forward Purchase Contract with Cendant Corporation, a Delaware corporation (the "Company," which term, as used herein, includes its successors pursuant to the Forward Purchase Contract Agreement). All capitalized terms used herein which are defined in the Forward Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, constituting part of each Upper DECS evidenced hereby have been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Forward Purchase Contract comprising a portion of such Upper DECS.

The Pledge Agreement provides that all payments of principal on the pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, or interest payments on any pledged Notes (as defined in the Pledge Agreement) or the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, constituting part of the Upper DECS received by the Collateral Agent shall be paid by the Collateral Agent by wire transfer in same day funds (i) in the case of (A) interest payments with respect to pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, and (B) any payments of principal or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such terms) of the Treasury Portfolio, as the case may be, with respect to any Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, that have been released from the Pledge pursuant to the Pledge Agreement, to the Agent to the account designated by the Agent, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day) and (ii) in the case of payments of principal on any pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio that has not been released from the Pledge pursuant to the Pledge Agreement, as the case may be, to the Company on the Forward Purchase Contract Settlement Date (as defined herein) in accordance with the terms of the Pledge Agreement, in full satisfaction of the respective obligations of the Holders of the Upper DECS of which such pledged Notes or the Treasury Portfolio, as the case may be, are a part under the Forward Purchase Contracts forming

a part of such Upper DECS. Interest on any Notes or distributions on the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, forming part of an Upper DECS evidenced hereby which are payable quarterly in arrears on February 17, May 17, November 17 and August 17, each year, commencing November 17, 2001 (a "Payment Date"), shall, subject to receipt thereof from the Collateral Agent, be paid to the Person in whose name this Upper DECS Certificate (or a Predecessor Upper DECS Certificate) is registered at the close of business on the Record Date for such Payment Date.

Each Forward Purchase Contract evidenced hereby obligates the Holder of this Upper DECS Certificate to purchase, and the Company to sell, on August 17, 2004 (the "Forward Purchase Contract Settlement Date"), at a price equal to \$50 (the "Stated Amount"), a number of newly issued shares of Common Stock, \$0.01 par value ("Common Stock"), of the Company equal to the Settlement Rate, unless on or prior to the Forward Purchase Contract Settlement Date there shall have occurred a Termination Event or an Early Settlement with respect to the Upper DECS of which such Forward Purchase Contract is a part, all as provided in the Forward Purchase Contract Agreement and more fully described on the reverse hereof. The purchase price (the "Purchase Price") for the shares of Common Stock purchased pursuant to each Forward Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Forward Purchase Contract Settlement Date by application of (1) cash received from a Holder or (2) payment received in respect of the Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, pledged to secure the obligations under such Forward Purchase Contract of the Holder of the Upper DECS of which such Forward Purchase Contract is a part.

Interest on the Notes or distributions on the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, will be payable at the Corporate Trust Office of the Agent and at the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Upper DECS Register or by wire transfer to the account designated by a prior written notice from such Person.

The Company shall pay on each Payment Date in respect of each Forward Purchase Contract forming part of an Upper DECS evidenced hereby an amount (the "Contract Adjustment Payments") equal to 1.0% per year of the Stated Amount, computed on the basis of a 360-day year of twelve 30 day months, subject to deferral at the option of the Company as provided in the Forward Purchase Contract Agreement and more fully described on the reverse hereof. Such Contract Adjustment Payments, if any, shall be payable to the Person in whose name this Upper DECS Certificate (or a Predecessor Upper DECS Certificate) is registered at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments, if any, will be payable at the Corporate Trust Office of the Agent and at the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Upper DECS Register.

Reference is hereby made to the further provisions set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Agent by manual signature, this Upper DECS Certificate shall not be entitled to any benefit under the Pledge Agreement or the Forward Purchase Contract Agreement or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to
be duly executed.

CENDANT CORPORATION

By: -----
Name:
Title:

By: -----
Name:
Title:

HOLDER SPECIFIED ABOVE (as
to obligations of such
Holder under the Forward
Purchase Contracts
evidenced hereby)

By: BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION,
not individually but solely as attorney-in-fact
of such Holder

By: -----
Name:
Title:

Dated:

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Upper DECS Certificates referred to in the within mentioned Forward Purchase Contract Agreement.

By: BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION,
as Forward Purchase Contract Agent

By: -----
Authorized Signatory

Dated:

(Form of Reverse of Upper DECS Certificate)

Each Forward Purchase Contract evidenced hereby is governed by a Forward Purchase Contract Agreement, dated as of July 27, 2001 (as may be supplemented from time to time, the "Forward Purchase Contract Agreement"), between the Company and Bank One Trust Company, National Association, as Forward Purchase Contract Agent (including its successors thereunder, herein called the "Agent"), to which Forward Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Agent, the Company and the Holders and of the terms upon which the Upper DECS Certificates are, and are to be, executed and delivered. In the case of any inconsistency between this Certificate and the terms of the Forward Purchase Contract Agreement, the terms of the Forward Purchase Contract Agreement shall prevail.

Each Forward Purchase Contract evidenced hereby obligates the Holder of this Upper DECS Certificate to purchase, and the Company to sell, on the Forward Purchase Contract Settlement Date at a price equal to the Purchase Price, a number of newly issued shares of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Forward Purchase Contract Settlement Date, there shall have occurred a Termination Event or an Early Settlement with respect to the Security of which such Forward Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$28.42 (the "Threshold Appreciation Price"), 1.7593 shares of Common Stock per Forward Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$21.53, the number of shares of Common Stock per Forward Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$21.53, 2.3223 shares of Common Stock per Forward Purchase Contract, in each case subject to adjustment as provided in the Forward Purchase Contract Agreement. No fractional shares of Common Stock will be issued upon settlement of Forward Purchase Contracts, as provided in the Forward Purchase Contract Agreement.

Each Forward Purchase Contract evidenced hereby which is settled either through Early Settlement or Cash Settlement shall obligate the Holder of the related Upper DECS to purchase at the Purchase Price, and the Company to sell, a number of newly issued shares of Common Stock equal to the Early Settlement Rate or the Settlement Rate, as applicable.

The "Applicable Market Value" means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Forward Purchase Contract Settlement Date or, for purposes of determining cash payable in lieu of fractional shares in connection with an Early Settlement, the third Trading Day immediately preceding the relevant Early Settlement Date. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on The New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common Stock is not so listed on a United States national or regional securities exchange, the last closing sales price on

and as reported by the Nasdaq National Market, or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

In accordance with the terms of the Forward Purchase Contract Agreement, the Holder of this Upper DECS Certificate shall pay the Purchase Price for the shares of Common Stock purchased pursuant to each Forward Purchase Contract evidenced hereby by effecting a Cash Settlement or an Early Settlement or from the Proceeds of a remarketing of the related pledged Notes of such holders or of the appropriate Applicable Ownership Interest of the Treasury Portfolio. Unless a Tax Event Redemption or a Successful Initial Remarketing has occurred, a Holder of Upper DECS who does not elect to make an effective (1) Cash Settlement on or prior to 5:00 p.m., New York City time, on the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date, or (2) Early Settlement on or prior to 5:00 p.m. New York City time, on the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date, shall pay the Purchase Price for the shares of Common Stock to be issued under the related Forward Purchase Contract from the Proceeds of the sale of the related pledged Notes held by the Collateral Agent. Unless a Tax Event Redemption or a Successful Initial Remarketing has occurred, such sale will be made by the Remarketing Agent pursuant to the terms of the Remarketing Agreement and any supplemental remarketing agreement executed in connection therewith between the parties thereto, on the third Business Day immediately preceding the Forward Purchase Contract Settlement Date. If a Tax Event Redemption or a Successful Initial Remarketing has occurred, a Holder of Upper DECS who does not elect to make an effective Early Settlement on or prior to 5:00 p.m. New York City time, on the second Business Day immediately preceding the Forward Purchase Contract Settlement Date shall pay the Purchase Price with the Proceeds at maturity of the Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Forward Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner herein set forth.

Under the terms of the Pledge Agreement, the Agent will be entitled to exercise the voting and any other consensual rights pertaining to the pledged Notes. Upon receipt of notice of any meeting at which holders of Notes are entitled to vote or upon the solicitation of consents, waivers or proxies of holders of Notes, the Agent shall, as soon as practicable thereafter, mail to the Upper DECS holders a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Upper DECS holder on the record date set by the Agent therefor (which, to the extent possible, shall be the same date as the record

date for determining the holders of Notes entitled to vote) shall be entitled to instruct the Agent as to the exercise of the voting rights pertaining to the Notes constituting a part of such holder's Upper DECS and (c) stating the manner in which such instructions may be given. Upon the written request of the Upper DECS Holders on such record date, the Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Notes as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of an Upper DECS, the Agent shall abstain from voting the Notes evidenced by such Upper DECS.

Upon the occurrence of a Tax Event Redemption prior to the Forward Purchase Contract Settlement Date, pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply, out of the aggregate Redemption Price for the Notes that are components of Upper DECS, an amount equal to the aggregate Redemption Amount for the Notes that are components of Upper DECS to purchase on behalf of the Holders of Upper DECS, the Treasury Portfolio and, after deducting the Remarketing Fee to the extent permitted under the terms of the Remarketing Agreement, promptly remit the remaining portion of such Redemption Price to the Agent for payment to the Holders of such Upper DECS.

Upon the occurrence of a Successful Initial Remarketing, pursuant to the terms of the Remarketing Agreement, the Remarketing Agent will apply an amount equal to the Treasury Portfolio Purchase Price to purchase on behalf of the Holders of Upper DECS, the Treasury Portfolio, and, after deducting the Remarketing Fee to the extent permitted under the terms of the Remarketing Agreement, promptly remit the remaining portion of such Proceeds of the Successful Initial Remarketing to the Agent for payment to the Holders of such Upper DECS.

Following the occurrence of a Tax Event Redemption prior to the Forward Purchase Contract Settlement Date or following a Successful Initial Remarketing, the Holders of Upper DECS and the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as the Holder of Upper DECS and the Collateral Agent had in respect of the Notes, as the case may be, subject to the Pledge thereof as provided in Articles 2, 3, 4, 5 and 6 of the Pledge Agreement and any reference herein to the Notes shall be deemed to be a reference to such Treasury Portfolio and any reference herein or in the Certificates to interest on the Notes shall be deemed to be a reference to corresponding distributions on the Treasury Portfolio.

Upon the occurrence of a Tax Event Redemption after the Purchase Contract Settlement Date, the Redemption Price will be payable in cash to the holders of the Notes.

The Upper DECS Certificates are issuable only in registered form and only in denominations of a single Upper DECS and any integral multiple thereof. The transfer of any Upper DECS Certificate will be registered and Upper DECS Certificates may be exchanged as provided in the Forward Purchase Contract Agreement. The Upper DECS Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Forward Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. A Holder who elects to substitute Treasury Securities for Notes or the appropriate

Applicable Ownership Interest of the Treasury Portfolio, thereby creating Stripped DECS, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Forward Purchase Contract Agreement, for so long as the Forward Purchase Contract underlying an Upper DECS remains in effect, such Upper DECS shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Upper DECS in respect of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and the Forward Purchase Contract constituting such Upper DECS may be transferred and exchanged only as an Upper DECS. A Holder of an Upper DECS may create a Stripped DECS by delivering to the Collateral Agent Treasury Securities in an aggregate principal amount equal to the aggregate principal amount of the pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, in exchange for the release of such pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, in accordance with the terms of the Forward Purchase Contract Agreement and the Pledge Agreement. From and after such Collateral Substitution, the Security for which such pledged Treasury Securities secures the Holder's obligation under the Forward Purchase Contract shall be referred to as a "Stripped DECS." A Holder may make such Collateral Substitution only in integral multiples of 20 Upper DECS for the same multiple of 20 Stripped DECS; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, a Holder may make such Collateral Substitutions only in integral multiples of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 for the same multiple of Stripped DECS. Such Collateral Substitution may cause the equivalent aggregate Stated Amount of this Certificate to be increased or decreased; provided, however, the equivalent aggregate Stated Amount outstanding under this Upper DECS Certificate shall not exceed \$[400,000,000]. [All such adjustments to the equivalent aggregate Stated Amount of this Upper DECS Certificate shall be duly recorded by placing an appropriate notation on the Schedule attached hereto.]

A Holder of Stripped DECS may recreate Upper DECS by delivering to the Collateral Agent Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, with an aggregate principal amount, in the case of such Notes, or with the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, in the case of such appropriate Applicable Ownership Interest of the Treasury Portfolio, equal to the aggregate principal amount of the pledged Treasury Securities in exchange for the release of such pledged Treasury Securities in accordance with the terms of the Forward Purchase Contract Agreement and the Pledge Agreement. Any such recreation of an Upper DECS may be effected only in multiples of 20 Stripped DECS for the same multiple of 20 Upper DECS; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, a Holder may make such substitution only in integral multiples of 32,000 Stripped DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 for the same multiple of Upper DECS.

Subject to the next succeeding paragraph, the Company shall pay, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Forward Purchase Contract to the Person in whose name the Upper DECS Certificate evidencing such

Forward Purchase Contract is registered at the close of business on the Record Date for such Payment Date. Contract Adjustment Payments, if any, will be payable at the Corporate Trust Office of the Agent and the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such address as it appears on the Upper DECS Register or by wire transfer to the account designated by such Person in writing.

The Company shall have the right, at any time prior to the Forward Purchase Contract Settlement Date, to defer the payment of any or all of the Contract Adjustment Payments, if any, otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Agent written notice of its election to defer such payment (specifying the amount to be deferred) as provided in the Forward Purchase Contract Agreement. Any Contract Adjustment Payments, if any, so deferred shall, to the extent permitted by law, bear additional Contract Adjustment Payments thereon at the rate of 7.75% per year (computed on the basis of a 360-day year of twelve 30 day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments accrued thereon, are referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to the Forward Purchase Contract Agreement. No Contract Adjustment Payments, if any, may be deferred to a date that is after the Forward Purchase Contract Settlement Date and no such deferral period may end other than on a Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments, if any, on the Forward Purchase Contracts until a Payment Date prior to the Forward Purchase Contract Settlement Date, then all Deferred Contract Adjustment Payments, if any, shall be payable to the registered Holders as of the close of business on the Record Date immediately preceding such Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments, if any, on the Forward Purchase Contracts until the Forward Purchase Contract Settlement Date, the Holder of this Upper DECS Certificate will receive on the Forward Purchase Contract Settlement Date, in lieu of a cash payment, a number of shares of Common Stock (in addition to the number of shares of Common Stock equal to the Settlement Rate) equal to (x) the aggregate amount of Deferred Contract Adjustment Payments payable to the Holder of this Upper DECS Certificate divided by (y) the Applicable Market Value.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, if any, then, until the Deferred Contract Adjustment Payments have been paid, the Company shall not declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock other than: (i) purchases, redemptions or acquisitions of shares of capital stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers or directors or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date of such event; (ii) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock; (iii) the purchase of

fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged; (iv) dividends or distributions in capital stock of the Company (or rights to acquire capital stock) or repurchases, acquisitions or redemptions of capital stock in connection with the issuance or exchange of capital stock (or securities convertible into or exchangeable for shares of our capital stock); (v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or (vi) mandatory sinking fund payments with respect to any series of preferred stock of the Company; provided that the aggregate stated value of all such series outstanding at the time of such payment does not exceed 5% of the aggregate of (1) the total principal amount of all then outstanding bonds or other securities representing secured indebtedness issued or assumed by the Company and (2) the Company's capital and surplus to be stated on the Company's books of account after giving effect to such payment; provided however that any moneys deposited into any sinking fund and not in violation of this clause (vi) may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund without regard to the foregoing restrictions.

The Forward Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay Contract Adjustment Payments, if any, or any Deferred Contract Adjustment Payments, and the rights and obligations of Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Forward Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Upper DECS Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from the Pledge in accordance with the provisions of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Forward Purchase Contract Agreement, Forward Purchase Contracts underlying Securities having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof may be settled early ("Early Settlement") at the option of the Holders thereof as provided in the Forward Purchase Contract Agreement; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, Holders may early settle Upper DECS only in integral multiples of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000. In order to exercise the right to effect Early Settlement with respect to any Forward Purchase Contracts evidenced by this Upper DECS Certificate, the Holder of this Upper DECS Certificate shall deliver this Upper DECS Certificate to the Agent at the Corporate Trust Office or the New York Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early set forth below duly completed and accompanied by payment in lawful money of the United States by wire transfer, in each case in immediately available funds payable to the Company in an amount (the "Early Settlement Amount") equal to (i) the product of (A) the Stated Amount times (B) the number of Forward

Purchase Contracts with respect to which the Holder has elected to effect Early Settlement plus (ii) if such delivery is made with respect to any Forward Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Forward Purchase Contracts; provided that no payment shall be required pursuant to clause (ii) of this sentence if the Company shall have elected to defer the Contract Adjustment Payments which would otherwise be payable on such Payment Date. Upon Early Settlement of Forward Purchase Contracts by a Holder of the related Securities, the pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive a number of shares of Common Stock on account of each Forward Purchase Contract forming part of an Upper DECS as to which Early Settlement is effected equal to the Early Settlement Rate; provided, however, that upon the Early Settlement of the Forward Purchase Contracts, the Holder of such related Securities will forfeit the right to receive any Deferred Contract Adjustment Payments and any future Contract Adjustment Payments, except to the extent that the Early Settlement Date is after the close of business on a Record Date and prior to the opening of business on the corresponding Payment Date. The Early Settlement Rate shall initially be equal to 1.7593 shares of Common Stock and shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted as provided in the Forward Purchase Contract Agreement.

Upon registration of transfer of this Upper DECS Certificate in accordance with the Forward Purchase Contract Agreement, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant to the Forward Purchase Contract Agreement) under the terms of the Forward Purchase Contract Agreement, the Pledge Agreement and the Forward Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Forward Purchase Contract Agreement, the Pledge Agreement and the Forward Purchase Contracts evidenced by this Upper DECS Certificate. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Upper DECS Certificate, by its acceptance hereof, authorizes the Agent to enter into and perform the related Forward Purchase Contracts forming part of the Upper DECS evidenced hereby on his behalf as his attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmation) of the Forward Purchase Contracts by the Company or its trustee in the event that the Company becomes the subject of a case under the Bankruptcy Code, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Forward Purchase Contracts, consents to the provisions of the Forward Purchase Contract Agreement, authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to the Pledge of the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, underlying this Upper DECS Certificate pursuant to the Pledge Agreement and to all other provisions of the Pledge Agreement. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Forward Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, Proceeds of the pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the

Treasury Portfolio on the Forward Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Forward Purchase Contract and such Holder shall acquire no right, title or interest in such Proceeds.

Subject to certain exceptions, the provisions of the Forward Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Forward Purchase Contracts then outstanding.

The Forward Purchase Contracts shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws.

The Company, the Agent and its Affiliates and any agent of the Company or the Agent may treat the Person in whose name this Upper DECS Certificate is registered as the owner of the Upper DECS evidenced hereby for the purpose of receiving payments of interest payable quarterly on the Notes or on the maturing quarterly interest strips of the Treasury Portfolio, as applicable, receiving payments of Contract Adjustment Payments, if any, and any Deferred Contract Adjustment Payments, performance of the Forward Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Agent nor any such agent shall be affected by notice to the contrary.

The Forward Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Forward Purchase Contract Agreement is available for inspection at the offices of the Agent.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
UNIF GIFT MIN ACT - _____ Custodian_____
(cust) (minor)
Under Uniform Gifts to Minors Act

(State)

TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not
as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s)
and transfer(s) unto _____

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

(Please Print or Type Name and Address Including Postal Zip Code of Assignee)
the within Upper DECS Certificates and all rights thereunder, hereby irrevocably
constituting and appointing

attorney to transfer said Upper DECS Certificates on the books of Cendant
Corporation with full power of substitution in the premises.

Dated: _____

Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Upper DECS Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Forward Purchase Contract Settlement Date of the Forward Purchase Contracts underlying the number of Upper DECS evidenced by this Upper DECS Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature
Signature Guarantee: _____
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address REGISTERED HOLDER and (ii) provide a guarantee of your signature: Please print name and address of Registered Holder:

Name

Name

Address

Address

Social Security or other
Taxpayer Identification
Number, if any

ELECTION TO SETTLE EARLY

The undersigned Holder of this Upper DECS Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Forward Purchase Contract Agreement with respect to the Forward Purchase Contracts underlying the number of Upper DECS evidenced by this Upper DECS Certificate specified below. The option to effect Early Settlement may be exercised only with respect to Forward Purchase Contracts underlying Upper DECS with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, Holders may early settle Upper DECS only in integral multiples of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Upper DECS Certificate representing any Upper DECS evidenced hereby as to which Early Settlement of the related Forward Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature

Signature Guarantee
(if assigned to another person): _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Number of Securities evidenced hereby as to which Early Settlement of the related Forward Purchase Contracts is being elected:

If shares of Common Stock or Upper DECS Certificates are to be registered in the name of and delivered to and pledged Notes, or an Applicable Ownership Interest in the Treasury Portfolio, as the case may be, are to be transferred to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

Name

Address

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name

Address

Social Security or other
Taxpayer Identification
Number, if any _____

Transfer Instructions for pledged Notes, or the Applicable Ownership Interest in
the Treasury Portfolio, as the case may be, Transferable Upon Early Settlement
or a Termination Event:

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

Date	Amount of decrease in Stated Amount of the Global Certificate	Amount of increase in Stated Amount of the Global Certificate	Stated Amount of this Global Certificate following such decrease or increase	Signature of authorized signatory of Purchase Contract Agent or Securities Custodian Agent

EXHIBIT B

(Form of Face of Stripped DECS Certificate)

[THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE FORWARD PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE FORWARD PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]*

No. _____

CUSIP No.

Number of Stripped DECS _____

- - - - -

* To be inserted in Global Certificates only.

7.75 % Stripped DECS

This Stripped DECS Certificate certifies that _____ is the registered Holder of the number of Stripped DECS set forth above. Each Stripped DECS represents (i) a 1/20, or 5.0%, undivided beneficial ownership interest in a Treasury Security having a principal amount at maturity equal to \$1,000, subject to the Pledge of such Treasury Security by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder under one Forward Purchase Contract with Cendant Corporation, a Delaware corporation (the "Company," which term, as used herein, includes its successors pursuant to the Forward Purchase Contract Agreement). All capitalized terms used herein which are defined in the Forward Purchase Contract Agreement have the meaning set forth therein.

Pursuant to the Pledge Agreement, the Treasury Securities constituting part of each Stripped DECS evidenced hereby have been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Forward Purchase Contract comprising a portion of such Stripped DECS.

The Pledge Agreement provides that all payments of the principal of any Treasury Securities received by the Collateral Agent shall be paid by the Collateral Agent by wire transfer in same day funds (i) in the case of any principal payments with respect to any Treasury Securities that have been released from the Pledge pursuant to the Pledge Agreement, to the Holders of the applicable Stripped DECS to the accounts designated by them in writing for such purpose no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day), and (ii) in the case of the principal of any pledged Treasury Securities, to the Company on the Forward Purchase Contract Settlement Date (as defined herein) in accordance with the terms of the Pledge Agreement, in full satisfaction of the respective obligations of the Holders of the Stripped DECS of which such pledged Treasury Securities are a part under the Forward Purchase Contracts forming a part of such Stripped DECS.

Each Forward Purchase Contract evidenced hereby obligates the Holder of this Stripped DECS Certificate to purchase, and the Company to sell, on August 17, 2004 (the "Forward Purchase Contract Settlement Date"), at a price equal to \$50 (the "Stated Amount"), a number of newly issued shares of Common Stock, par value \$0.01 ("Common Stock"), of the Company equal to the Settlement Rate, unless on or prior to the Forward Purchase Contract Settlement Date there shall have occurred a Termination Event or an Early Settlement with respect to the Stripped DECS of which such Forward Purchase Contract is a part, all as provided in the Forward Purchase Contract Agreement and more fully described on the reverse hereof. The purchase price (the "Purchase Price") for the shares of Common Stock purchased pursuant to each Forward Purchase Contract evidenced hereby, if not paid earlier, shall be paid on the Forward Purchase Contract Settlement Date by application of the Proceeds from the Treasury Securities pledged to secure the obligations under such Forward Purchase Contract in accordance with the terms of the Pledge Agreement.

The Company shall pay on each Payment Date in respect of each Forward Purchase Contract forming part of a Stripped DECS evidenced hereby an amount (the "Contract Adjustment Payments") equal to 1.0% per year of the Stated Amount, computed on the basis of a 360-day year of twelve 30 day months, subject to deferral at the option of the Company as provided in the Forward Purchase Contract Agreement and more fully described on the reverse hereof. Such Contract Adjustment Payments, if any, shall be payable to the Person in whose name this Stripped DECS Certificate (or a Predecessor Stripped DECS Certificate) is registered at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments, if any, will be payable at the Corporate Trust Office of the Agent and at the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Stripped DECS Register or by wire transfer to the account designated by such Person by prior written notice.

Reference is hereby made to the further provisions set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Agent by manual signature, this Stripped DECS Certificate shall not be entitled to any benefit under the Pledge Agreement or the Forward Purchase Contract Agreement or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

CENDANT CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Forward Purchase Contracts)

By: BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION,
not individually but solely as attorney-in-fact
of such Holder

By: _____
Name:
Title:

Dated:

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Stripped DECS referred to in the within-mentioned Forward Purchase Contract Agreement.

By: BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION,
as Forward Purchase Contract Agent

By: _____
Authorized Signatory

(Form of Reverse of
Stripped DECS Certificate)

Each Forward Purchase Contract evidenced hereby is governed by a Forward Purchase Contract Agreement, dated as of July 27, 2001 (as may be supplemented from time to time, the "Forward Purchase Contract Agreement"), between the Company and Bank One Trust Company, National Association, as Forward Purchase Contract Agent (including its successors thereunder, herein called the "Agent"), to which the Forward Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Agent, the Company and the Holders and of the terms upon which the Stripped DECS Certificates are, and are to be, executed and delivered. In the case of any inconsistency between this Certificate and the terms of the Forward Purchase Contract Agreement, the terms of the Forward Purchase Contract Agreement shall prevail.

Each Forward Purchase Contract evidenced hereby obligates the Holder of this Stripped DECS Certificate to purchase, and the Company to sell, on the Forward Purchase Contract Settlement Date at the Purchase Price, a number of newly issued shares of Common Stock of the Company equal to the Settlement Rate, unless, on or prior to the Forward Purchase Contract Settlement Date, there shall have occurred a Termination Event or an Early Settlement with respect to the Security of which such Forward Purchase Contract is a part. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$28.42 (the "Threshold Appreciation Price"), 1.7593 shares of Common Stock per Forward Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$21.53, the number of shares of Common Stock per Forward Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$21.53, 2.3223 shares of Common Stock per Forward Purchase Contract, in each case subject to adjustment as provided in the Forward Purchase Contract Agreement. No fractional shares of Common Stock will be issued upon settlement of Forward Purchase Contracts, as provided in the Forward Purchase Contract Agreement.

Each Forward Purchase Contract evidenced hereby which is settled through Early Settlement shall obligate the Holder of the related Stripped DECS to purchase at the Purchase Price, and the Company to sell, a number of newly issued shares of Common Stock equal to the Early Settlement Rate.

The "Applicable Market Value" means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Forward Purchase Contract Settlement Date or, for purposes of determining cash payable in lieu of fractional shares in connection with an Early Settlement, the third Trading Day immediately preceding the relevant Early Settlement Date. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing sale price is reported, the last reported sale price) of the Common Stock on The New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in composite transactions for the principal United States securities exchange on which the Common Stock is so listed, or if the Common

Stock is not so listed on a United States national or regional securities exchange, the last closing sales price on and as reported as reported by the Nasdaq National Market or, if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

In accordance with the terms of the Forward Purchase Contract Agreement, the Holder of this Stripped DECS Certificate shall pay the Purchase Price for the shares of Common Stock purchased pursuant to each Forward Purchase Contract evidenced hereby by effecting either an Early Settlement of each such Forward Purchase Contract or by applying a principal amount of the pledged Treasury Securities underlying such Holder's Stripped DECS equal to the Stated Amount to the purchase of the Common Stock. A Holder of Stripped DECS who does not elect, on or prior to 5:00 p.m., New York City time, on the second Business Day immediately preceding the Forward Purchase Contract Settlement Date, to make an Early Settlement, shall pay the Purchase Price for the shares of Common Stock to be issued on the related Forward Purchase Contract by applying a principal amount of the pledged Treasury Securities as aforesaid.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Forward Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner herein set forth.

The Stripped DECS Certificates are issuable only in registered form and only in denominations of a single Stripped DECS and any integral multiple thereof. The transfer of any Stripped DECS Certificate will be registered and Stripped DECS Certificates may be exchanged as provided in the Forward Purchase Contract Agreement. The Stripped DECS Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Forward Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. A Holder who elects to substitute Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, for Treasury Securities, thereby recreating Upper DECS, shall be responsible for any fees or expenses payable in connection therewith. Except as provided in the Forward Purchase Contract Agreement, for so long as the Forward Purchase Contract underlying a Stripped DECS remains in effect, such Stripped DECS shall not be separable into its constituent parts, and the rights and obligations of the Holder of such Stripped DECS in respect of the Treasury Security and the Forward Purchase Contract constituting such Stripped DECS may be transferred and exchanged only as a Stripped DECS. A Holder of Stripped DECS may recreate Upper DECS by delivering to the Collateral Agent Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, with an aggregate

principal amount, in the case of such Notes, or with the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, in the case of such appropriate Applicable Ownership Interest of the Treasury Portfolio, equal to the aggregate principal amount of the pledged Treasury Securities in exchange for the release of such pledged Treasury Securities in accordance with the terms of the Forward Purchase Contract Agreement and the Pledge Agreement. From and after such substitution, the Security for which such pledged Notes or appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, secures the Holder's obligation under the Forward Purchase Contract shall be referred to as an "Upper DECS." A Holder may make such a substitution only in integral multiples of 20 Stripped DECS for the same multiple of 20 Upper DECS; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, a Holder may make such substitution only in integral multiples of 32,000 Stripped DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 for the same multiple of Upper DECS. Such substitution may cause the equivalent aggregate Stated Amount of this Certificate to be increased or decreased; provided, however, the equivalent aggregate Stated Amount outstanding under this Stripped DECS Certificate shall not exceed \$[400,000,000]. [All such adjustments to the equivalent aggregate Stated Amount of this Stripped DECS Certificate shall be duly recorded by placing an appropriate notation on the Schedule attached hereto.]

A Holder of an Upper DECS may create a Stripped DECS by delivering to the Collateral Agent Treasury Securities in an aggregate principal amount of the pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, in exchange for the release of such pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, in accordance with the terms of the Forward Purchase Contract Agreement and the Pledge Agreement. Any such creation of a Stripped DECS may be effected only in multiples of 20 Upper DECS for the same multiple of 20 Stripped DECS; provided, however, if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, a Holder may make such Collateral Substitution only in integral multiples of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 for the same multiple of Stripped DECS.

Subject to the next succeeding paragraph, the Company shall pay, on each Payment Date, the Contract Adjustment Payments, if any, payable in respect of each Forward Purchase Contract to the Person in whose name the Stripped DECS Certificate evidencing such Forward Purchase Contract is registered at the close of business on the Record Date for such Payment Date. Contract Adjustment Payments, if any, will be payable at the Corporate Trust Office of the Agent and the New York Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such address as it appears on the Stripped DECS Register.

The Company shall have the right, at any time prior to the Forward Purchase Contract Settlement Date, to defer the payment of any or all of the Contract Adjustment Payments, if any, otherwise payable on any Payment Date, but only if the Company shall give

the Holders and the Agent written notice of its election to defer such payment (specifying the amount to be deferred) as provided in the Forward Purchase Contract Agreement. Any Contract Adjustment Payments, if any, so deferred shall, to the extent permitted by law, bear additional Contract Adjustment Payments thereon at the rate of 7.75% per year (computed on the basis of a 360-day year of twelve 30 day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments accrued thereon, are referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to the Forward Purchase Contract Agreement. No Contract Adjustment Payments, if any, may be deferred to a date that is after the Forward Purchase Contract Settlement Date and no such deferral period may end other than on a Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments, if any, on the Forward Purchase Contracts until a Payment Date prior to the Forward Purchase Contract Settlement Date, then all Deferred Contract Adjustment Payments, if any, shall be payable to the registered Holders as of the close of business on the Record Date immediately preceding such Payment Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments, if any, on the Forward Purchase Contracts until the Forward Purchase Contract Settlement Date, the Holder of this Stripped DECS Certificate will receive on the Forward Purchase Contract Settlement Date, in lieu of a cash payment, a number of shares of Common Stock (in addition to the number of shares of Common Stock equal to the Settlement Rate) equal to (x) the aggregate amount of Deferred Contract Adjustment Payments payable to the Holder of this Stripped DECS Certificate divided by (y) the Applicable Market Value.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, if any, then, until the Deferred Contract Adjustment Payments have been paid, the Company shall not declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock other than: (i) purchases, redemptions or acquisitions of shares of capital stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers or directors or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date of such event; (ii) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock; (iii) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged; (iv) dividends or distributions in capital stock of the Company (or rights to acquire capital stock) or repurchases, acquisitions or redemptions of capital stock in connection with the issuance or exchange of capital stock (or securities convertible into or exchangeable for shares of our capital stock); (v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or (vi) mandatory sinking fund payments with respect to any series of preferred stock of the Company; provided that the aggregate stated value of all such series

outstanding at the time of such payment does not exceed 5% of the aggregate of (1) the total principal amount of all then outstanding bonds or other securities representing secured indebtedness issued or assumed by the Company and (2) the Company's capital and surplus to be stated on the Company's books of account after giving effect to such payment; provided however that any moneys deposited into any sinking fund and not in violation of this clause (vi) may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund without regard to the foregoing restrictions.

The Forward Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay Contract Adjustment Payments, if any, or any Deferred Contract Adjustment Payments, and the rights and obligations of Holders to purchase Common Stock shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Forward Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Stripped DECS Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Treasury Securities from the Pledge in accordance with the provisions of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Forward Purchase Contract Agreement, Forward Purchase Contracts underlying Securities having an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof may be settled early ("Early Settlement") at the option of the Holders thereof as provided in the Forward Purchase Contract Agreement. In order to exercise the right to effect Early Settlement with respect to any Forward Purchase Contracts evidenced by this Stripped DECS Certificate, the Holder of this Stripped DECS Certificate shall deliver this Stripped DECS Certificate to the Agent at the Corporate Trust Office or the New York Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early set forth below duly completed and accompanied by payment in lawful money of the United States by wire transfer, in each case in immediately available funds payable to the Company in an amount (the "Early Settlement Amount") equal to (i) the product of (A) the Stated Amount times (B) the number of Forward Purchase Contracts with respect to which the Holder has elected to effect Early Settlement plus (ii) if such delivery is made with respect to any Forward Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments, if any, payable on such Payment Date with respect to such Forward Purchase Contracts; provided that no payment shall be required pursuant to clause (ii) of this sentence if the Company shall have elected to defer the Contract Adjustment Payments which would otherwise be payable on such Payment Date. Upon Early Settlement of Forward Purchase Contracts by a Holder of the related Securities, the pledged Treasury Securities underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive a number of shares of Common Stock on account of each Forward Purchase Contract forming part of a Stripped DECS as to which Early Settlement is effected equal to the Early Settlement Rate; provided, however, that upon the Early Settlement of the Forward Purchase Contracts, the Holder of such related Securities will forfeit the right to receive any Deferred Contract

Adjustment Payments and any future Contract Adjustment Payments, except to the extent that the Early Settlement Date is after the close of business on a Record Date and prior to the opening of business on the corresponding Payment Date. The Early Settlement Rate shall initially be equal to 1.7593 shares of Common Stock and shall be adjusted in the same manner and at the same time as the Settlement Rate is adjusted as provided in the Forward Purchase Contract Agreement.

Upon registration of transfer of this Stripped DECS Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant to the Forward Purchase Contract Agreement) under the terms of the Forward Purchase Contract Agreement, the Pledge Agreement and the Forward Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Forward Purchase Contract Agreement, the Pledge Agreement and the Forward Purchase Contracts evidenced by this Stripped DECS Certificate. The Company covenants and agrees, and the Holder, by his acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Stripped DECS Certificate, by its acceptance hereof, authorizes the Agent to enter into and perform the related Forward Purchase Contracts forming part of the Stripped DECS evidenced hereby on his behalf as its attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmance) of the Forward Purchase Contracts by the Company or its trustee in the event that the Company becomes the subject of a case under the Bankruptcy Code, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Forward Purchase Contracts, consents to the provisions of the Forward Purchase Contract Agreement, authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to the Pledge of the Treasury Securities underlying this Stripped DECS Certificate pursuant to the Pledge Agreement and to all other provisions of the Pledge Agreement. The Holder further covenants and agrees, that, to the extent and in the manner provided in the Forward Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, Proceeds of the pledged Treasury Securities on the Forward Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Forward Purchase Contract and such Holder shall acquire no right, title or interest in such Proceeds.

Subject to certain exceptions, the provisions of the Forward Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Forward Purchase Contracts then outstanding.

The Forward Purchase Contracts shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws.

The Company, the Agent and its Affiliates and any agent of the Company or the Agent may treat the Person in whose name this Stripped DECS Certificate is registered as the owner of the Stripped DECS evidenced hereby for the purpose of receiving payments on the Treasury Securities, receiving payments of Contract Adjustment Payments, if any, and any Deferred Contract Adjustment Payments, performance of the Forward Purchase Contracts and

for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Agent nor any such agent shall be affected by notice to the contrary.

The Forward Purchase Contracts shall not, prior to the settlement thereof, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Forward Purchase Contract Agreement is available for inspection at the offices of the Agent.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
UNIF GIFT MIN ACT - _____ Custodian_____
(cust) (minor)
Under Uniform Gifts to Minors Act

(State)

TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not
as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s)
and transfer(s) unto _____

(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

(Please Print or Type Name and Address Including Postal Zip Code of Assignee)
the within Upper DECS Certificates and all rights thereunder, hereby irrevocably
constituting and appointing

attorney to transfer said Upper DECS Certificates on the books of Cendant
Corporation with full power of substitution in the premises.

Dated: _____

Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Upper DECS Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Forward Purchase Contract Settlement Date of the Forward Purchase Contracts underlying the number of Stripped DECS evidenced by this Stripped DECS Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

Dated: _____

Signature
Signature Guarantee: _____
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

Name

Address

Social Security or other
Taxpayer Identification
Number, if any _____

REGISTERED HOLDER

Please print name and address of Registered Holder:

Name

Address

ELECTION TO SETTLE EARLY

The undersigned Holder of this Stripped DECS Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Forward Purchase Contract Agreement with respect to the Forward Purchase Contracts underlying the number of Stripped DECS evidenced by this Stripped DECS Certificate specified below. The option to effect Early Settlement may be exercised only with respect to Forward Purchase Contracts underlying Stripped DECS with an aggregate Stated Amount equal to \$1,000 or an integral multiple thereof. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Stripped DECS Certificate representing any Stripped DECS evidenced hereby as to which Early Settlement of the related Forward Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Treasury Securities deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer or similar tax payable incident thereto.

Dated: _____
Signature _____

Signature Guarantee: _____
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Number of Securities evidenced hereby as to which Early Settlement of the related Forward Purchase Contracts is being elected:

If shares of Common Stock or Stripped DECS Certificates are to be registered in the name of and delivered to and pledged Treasury Securities are to be transferred to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

Name

Address

Social Security or other
Taxpayer Identification
Number, if any _____

Please print name and address of Registered Holder:

Name

Address

Transfer Instructions for pledged Treasury Securities Transferable Upon Early Settlement or a Termination Event:

[TO BE ATTACHED TO GLOBAL CERTIFICATES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

Date	Amount of decrease in Stated Amount of the Global Certificate	Amount of increase in Stated Amount of the Global Certificate	Stated Amount of this Global Certificate following such decrease or increase	Signature of authorized signatory of Purchase Contract Agent or Securities Custodian Agent

EXHIBIT C

INSTRUCTION FROM FORWARD PURCHASE CONTRACT AGENT
TO COLLATERAL AGENT

The Chase Manhattan Bank

Re: Upper DECS of Cendant Corporation (the "Company")

We hereby notify you in accordance with Section 4.1 4.2 of the Pledge Agreement, dated as of July 27, 2001, (the "Pledge Agreement") among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary and ourselves, as Forward Purchase Contract Agent and as attorney-in-fact for the holders of [Upper DECS] [Stripped DECS] from time to time, that the holder of the Securities listed below (the "Holder") has elected to substitute [\$_____ aggregate principal amount of Treasury Securities] [\$_____ aggregate principal amount of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal value of [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has Transferred [Treasury Securities] [Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,], and upon the payment by such Holder of any applicable fees, to release the [Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Treasury Securities] related to such [Upper DECS] [Stripped DECS] to us in accordance with the Holder's instructions. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

By: _____
Name: _____
Title: _____
Signature Guarantee: _____

Please print name and address of Registered Holder electing to substitute [Treasury Securities] [Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] for the [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities]:

Name

Social Security or other Taxpayer
Identification Number, if any

Address

EXHIBIT D

INSTRUCTION TO FORWARD PURCHASE CONTRACT AGENT

Bank One Trust Company,
National Association
1 Bank One Plaza
Suite IL1-0126
Chicago, IL 60670-0126
Attention: Global Corporate Trust Services Division

Re: Upper DECS of Cendant Corporation (the "Company")

The undersigned Holder hereby notifies you that it has delivered to , as Collateral Agent, [\$_____ aggregate principal amount of Treasury Securities] [\$ aggregate principal amount of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal Value of [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section [4.1], [4.2] of the Pledge Agreement, dated July 27, 2001 (the "Pledge Agreement"), between you, the Company and the Collateral Agent. The undersigned Holder has paid the Collateral Agent all applicable fees relating to such exchange. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio] [Pledged Treasury Securities] related to such [Upper DECS] [Stripped DECS]. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Dated: _____

Signature

Signature Guarantee: _____

Please print name and address of Registered Holder:

Name

Social Security or other Taxpayer
Identification Number, if any

Address

EXHIBIT E

NOTICE TO SETTLE BY SEPARATE CASH

Bank One Trust Company,
National Association
1 Bank One Plaza
Suite IL1-0126
Chicago, IL 60670-0126
Attention: Global Corporate Trust Services Division

Re: Upper DECS of Cendant Corporation (the "Company")

The undersigned Holder hereby irrevocably notifies you in accordance with Section 5.5 of the Forward Purchase Contract Agreement dated as of July 27, 2001 among the Company and yourselves, as Forward Purchase Contract Agent and as Attorney-in-Fact for the Holders of the Forward Purchase Contracts, that such Holder has elected to pay to the Collateral Agent, on or prior to 11:00 a.m. New York City time, on the Business Day immediately preceding the Forward Purchase Contract Settlement Date, (in lawful money of the United States by [certified or cashiers check or] wire transfer, in each case in immediately available funds), \$_____ as the Purchase Price for the shares of Common Stock issuable to such Holder by the Company under the related Forward Purchase Contract on the Forward Purchase Contract Settlement Date. The undersigned Holder hereby instructs you to notify promptly the Collateral Agent of the undersigned Holders election to make such cash settlement with respect to the Forward Purchase Contracts related to such Holder's [Upper DECS] [Stripped DECS].

Dated: _____

Signature

Signature Guarantee: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please print name and address of Registered Holder:

Name

Social Security or other Taxpayer
Identification Number, if any

Address

PLEDGE AGREEMENT

DATED AS OF JULY 27, 2001

AMONG

CENDANT CORPORATION

AND

THE CHASE MANHATTAN BANK
AS COLLATERAL AGENT, CUSTODIAL AGENT
AND SECURITIES INTERMEDIARY

AND

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION
AS FORWARD PURCHASE CONTRACT AGENT

PLEDGE AGREEMENT, dated as of July 27, 2001 (this "Agreement"), among Cendant Corporation, a Delaware corporation (the "Company"), The Chase Manhattan Bank, a New York banking corporation ("Chase"), not individually but solely as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent"), as custodial agent (in such capacity, together with its successors in such capacity, the "Custodial Agent") and as "securities intermediary" as defined in Section 8-102(a)(14) of the Code (as defined herein) (in such capacity, together with its successors in such capacity, the "Securities Intermediary"), and Bank One Trust Company, National Association, not individually but solely as forward purchase contract agent and as attorney-in-fact of the Holders (as defined in the Forward Purchase Contract Agreement) from time to time of the Securities (as hereinafter defined) (in such capacity, together with its successors in such capacity, the "Forward Purchase Contract Agent") under the Forward Purchase Contract Agreement (as hereinafter defined).

RECITALS

WHEREAS, the Company and the Forward Purchase Contract Agent are parties to the Forward Purchase Contract Agreement, dated as of the date hereof (as modified and supplemented and in effect from time to time, the "Forward Purchase Contract Agreement"), pursuant to which there may be issued 15,000,000 UPPER DECS of the Company (or 17,250,000 UPPER DECS if the Underwriters' overallotment option is exercised in full), having a stated amount of \$50 (the "Stated Amount") per UPPER DECS; and

WHEREAS, each Upper DECS will initially consist of (a) a forward purchase contract (the "Forward Purchase Contract") pursuant to which the Holder will purchase from the Company not later than August 17, 2004 (the "Forward Purchase Contract Settlement Date"), for an amount of cash equal to the Stated Amount, a fraction of a newly issued share of common stock, \$0.01 par value per share (the "Common Stock"), of the Company equal to the Settlement Rate (as defined below) and (b) either beneficial ownership of a Note (as defined below) or, following a Successful Initial Remarketing or a Tax Event Redemption, the Applicable Ownership Interest of the Treasury Portfolio; and

WHEREAS, if Holders of Upper DECS substitute collateral as contemplated by Section 4.1, each unit created thereby (referred to as "Stripped DECS" and, together with the Upper DECS, the "Securities") will initially consist of (a) a Forward Purchase Contract pursuant to which the Holder will purchase from the Company on the Forward Purchase Contract Settlement Date, for an amount in cash equal to the Stated Amount, a fraction of a newly issued share of Common Stock of the Company, equal to the Settlement Rate, and (b) a 1/20, or 5.0%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury Security (CUSIP No. 912820BK2) having a principal amount at maturity equal to \$1,000 and maturing on August 15 2004 (the "Treasury Securities"); and

WHEREAS, pursuant to the terms of the Indenture (as defined below), the Company will issue \$750,000,000 aggregate principal amount of Senior Notes due August 17, 2006 (or \$862,500,000 if the Underwriters' overallotment option is exercised in full) (the "Notes"), each having a principal amount equal to \$50; and

WHEREAS, pursuant to the terms of the Forward Purchase Contract Agreement and the Forward Purchase Contracts, the Holders, from time to time, of the Securities have irrevocably authorized the Forward Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and deliver this Agreement on behalf of such Holders and to grant the pledge provided hereby of the Notes, any Applicable Ownership Interest in the Treasury Portfolio and the Treasury Securities to secure each Holder's obligations under the related Forward Purchase Contract, as provided herein and subject to the terms hereof; and

WHEREAS, upon such pledge, the Pledged Notes or the Applicable Ownership Interests in the Treasury Portfolio, as the case may be, and the Pledged Treasury Securities will be beneficially owned by the Holders but will be owned of record by the Forward Purchase Contract Agent subject to the Pledge hereunder.

NOW THEREFORE, in consideration of the foregoing premises, the Company, the Collateral Agent, the Securities Intermediary, the Custodial Agent and the Forward Purchase Contract Agent, on its own behalf and as attorney-in-fact of the Holders from time to time of the Securities, agree as follows:

ARTICLE I
DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(c) initially capitalized terms used but not otherwise defined herein have the meanings assigned to such terms in the Forward Purchase Contract Agreement; and

(d) the following terms have the meanings assigned to them in this subsection (d):

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Bankruptcy Code" means title 11 of the United States Code, or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Business Day" means any day other than a Saturday, a Sunday or any other day on which banking institutions in The City of New York (in the State of New York) are permitted or required by any applicable law to close.

"Cash" means any coin or currency of the United States as at the time shall be legal tender for payment of public and private debts.

"Code" has the meaning specified in Section 6.1 hereof.

"Collateral" has the meaning specified in Section 2.1 hereof.

"Collateral Account" means the securities account (number _____) maintained at The Chase Manhattan Bank in the name "Bank One Trust Company, National Association, as Forward Purchase Contract Agent on behalf of the holders of certain securities of Cendant Corporation, Collateral Account subject to the security interest of The Chase Manhattan Bank, as Collateral Agent, for the benefit of Cendant Corporation, as pledgee" and any successor account.

"Collateral Agent" has the meaning specified in the first paragraph of this instrument.

"Common Stock" has the meaning specified in the Recitals.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor shall have become such, and thereafter "Company" shall mean such successor.

"Custodial Agent" has the meaning specified in the first paragraph of this instrument.

"Forward Purchase Contract" has the meaning specified in the Recitals.

"Forward Purchase Contract Agent" has the meaning specified in the first paragraph of this Agreement.

"Forward Purchase Contract Agreement" has the meaning specified in the Recitals.

"Forward Purchase Contract Settlement Date" has the meaning specified in the Recitals.

"Indenture" means the Indenture dated as of February 24, 1998 between the Company and the Note Trustee, as amended and supplemented by the Fourth Supplemental Indenture dated as of July 27, 2001 between the Company and the Note Trustee.

"Intermediary" means any entity that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"Notes" has the meaning specified in the Recitals.

"Note Trustee" means The Bank of Nova Scotia Trust Company of New York, as trustee under the Indenture until a successor is appointed thereunder, and thereafter means such successor trustee.

"Permitted Investments" means any one of the following which shall mature not later than the next succeeding Business Day (i) any evidence of indebtedness with an original maturity of 365 days or less issued, or directly and fully guaranteed or insured, by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof or such indebtedness constitutes a general obligation of it); (ii) deposits, certificates of deposit or acceptances with an original maturity of 365 days or less of any institution which is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than US \$200.0 million at the time of deposit; (iii) investments with an original maturity of 365 days or less of any Person that is fully and unconditionally guaranteed by a bank referred to in clause (ii); (iv) investments in commercial paper, other than commercial paper issued by the Company or its affiliates, of any corporation incorporated under the laws of the United States or any State thereof, which commercial paper has a rating at the time of purchase at least equal to "A-1" by Standard & Poor's Ratings Services ("S&P") or at least equal to "P-1" by Moody's Investors Service, Inc. ("Moody's"); and (v) investments in money market funds registered under the Investment Company Act of 1940, as amended, rated in the highest applicable rating category by S&P or Moody's.

"Person" and "person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Pledge" has the meaning specified in Section 2.1 hereof.

"Pledged Notes" has the meaning specified in Section 2.1 hereof.

"Pledged Treasury Securities" has the meaning specified in Section 2.1 hereof.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in The City of New York.

"Proceeds" means all interest, dividends, cash, instruments, securities, financial assets (as defined in Section 8-102(a)(9) of the Code) and other property from time to time received, receivable or otherwise distributed upon the sale, exchange, maturity, collection or disposition of the Collateral or any proceeds thereof.

"Securities" has the meaning specified in the Recitals.

"Securities Intermediary" has the meaning specified in the first paragraph of this Agreement.

"Security Entitlement" has the meaning set forth in Section 8-102(a)(17) of the Code.

"Separate Notes" means any Notes that are not Pledged Notes.

"Settlement Rate" is equal to (a) if the Applicable Market Value is equal to or greater than \$28.42 (the "Threshold Appreciation Price"), 1.7593 shares of Common Stock per

Forward Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price but is greater than \$21.53, the number of shares of Common Stock per Forward Purchase Contract equal to the Stated Amount divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to \$21.53, 2.3223 shares of Common Stock per Forward Purchase Contract, in each case subject to adjustment as provided in Section 5.7 of the Forward Purchase Contract Agreement (and in each case rounded upward or downward to the nearest 1/10,000th of a share). No fractional shares of Common Stock will be issued upon settlement of Forward Purchase Contracts.

"Stated Amount" has the meaning specified in the Recitals.

"Stripped DECS" has the meaning specified in the Recitals.

"Supplemental Remarketing Agreement" means the Supplemental Remarketing Agreement, as defined in the Remarketing Agreement.

"Tax Event Redemption Date" means the date upon which a Tax Event Redemption is to occur.

"TRADES" means the Treasury/Reserve Automated Debt Entry System maintained by the Federal Reserve Bank of New York pursuant to the TRADES Regulations.

"TRADES Regulations" means the regulations of the United States Department of the Treasury, published at 31 C.F.R. Part 357, as amended from time to time. Unless otherwise defined herein, all terms defined in the TRADES Regulations are used herein as therein defined.

"Transfer" means, except as otherwise expressly provided herein, with respect to the Collateral and in accordance with the instructions of the Collateral Agent, the Forward Purchase Contract Agent or the Holder, as applicable:

(i) in the case of Collateral consisting of securities which cannot be delivered by book-entry or which the parties agree are to be delivered in physical form, delivery in appropriate physical form to the recipient accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(ii) in the case of Collateral consisting of securities maintained in book-entry form by causing a "securities intermediary" (as defined in Section 8-102(a)(14) of the Code) to (i) credit a "security entitlement" (as defined in Section 8-102(a)(17) of the Code) with respect to such securities to a "securities account" (as defined in Section 8-501(a) of the Code) maintained by or on behalf of the recipient and (ii) to issue a confirmation to the recipient with respect to such credit. In the case of Collateral to be delivered to the Collateral Agent, the Securities Intermediary shall be the securities intermediary and the securities account shall be the Collateral Account.

"Treasury Securities" has the meaning specified in the Recitals.

"Upper DECS" has the meaning specified in the Recitals.

"Value" with respect to any item of Collateral on any date means, as to (i) a Note, the principal amount thereof, (ii) Cash, the face amount thereof and (iii) Treasury Securities, the aggregate principal amount thereof at maturity.

ARTICLE II
PLEDGE; CONTROL AND PERFECTION

Section 2.1 The Pledge. (a) The Holders from time to time as beneficial owners of the Collateral (as defined below) acting through the Forward Purchase Contract Agent, as their attorney-in-fact, and the Forward Purchase Contract Agent, as nominal owner of the Collateral, each hereby pledge and grant to the Collateral Agent, for the benefit of the Company, as collateral security for the performance when due by such Holders of their respective obligations under the related Forward Purchase Contracts, a security interest in all of the right, title and interest of the Forward Purchase Contract Agent and such Holders (a) in the Notes constituting a part of the Securities and any Treasury Securities delivered in exchange for any Notes (or, if applicable, the Applicable Ownership Interest in the Treasury Portfolio), any Notes (or, if applicable, the Applicable Ownership Interest in the Treasury Portfolio) delivered in exchange for any Treasury Securities, in accordance with Article IV hereof, in each case that have been Transferred to or received by the Collateral Agent and not released by the Collateral Agent to such Holders under the provisions of this Agreement; (b) in payments made by Holders pursuant to Section 4.4; (c) in the Collateral Account and all securities, financial assets, Cash and other property credited thereto and all Security Entitlements related thereto; (d) in the Treasury Portfolio purchased on behalf of the Holders of Upper DECS by the Collateral Agent upon the occurrence of a Successful Initial Remarketing or a Tax Event Redemption as provided in Article VI, or otherwise, and (e) all Proceeds of the foregoing (all of the foregoing, collectively, the "Collateral").

Prior to or concurrently with the execution and delivery of this Agreement, the Forward Purchase Contract Agent, on behalf of the initial Holders of the Securities, shall cause the Notes comprising a part of the Upper DECS to be Transferred to the Collateral Agent for the benefit of the Company. Such Notes shall be Transferred by physically delivering such Notes to the Securities Intermediary indorsed in blank (or accompanied by a stock or bond power indorsed in blank) and causing the Securities Intermediary to credit the Collateral Account with such Notes such that security entitlements with respect to such Notes are credited to the Collateral Account. In the event a Holder of Upper DECS so elects, such Holder may Transfer Treasury Securities to the Collateral Agent for the benefit of the Company as provided in Section 4.1 hereof in exchange for the release by the Collateral Agent on behalf of the Company of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, with an aggregate principal amount equal to the aggregate principal amount of the Treasury Securities so Transferred, in the case of Notes, or with an appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio equal to the aggregate principal amount of the Treasury Securities so Transferred, in the event that a Successful Initial Remarketing or a Tax Event Redemption has occurred, to the Forward Purchase Contract Agent on behalf of such Holder. In the event that a Holder of Stripped DECS so elects, such Holder may Transfer Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio to the Collateral Agent for the benefit of the Company as provided in Section 4.2 hereof in exchange for the release by the Collateral Agent on behalf of the Company

of Treasury Securities with an aggregate principal amount at maturity equal to the aggregate principal amount of the Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio so transferred to the Forward Purchase Contract Agent on behalf of such Holder. Treasury Securities and the appropriate Applicable Ownership Interest of the Treasury Portfolio, as applicable, shall be Transferred to the Collateral Account maintained by the Collateral Agent at the Securities Intermediary by book-entry transfer to the Collateral Account in accordance with the TRADES Regulations and other applicable law and by the notation by the Securities Intermediary on its books that a Security Entitlement with respect to such Treasury Securities or appropriate Applicable Ownership Interest of the Treasury Portfolio, has been credited to the Collateral Account.

(b) For purposes of perfecting the Pledge under applicable law, including, to the extent applicable, the TRADES Regulations or the Uniform Commercial Code as adopted and in effect in any applicable jurisdiction, the Collateral Agent shall be the agent of the Company as provided herein. The pledge provided in this Section 2.1 is herein referred to as the "Pledge" and the Notes or Treasury Securities subject to the Pledge, excluding any Notes that are delivered pursuant to Section 6.2 hereof or Treasury Securities released from the Pledge as provided in Article IV hereof, are hereinafter referred to as "Pledged Notes" or the "Pledged Treasury Securities," respectively. Subject to the Pledge and the provisions of Section 2.2 hereof, the Holders from time to time shall have full beneficial ownership of the Collateral. Whenever directed by the Collateral Agent acting on behalf of the Company, the Securities Intermediary shall have the right to reregister the Notes or any other securities held in physical form in its name.

Except as may be required in order to release Notes in connection with a Holder's election to convert its investment from an Upper DECS to a Stripped DECS, or except as otherwise required to release Notes as specified herein, neither the Collateral Agent nor the Securities Intermediary shall relinquish physical possession of any certificate evidencing a Note prior to the termination of this Agreement, except Notes may be held in any clearing corporation in an account including only assets of customers of the Collateral Agent or Securities Intermediary. If it becomes necessary for the Securities Intermediary to relinquish physical possession of a certificate in order to release a portion of the Notes evidenced thereby from the Pledge, the Securities Intermediary shall use commercially reasonable efforts to obtain physical possession of a replacement certificate evidencing any Notes remaining subject to the Pledge hereunder registered to it or indorsed in blank (or accompanied by a stock or bond power indorsed in blank) within fifteen days of the date it relinquished possession. The Securities Intermediary shall promptly notify the Company and the Collateral Agent of the Securities Intermediary's failure to obtain possession of any such replacement certificate as required hereby.

Section 2.2 Control and Perfection. (a) In connection with the Pledge granted in Section 2.1, and subject to the other provisions of this Agreement, the Holders from time to time acting through the Forward Purchase Contract Agent, as their attorney-in-fact, and the Forward Purchase Contract Agent each hereby authorize and direct the Securities Intermediary (without the necessity of obtaining the further consent of the Forward Purchase Contract Agent or any of the Holders), and the Securities Intermediary agrees, to comply with and follow any instructions and entitlement orders (as defined in Section 8-102(a)(8) of the Code) that the Collateral Agent

on behalf of the Company may give in writing with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect to any thereof. Such instructions and entitlement orders may, without limitation, direct the Securities Intermediary to transfer, redeem, sell, liquidate, assign, deliver or otherwise dispose of the Notes, the Treasury Securities, the Treasury Portfolio, and any Security Entitlements with respect thereto and to pay and deliver any income, proceeds or other funds derived therefrom to the Company. The Holders from time to time acting through the Forward Purchase Contract Agent hereby further authorize and direct the Collateral Agent, as agent of the Company, to itself issue instructions and entitlement orders, and to otherwise take action, with respect to the Collateral Account, the Collateral credited thereto and any security entitlements with respect thereto, pursuant to the terms and provisions hereof, all without the necessity of obtaining the further consent of the Forward Purchase Contract Agent or any of the Holders. The Collateral Agent shall be the agent of the Company and shall act as directed in writing by the Company. Without limiting the generality of the foregoing, the Collateral Agent shall issue entitlement orders to the Securities Intermediary when and as directed by the Company.

(b) The Securities Intermediary hereby confirms and agrees that: (i) all securities or other property underlying any financial assets credited to the Collateral Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another collateral account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Collateral Account be registered in the name of the Forward Purchase Contract Agent, the Collateral Agent, the Company or any Holder, payable to the order of, or specially indorsed to, the Forward Purchase Contract Agent, the Collateral Agent, the Company or any Holder except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank; (ii) all property delivered to the Securities Intermediary pursuant to this Pledge Agreement (including, without limitation, any Notes, the Treasury Portfolio or Treasury Securities) will be promptly credited on the books of the Securities Intermediary to the Collateral Account; (iii) the Collateral Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat the Forward Purchase Contract Agent as entitled to exercise the rights of any financial asset credited to the Collateral Account; (iv) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other person relating to the Collateral Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the Code) of such other person; and (v) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Company, the Collateral Agent or the Forward Purchase Contract Agent purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in this Section 2.2 hereof.

(c) The Securities Intermediary hereby agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Collateral Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the Code.

(d) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail.

(e) The Forward Purchase Contract Agent hereby irrevocably constitutes and appoints the Collateral Agent and the Company, with full power of substitution, as the Forward Purchase Contract Agent's attorneys-in-fact to take on behalf of, and in the name, place and stead of, the Forward Purchase Contract Agent and the Holders, any action necessary or desirable to perfect and to keep perfected the security interest in the Collateral referred to in Section 2.1. The grant of such power-of-attorney shall not be deemed to require of the Collateral Agent any specific duties or obligations not otherwise assumed by the Collateral Agent hereunder, it being hereby acknowledged and agreed that the Collateral Agent shall have no duty to file or record any documents in any jurisdiction for purposes of perfecting or maintaining the security interest in the Collateral except those that it shall be directed in writing to execute and cause to be filed by the Company or the Forward Purchase Contract Agent.

ARTICLE III
DISTRIBUTIONS ON PLEDGED COLLATERAL

So long as the Forward Purchase Contract Agent is the registered owner of the Pledged Notes, it shall receive all payments thereon. If the Pledged Notes are reregistered, such that the Collateral Agent becomes the registered holder, all payments of principal on the Pledged Notes or, if applicable, the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, or interest payments on the Pledged Notes or on the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, and all payments of the principal of, or cash distributions on, any Pledged Treasury Securities received by the Collateral Agent that are properly payable hereunder, shall be paid by the Collateral Agent by wire transfer in same day funds:

(i) in the case of (A) interest payments with respect to the Pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (B) of the definition of such term) of the Treasury Portfolio, as the case may be, and (B) any payments of principal or, if applicable, the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio with respect to any Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, that have been released from the Pledge pursuant to Section 4.1 or 4.3 hereof, to the Forward Purchase Contract Agent, for the benefit of the relevant Holders of Securities, to the account designated by the Forward Purchase Contract Agent for such purpose, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day);

(ii) in the case of any principal payments with respect to any Treasury Securities that have been released from the Pledge pursuant to Section 4.2 or 4.3 hereof, to the Forward Purchase Contract Agent, for the benefit of the Holders of the Stripped DECS, to the

accounts designated by the Forward Purchase Contract Agent in writing for such purpose, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day); and

(iii) in the case of payments of the Proceeds of any Pledged Notes or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, or the Proceeds of any Pledged Treasury Securities, to the Company on the Forward Purchase Contract Settlement Date to the extent of the Purchase Price in accordance with the procedure set forth in Section 4.6(a) or 4.6(b) hereof, in full satisfaction of the respective obligations of the Holders under the related Forward Purchase Contracts and, to the extent such Proceeds exceed the Purchase Price, to the Forward Purchase Contract Agent for the benefit of the Holders.

All payments received by the Forward Purchase Contract Agent as provided herein shall be applied by the Forward Purchase Contract Agent pursuant to the provisions of the Forward Purchase Contract Agreement. If, notwithstanding the foregoing, the Forward Purchase Contract Agent shall receive any payments of the principal amount of the Notes or, if applicable, the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) on account of any Pledged Note or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as applicable, that, at the time of such payment, is subject to the Pledge, or a Holder of a Stripped DECS shall receive any payments of principal on account of any Treasury Securities that, at the time of such payment, are Pledged Treasury Securities, the Forward Purchase Contract Agent or such Holder shall hold the same as trustee of an express trust for the benefit of the Company (and promptly deliver the same over to the Company) for application to the obligations of the Holders under the related Forward Purchase Contracts, and the Holders shall acquire no right, title or interest in any such payments of principal so received.

ARTICLE IV
SUBSTITUTION, RELEASE, REPLEDGE AND SETTLEMENT OF NOTES

Section 4.1 Substitution for Notes and the Creation of Stripped DECS. At any time on or prior to the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date (or on or prior to the second Business Day immediately preceding the Forward Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing has occurred), a Holder of Upper DECS shall have the right to substitute Treasury Securities for the Pledged Notes (or, if a Tax Event Redemption or a Successful Initial Remarketing has occurred, the appropriate Applicable Ownership Interest in the Treasury Portfolio) securing such Holder's obligations under the Forward Purchase Contract(s) comprising a part of its Upper DECS in integral multiples of 20 Upper DECS by (a) Transferring to the Collateral Agent Treasury Securities having a Value equal to the aggregate principal amount of the Pledged Notes (or appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) in the Treasury Portfolio, as the case may be), to be released and transferring the related Upper DECS to the Forward Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Forward Purchase Contract Agent

stating that such Holder has Transferred the relevant Treasury Securities to the Collateral Agent pursuant to clause (a) above (stating the Value of the Treasury Securities Transferred by such Holder) and requesting that the Forward Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, related to such Upper DECS. The Forward Purchase Contract Agent shall instruct the Collateral Agent in the form provided in Exhibit A; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, Holders of Upper DECS may make such substitution only in integral multiples of 32,000 Upper DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000 at any time on or prior to the second Business Day immediately preceding the Forward Purchase Contract Settlement Date. Without limiting the generality of any other provision herein, in no event shall the Collateral Agent have any liability for acting in accordance with instructions in the form provided in Exhibit A. Upon receipt of Treasury Securities from a Holder of Upper DECS and the related instruction from the Forward Purchase Contract Agent, the Collateral Agent shall release the Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, and shall promptly Transfer to the securities account specified by the Forward Purchase Contract Agent such Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, free and clear of any lien, pledge or security interest created hereby. All items Transferred and/or substituted by any Holder pursuant to this Section 4.1, Section 4.2 or any other Section of this Agreement shall be Transferred and/or substituted free and clear of all liens, claims and encumbrances.

Section 4.2 Substitution of Treasury Securities and the Recreation of Upper DECS. At any time on or prior to the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date (or on or prior to the second Business Day immediately preceding the Forward Purchase Contract Settlement Date, if a Tax Event Redemption or a Successful Initial Remarketing has occurred), a Holder of Stripped DECS shall have the right to recreate Upper DECS in integral multiples of 20 Stripped DECS by (a) Transferring to the Collateral Agent Notes having a Value equal to the Value of the Pledged Treasury Securities to be released (or the appropriate Applicable Ownership Interest of the Treasury Portfolio with the Applicable Ownership Interest (as defined in clause (A) of the definition of such term) having Value equal to the Value of the Pledged Treasury Securities to be released) and (b) delivering the related Stripped DECS to the Forward Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Forward Purchase Contract Agent stating that such Holder has transferred the relevant amount of Notes (or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be) to the Collateral Agent pursuant to clause (a) above and requesting that the Forward Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Treasury Securities underlying such Stripped DECS. The Forward Purchase Contract Agent shall instruct the Collateral Agent in the form provided in Exhibit A; provided, however, that if a Tax Event Redemption or a Successful Initial Remarketing has occurred and the Treasury Portfolio has become a component of the Upper DECS, Holders of Stripped DECS may make such substitution only in integral multiples of 32,000 Stripped DECS or another integral multiple such that the Treasury Securities to be deposited and those to be released are in integral multiples of \$1,000, at any time on or prior to the second Business Day immediately preceding the Forward Purchase Contract Settlement Date.

Without limiting the generality of any other provision herein, in no event shall the Collateral Agent have any liability for acting in accordance with instructions in the form provided in Exhibit A. Upon receipt of the Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, from such Holder and the instruction from the Forward Purchase Contract Agent, the Collateral Agent shall release the Treasury Securities having a corresponding aggregate principal amount from the Pledge and shall promptly Transfer such Treasury Securities, free and clear of any lien, pledge or security interest created hereby, to the Forward Purchase Contract Agent.

Section 4.3 Termination Event. Upon receipt by the Collateral Agent of written notice from the Company or the Forward Purchase Contract Agent that there has occurred a Termination Event, the Collateral Agent shall release all Collateral from the Pledge and shall promptly Transfer any Pledged Notes (or the Applicable Ownership Interest of the Treasury Portfolio if a Tax Event Redemption or a Successful Initial Remarketing has occurred) and Pledged Treasury Securities to the Forward Purchase Contract Agent for the benefit of the Holders of the Upper DECS and the Stripped DECS, respectively, free and clear of any lien, pledge or security interest or other interest created hereby.

If such Termination Event shall result from the Company's becoming a debtor under the Bankruptcy Code, and if the Collateral Agent shall for any reason fail promptly to effectuate the release and Transfer of all Pledged Notes, the Treasury Portfolio or of the Pledged Treasury Securities, as the case may be, as provided by this Section 4.3, the Forward Purchase Contract Agent shall (i) use reasonable efforts to obtain an opinion of a nationally recognized law firm reasonably acceptable to the Collateral Agent to the effect that, as a result of the Company's being the debtor in such a bankruptcy case, the Collateral Agent will not be prohibited from releasing or Transferring the Collateral as provided in this Section 4.3, and shall deliver such opinion to the Collateral Agent within ten days after the occurrence of such Termination Event, and if (y) the Forward Purchase Contract Agent shall be unable to obtain such opinion within ten days after the occurrence of such Termination Event or (z) the Collateral Agent shall continue, after delivery of such opinion, to refuse to effectuate the release and Transfer of all Pledged Notes, the Treasury Portfolio or the Pledged Treasury Securities, as the case may be, as provided in this Section 4.3, then the Forward Purchase Contract Agent shall within fifteen days after the occurrence of such Termination Event commence an action or proceeding in the court with jurisdiction of the Company's case under the Bankruptcy Code seeking an order requiring the Collateral Agent to effectuate the release and transfer of all Pledged Notes, the Treasury Portfolio or of the Pledged Treasury Securities, as the case may be, as provided by this Section 4.3 or (ii) commence an action or proceeding like that described in subsection (i)(z) hereof within ten days after the occurrence of such Termination Event.

Section 4.4 Cash Settlement. (a) Upon receipt by the Collateral Agent of (i) a notice from the Forward Purchase Contract Agent promptly after the receipt by the Forward Purchase Contract Agent of such notice that a Holder of an Upper DECS has elected, in accordance with the procedures specified in Section 5.5(a)(i) of the Forward Purchase Contract Agreement to settle its Forward Purchase Contract with Cash and (ii) payment of the amount required to settle such Forward Purchase Contract by such Holder on or prior to 11:00 a.m., New York City time, on the Business Day immediately preceding the Forward Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire

transfer in immediately available funds payable to or upon the order of the Company, then the Collateral Agent shall, at the written direction of the Company, promptly invest any Cash received from a Holder in connection with a Cash Settlement in Permitted Investments. Upon receipt of the proceeds upon the maturity of the Permitted Investments on the Forward Purchase Contract Settlement Date, the Collateral Agent shall pay the portion of such proceeds and deliver any certified or cashiers' checks received and any funds so wired, in an aggregate amount equal to the Purchase Price, to the Company on the Forward Purchase Contract Settlement Date, and shall distribute any funds in respect of the interest earned from the Permitted Investments to the Forward Purchase Contract Agent for payment to the relevant Holders.

(b) If a Holder of an Upper DECS (unless a Tax Event Redemption or a Successful Initial Remarketing has occurred) fails to notify the Forward Purchase Contract Agent of its intention to make a Cash Settlement in accordance with Section 5.5(a)(i) of the Forward Purchase Contract Agreement, such failure shall constitute an event of default under the Forward Purchase Contract Agreement and hereunder, and the Holder shall be deemed to have consented to the disposition of the Pledged Notes pursuant to the remarketing as described in Section 5.5(b) of the Forward Purchase Contract Agreement, which is incorporated herein by reference. If a Holder of an Upper DECS does notify the Forward Purchase Contract Agent as provided in Section 5.5(a)(i) of the Forward Purchase Contract Agreement of its intention to pay the Purchase Price in cash, but fails to make such payment as required by Section 5.5(a)(ii) of the Forward Purchase Contract Agreement, the Pledged Notes of such a Holder will not be remarketed but instead the Collateral Agent, for the benefit of the Company, will exercise its rights as a secured party with respect to such Notes at the direction of the Company to retain or dispose of the Collateral in accordance with applicable law. In addition, in the event of a Failed Secondary Remarketing as described in Section 5.5(b) of the Forward Purchase Contract Agreement, such Failed Secondary Remarketing shall constitute an additional event of default hereunder by such Holder and the Collateral Agent, for the benefit of the Company, will also exercise its rights as a secured party with respect to such Pledged Notes at the direction of the Company to retain or dispose of the Collateral in accordance with applicable law.

Section 4.5 Early Settlement. Upon written notice to the Collateral Agent by the Forward Purchase Contract Agent that one or more Holders of Securities have elected to effect Early Settlement of their respective obligations under the Forward Purchase Contracts forming a part of such Securities in accordance with the terms of the Forward Purchase Contracts and the Forward Purchase Contract Agreement (setting forth the number of such Forward Purchase Contracts as to which such Holders have elected to effect Early Settlement), and that the Forward Purchase Contract Agent has received from such Holders, and paid to the Company as confirmed in writing by the Company, the related Early Settlement Amounts pursuant to the terms of the Forward Purchase Contracts and the Forward Purchase Contract Agreement and that all conditions to such Early Settlement have been satisfied, then the Collateral Agent shall release from the Pledge, (a) Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio in the case of a Holder of Upper DECS or (b) Pledged Treasury Securities in the case of a Holder of Stripped DECS, as the case may be, in each case with an aggregate principal amount, as the case may be, equal to the product of (i) the Stated Amount times (ii) the number of such Forward Purchase Contracts as to which such Holders have elected to effect Early Settlement, and shall Transfer all such Pledged Notes, the appropriate Applicable Ownership Interest of the Treasury Portfolio or the Pledged Treasury Securities, as the case may

be, free and clear of the Pledge created hereby, to the Forward Purchase Contract Agent for the benefit of such Holders.

Section 4.6 Application of Proceeds; Settlement. (a) In the event a Holder of Upper DECS (unless a Tax Event Redemption or a Successful Initial Remarketing has occurred) has not elected to make an effective Cash Settlement by notifying the Forward Purchase Contract Agent (with a copy to the Collateral Agent) in the manner provided for in paragraph 5.5(a)(i) in the Forward Purchase Contract Agreement and has not made an Early Settlement of the Forward Purchase Contracts underlying its Upper DECS, such Holder shall be deemed to have elected to pay for the shares of Common Stock to be issued under such Forward Purchase Contracts from the Proceeds of the related Pledged Notes. The Collateral Agent shall, by 10:00 a.m., New York City time, on the fourth Business Day immediately preceding the Forward Purchase Contract Settlement Date, without any instruction from such Holder of Upper DECS, present the related Pledged Notes to the Remarketing Agent for remarketing. Upon receiving such Pledged Notes, the Remarketing Agent, pursuant to the terms of the Remarketing Agreement and the Supplemental Remarketing Agreement, will use its reasonable efforts to remarket such Pledged Notes on such date at a price of approximately 100.5% (but not less than 100%) of the aggregate Value of such Pledged Notes. After deducting as the Remarketing Fee an amount not exceeding 25 basis points (.25%) of the aggregate Value of the remarketed Pledged Notes from any amount of such Proceeds in excess of the aggregate Value of the Remarketed Pledged Notes, the Remarketing Agent will remit the entire amount of the Proceeds of such remarketing to the Collateral Agent. On the Forward Purchase Contract Settlement Date, the Collateral Agent shall remit to the Company that portion of the Proceeds from such remarketing equal to the aggregate Value of such remarketed Pledged Notes to satisfy in full the obligations of such Holders of Upper DECS to pay the Purchase Price to purchase the Common Stock under the related Forward Purchase Contracts. The remaining portion of such Proceeds, if any, shall be remitted by the Collateral Agent to the Forward Purchase Contract Agent for payment to the Holders. If the Remarketing Agent advises the Collateral Agent in writing that it cannot remarket the related Pledged Notes of such Holders of Upper DECS at a price not less than 100% of the aggregate Value of such Pledged Notes or if the remarketing shall not have occurred because a condition precedent to the remarketing shall not have been fulfilled, thus resulting in a Failed Secondary Remarketing and an event of default under the Forward Purchase Contract Agreement and hereunder, the Collateral Agent, for the benefit of the Company will, at the written direction of the Company, retain or dispose of the Pledged Notes in accordance with applicable law and satisfy in full, from any such disposition or retention, such Holder's obligation to pay the Purchase Price for the Common Stock.

(b) In the event a Holder of Stripped DECS or Upper DECS (if a Tax Event Redemption or a Successful Initial Remarketing has occurred) has not made an Early Settlement of the Forward Purchase Contracts underlying its Stripped DECS or Upper DECS, such Holder shall be deemed to have elected to pay for the shares of Common Stock to be issued under such Forward Purchase Contracts from the Proceeds of the related Pledged Treasury Securities or the appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be. On the Business Day immediately prior to the Forward Purchase Contract Settlement Date, the Collateral Agent shall, at the written direction of the Forward Purchase Contract Agent, which written direction shall be furnished to the Collateral Agent prior to 11:30 a.m., New York City time, invest the Cash proceeds of the

maturing Pledged Treasury Securities or the maturing appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, in overnight Permitted Investments. Without receiving any instruction from any such Holder of Stripped DECS or Upper DECS, the Collateral Agent shall remit to the Company that portion of the Proceeds of the related Pledged Treasury Securities or appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio equal to the aggregate Purchase Price of such Forward Purchase Contracts on the Forward Purchase Contract Settlement Date.

In the event the sum of the Proceeds from the related Pledged Treasury Securities or appropriate Applicable Ownership Interest (as defined in clause (A) of the definition of such term) of the Treasury Portfolio, as the case may be, and the investment earnings from the investment in overnight Permitted Investments is in excess of the aggregate Purchase Price of the Forward Purchase Contracts being settled thereby, the Collateral Agent shall remit such excess, when received, to the Forward Purchase Contract Agent for the benefit of the Holders.

(c) Pursuant to the Remarketing Agreement and subject to the terms of the Supplemental Remarketing Agreement, on or prior to the second Business Day immediately preceding the Initial Remarketing Date or the Secondary Remarketing Date, as applicable, but no earlier than the Payment Date immediately preceding such date, holders of Separate Notes may elect to have their Separate Notes remarketed by delivering their Separate Notes, together with a notice of such election, substantially in the form of Exhibit C hereto, to the Custodial Agent. The Custodial Agent shall hold such Separate Notes in an account separate from the Collateral Account. A holder of Separate Notes electing to have its Separate Notes remarketed will also have the right to withdraw such election by written notice to the Custodial Agent, substantially in the form of Exhibit D hereto, on or prior to the second Business Day immediately preceding the Initial Remarketing Date or the Secondary Remarketing Date, as applicable, upon which notice the Custodial Agent shall return such Separate Notes to such holder.

On the Business Day immediately preceding the Initial Remarketing Date or the Secondary Remarketing Date, as applicable, the Custodial Agent shall notify the Remarketing Agent of the aggregate principal amount of the Separate Notes to be remarketed and will deliver to the Remarketing Agent for remarketing all Separate Notes delivered to the Custodial Agent pursuant to this Section 4.6(c) and not withdrawn pursuant to the terms hereof prior to such date. After deducting the Remarketing Fee to the extent permitted under the terms of the Remarketing Agreement, the Remarketing Agent will remit to the Custodial Agent the remaining portion of the proceeds for the benefit of such holders. In the event of a Failed Initial Remarketing or a Failed Secondary Remarketing, as applicable, the Remarketing Agent will promptly return such Separate Notes to the Custodial Agent for redelivery to such holders.

ARTICLE V VOTING RIGHTS - NOTES

The Forward Purchase Contract Agent may exercise, or refrain from exercising, any and all voting and other consensual rights pertaining to the Pledged Notes or any part thereof for any purpose not inconsistent with the terms of this Agreement and in accordance with the terms of the Forward Purchase Contract Agreement; provided, that the Forward Purchase

Contract Agent shall give the Company and the Collateral Agent at least five days' prior written notice of the manner in which it intends to exercise, or its reasons for refraining from exercising, any such right. Upon receipt of any notices and other communications in respect of any Pledged Notes, including notice of any meeting at which holders of Notes are entitled to vote or solicitation of consents, waivers or proxies of holders of Notes, the Collateral Agent shall use reasonable efforts to send promptly to the Forward Purchase Contract Agent such notice or communication, and as soon as reasonably practicable after receipt of a written request therefor from the Forward Purchase Contract Agent, execute and deliver to the Forward Purchase Contract Agent such proxies and other instruments in respect of such Pledged Notes (in form and substance satisfactory to the Collateral Agent) as are prepared by the Forward Purchase Contract Agent with respect to the Pledged Notes.

ARTICLE VI
RIGHTS AND REMEDIES; TAX EVENT REDEMPTION

Section 6.1 Rights and Remedies of the Collateral Agent. (a) In addition to the rights and remedies specified in Section 4.4 hereof or otherwise available at law or in equity, after an event of default hereunder, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (or any successor thereto) as in effect in the State of New York from time to time (the "Code") (whether or not, to the extent permitted by law, the Code is in effect in the jurisdiction where the rights and remedies are asserted) and the TRADES Regulations and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted. Wherever reference is made in this Agreement to any section of the Code, such reference shall be deemed to include a reference to any provision of the Code, which is a successor to, or amendment of, such section. Without limiting the generality of the foregoing, such remedies may include, to the extent permitted by applicable law, (i) retention of the Pledged Notes or other Collateral in full satisfaction of the Holders obligations under the Forward Purchase Contracts or (ii) sale of the Pledged Notes or other Collateral in one or more public or private sales.

(b) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, in the event the Collateral Agent is unable to make payments to the Company on account of the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio or on account of principal payments of any Pledged Treasury Securities as provided in Article III hereof in satisfaction of the obligations of the Holder of the Securities of which such Pledged Treasury Securities, or the appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable, is a part under the related Forward Purchase Contracts, the inability to make such payments shall constitute an event of default hereunder and the Collateral Agent shall have and may exercise, with reference to such Pledged Treasury Securities, or such appropriate Applicable Ownership Interest (as specified in clause (A) of the definition of such term) of the Treasury Portfolio, as applicable, and such obligations of such Holder, any and all of the rights and remedies available to a secured party under the Code and the TRADES Regulations after default by a debtor, and as otherwise granted herein or under any other law.

(c) Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect all payments of (i) principal and interest on the Pledged Notes, (ii) the principal amount of the Pledged Treasury Securities, or (iii) the appropriate Applicable Ownership Interest of the Treasury Portfolio, subject, in each case, to the provisions of Article III, and as otherwise granted herein.

(d) The Forward Purchase Contract Agent, individually and as attorney-in-fact for each Holder of Securities, agrees that, from time to time, upon the written request of the Collateral Agent, the Forward Purchase Contract Agent or such Holder shall execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Forward Purchase Contract Agent shall have no liability to any Holder for executing any documents or taking any such acts requested by the Collateral Agent hereunder, except for liability for its own negligent act, its own negligent failure to act or its own willful misconduct.

Section 6.2 Tax Event Redemption. Upon the occurrence of a Tax Event Redemption prior to the Forward Purchase Contract Settlement Date, the aggregate Redemption Price payable on the Tax Event Redemption Date with respect to the Pledged Notes shall be delivered to the Collateral Agent by the Note Trustee on or prior to 12:00 p.m., New York City time, by wire transfer in immediately available funds at such place and at such account as may be designated by the Collateral Agent in exchange for the Pledged Notes. In the event the Collateral Agent receives such Redemption Price, the Collateral Agent will, at the written direction of the Company, apply an amount, out of such Redemption Price, equal to the aggregate Redemption Amount with respect to the Pledged Notes to purchase from the Quotation Agent the Treasury Portfolio and promptly remit the remaining portion of such Redemption Price to the Forward Purchase Contract Agent for payment to the Holders of Upper DECS. The Collateral Agent shall Transfer the Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Upper DECS to purchase Common Stock of the Company under the Forward Purchase Contracts constituting a part of such Upper DECS, in substitution for the Pledged Notes. Thereafter the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as it had in respect of the Pledged Notes as provided in Articles II, III, IV, V and VI, and any reference herein to the Notes shall be deemed to be reference to such Treasury Portfolio, and any reference herein to interest on the Notes shall be deemed to be a reference to distributions on such Treasury Portfolio.

Section 6.3 Initial Remarketing. The Collateral Agent shall, by 10:00 a.m., New York City time, on the fourth Business Day immediately preceding May 17, 2004, without any instruction from any Holder of Upper DECS, present the related Pledged Notes to the Remarketing Agent for remarketing. Upon receiving such Pledged Notes, the Remarketing Agent, pursuant to the terms of the Remarketing Agreement, will use its reasonable efforts to remarket such Pledged Notes on such date at a price of approximately 100.5% (but not less than 100%) of the Treasury Portfolio Purchase Price. After deducting as the Remarketing Fee an amount not exceeding 25 basis points (.25%) of the Treasury Portfolio Purchase Price from any amount of such Proceeds in excess of the Treasury Portfolio Purchase Price, the Remarketing Agent will remit the entire amount of the Proceeds of such remarketing to the Collateral Agent

on or prior to 12:00 p.m., New York City time on May 17, 2004, by wire transfer in immediately available funds at such place and at such account as may be designated by the Collateral Agent in exchange for the Pledged Notes. In the event the Collateral Agent receives such Proceeds, the Collateral Agent will, at the written direction of the Company, apply an amount equal to the Treasury Portfolio Purchase Price to purchase from the Quotation Agent the Treasury Portfolio and promptly remit the remaining portion of such Proceeds to the Forward Purchase Contract Agent for payment to the Holders of Upper DECS. The Collateral Agent shall Transfer the Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Upper DECS to purchase Common Stock of the Company under the Forward Purchase Contracts constituting a part of such Upper DECS, in substitution for the Pledged Notes. Thereafter the Collateral Agent shall have such security interests, rights and obligations with respect to the Treasury Portfolio as it had in respect of the Pledged Notes as provided in Articles II, III, IV, V and VI, and any reference herein to the Notes shall be deemed to be reference to such Treasury Portfolio, and any reference herein to interest on the Notes shall be deemed to be a reference to distributions on such Treasury Portfolio.

Section 6.4 Substitutions. Whenever a Holder has the right to substitute Treasury Securities, Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, for Collateral held by the Collateral Agent, such substitution shall not constitute a novation of the security interest created hereby.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES; COVENANTS

Section 7.1 Representations and Warranties. The Holders from time to time, acting through the Forward Purchase Contract Agent as their attorney-in-fact (it being understood that the Forward Purchase Contract Agent shall not be liable for any representation or warranty made by or on behalf of a Holder), hereby represent and warrant to the Collateral Agent, which representations and warranties shall be deemed repeated on each day a Holder Transfers Collateral that:

(a) such Holder has the power to grant a security interest in and lien on the Collateral;

(b) such Holder is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent, free and clear of any security interest, lien, encumbrance, call, liability to pay money or other restriction other than the security interest and lien granted under Article II hereof;

(c) upon the Transfer of the Collateral to the Collateral Account, the Collateral Agent, for the benefit of the Company, will have a valid and perfected first priority security interest therein (assuming that any central clearing operation or any Intermediary or other entity not within the control of the Holder involved in the Transfer of the Collateral, including the Collateral Agent, gives the notices and takes the action required of it hereunder and under applicable law for perfection of that interest and assuming the establishment and exercise of control pursuant to Section 2.2 hereof); and

(d) the execution and performance by the Holder of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Article II hereof or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

Section 7.2 Covenants. The Holders from time to time, acting through the Forward Purchase Contract Agent as their attorney-in-fact (it being understood that the Forward Purchase Contract Agent shall not be liable for any covenant made by or on behalf of a Holder), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

(a) neither the Forward Purchase Contract Agent nor such Holders will create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and

(b) neither the Forward Purchase Contract Agent nor such Holders will sell or otherwise dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the pledge hereunder, transferred in connection with the Transfer of the Securities.

ARTICLE VIII
THE COLLATERAL AGENT

It is hereby agreed as follows:

Section 8.1 Appointment, Powers and Immunities. The Collateral Agent shall act as Agent for the Company hereunder with such powers as are specifically vested in the Collateral Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary: (a) shall have no duties or responsibilities except those expressly set forth in this Agreement and no implied covenants or obligations shall be inferred from this Agreement against any of them, nor shall any of them be bound by the provisions of any agreement beyond the specific terms hereof; (b) shall not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Securities or the Forward Purchase Contract Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against the Collateral Agent), the Securities or the Forward Purchase Contract Agreement or any other document referred to or provided for herein or therein or for any failure by the Company or any other Person (except the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be) to perform any of its obligations hereunder or thereunder or for the perfection, priority or, except as expressly required hereby, maintenance of any security interest created hereunder (it being acknowledged and agreed that the Collateral Agent shall have no duty to file or record any documents in any jurisdiction for purposes of perfecting or maintaining the security interest in the Collateral except those that it shall be directed in writing to execute and cause to be filed by the Company or the Forward Purchase Contract Agent); (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (except in the case of the Collateral Agent, pursuant to directions furnished under Section 8.2 hereof, subject to Section 8.6 hereof); (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own gross negligence, bad faith or willful misconduct; (e) shall not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Securities or other property deposited hereunder; and (f) shall not be responsible for the acts or omissions of any clearing corporation with whom collateral is deposited. Notwithstanding anything to the contrary contained herein, none of the Collateral Agent, the Custodial Agent or the Securities Intermediary shall have any obligation, duty or responsibility to take any action unless such action is non-discretionary and explicitly required hereunder or in a written direction from the Company or the Forward Purchase Contract Agent given in accordance with the terms hereof. Subject to the foregoing, during the term of this Agreement, the Collateral Agent shall take all reasonable action in connection with the safekeeping and preservation of the Collateral hereunder.

No provision of this Agreement shall require the Collateral Agent, the Custodial Agent or the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. In no event shall the Collateral Agent, the

Custodial Agent or the Securities Intermediary be liable for any amount in excess of the Value of the Collateral. Notwithstanding the foregoing, the Collateral Agent, the Custodial Agent, the Forward Purchase Contract Agent and Securities Intermediary, each in its individual capacity, hereby waive any right of setoff, bankers lien, liens or perfection rights as securities intermediary or any counterclaim with respect to any of the Collateral.

Section 8.2 Instructions of the Company. The Company shall have the right, by one or more instruments in writing executed and delivered to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, or of exercising any power conferred on the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or to direct the taking or refraining from taking of any action authorized by this Agreement; provided, however, that (i) such direction shall not conflict with the provisions of any law or of this Agreement and (ii) the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be adequately indemnified as provided herein.

Nothing in this Section 8.2 shall impair the right of the Collateral Agent in its discretion to take any action or omit to take any action which it deems proper and which is not inconsistent with such direction.

Section 8.3 Reliance. Each of the Securities Intermediary, the Custodial Agent and the Collateral Agent shall be entitled conclusively to rely upon any certification, order, judgment, opinion, notice or other communication (including, without limitation, any thereof by telephone, telecopy, telex or facsimile) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein), and upon advice and statements of legal counsel and other experts selected by the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be. As to any matters not expressly provided for by this Agreement, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Company in accordance with this Agreement.

Section 8.4 Rights in other Capacities. The Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may (without having to account therefor to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Forward Purchase Contract Agent, any Holder of Securities and any holder of Separate Notes (and any of their respective subsidiaries or affiliates) as if it were not acting as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, and the Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may accept fees and other consideration from the Forward Purchase Contract Agent, any Holder of Securities or any holder of Separate Notes without having to account for the same to the Company; provided that each of the Securities Intermediary, the Custodial Agent and the Collateral Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral and the Collateral shall be segregated or the books and records of the Collateral Agent and not commingled with any other assets of any such Person.

Section 8.5 Non-Reliance. None of the Securities Intermediary, the Custodial Agent or the Collateral Agent shall be required to keep itself informed as to the performance or observance by the Company, the Forward Purchase Contract Agent, the Remarketing Agent or any Holder of Securities of this Agreement, the Forward Purchase Contract Agreement, the Securities or any other document referred to or provided for herein or therein or to inspect the properties or books of the Forward Purchase Contract Agent or any Holder of Securities. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall not have any duty or responsibility to provide the Company or the Remarketing Agent with any credit or other information concerning the affairs, financial condition or business of the Forward Purchase Contract Agent, any Holder of Securities or any holder of Separate Notes (or any of their respective subsidiaries or affiliates) that may come into the possession of the Collateral Agent, the Custodial Agent or the Securities Intermediary or any of their respective affiliates.

Section 8.6 Compensation and Indemnity. The Company agrees: (i) to pay Chase from time to time such compensation as shall be agreed in writing between the Company and Chase for all services rendered by Chase as Collateral Agent, Custodial Agent and Securities Intermediary hereunder and (ii) to indemnify the Collateral Agent, the Custodial Agent and the Securities Intermediary for, and to hold each of them harmless from and against, any loss, liability or reasonable out-of-pocket expense incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its powers and duties under this Agreement, including the reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of counsel) of defending itself against any claim or liability in connection with the exercise or performance of such powers and duties. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall each promptly notify the Company of any third party claim which may give rise to the indemnity hereunder and give the Company the opportunity to participate in the defense of such claim with counsel reasonably satisfactory to the indemnified party, and no such claim shall be settled without the written consent of the Company, which consent shall not be unreasonably withheld.

Section 8.7 Failure to Act. In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be entitled, after notice to the Company and the Forward Purchase Contract Agent, at its sole option, to refuse to comply with any and all claims, demands or instructions with respect to such property or funds so long as such dispute or conflict shall continue, and none of the Collateral Agent, the Custodial Agent or the Securities Intermediary shall be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, satisfactory to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or (ii) the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, shall have received security or an indemnity reasonably satisfactory to the Collateral Agent, the Custodial Agent or the Securities

Intermediary, as the case may be, sufficient to save the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, harmless from and against any and all loss, liability or reasonable out-of-pocket expense which the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, may incur by reason of its acting without bad faith, willful misconduct or gross negligence. The Collateral Agent, the Custodial Agent or the Securities Intermediary may in addition elect to commence an interpleader action or seek other judicial relief or orders as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, may deem necessary. Notwithstanding anything contained herein to the contrary, none of the Collateral Agent, the Custodial Agent or the Securities Intermediary shall be required to take any action that is in its opinion contrary to law or to the terms of this Agreement, or which would in its opinion subject it or any of its officers, employees or directors to liability.

Section 8.8 Resignation. Subject to the appointment and acceptance of a successor Collateral Agent, Custodial Agent or Securities Intermediary as provided below, (a) the Collateral Agent, the Custodial Agent and the Securities Intermediary may resign at any time by giving notice thereof to the Company and the Forward Purchase Contract Agent as attorney-in-fact for the Holders of Securities, (b) the Collateral Agent, the Custodial Agent and the Securities Intermediary may be removed at any time by the Company and (c) if the Collateral Agent, the Custodial Agent or the Securities Intermediary fails to perform any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Forward Purchase Contract Agent and such failure shall be continuing, the Collateral Agent, the Custodial Agent or the Securities Intermediary may be removed by the Forward Purchase Contract Agent. The Forward Purchase Contract Agent shall promptly notify the Company of any removal of the Collateral Agent, the Custodial Agent or the Securities Intermediary pursuant to clause (c) of the immediately preceding sentence. Upon any such resignation or removal, the Company shall have the right to appoint a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be. If no successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Collateral Agent's, Custodial Agent's or Securities Intermediary's giving of notice of resignation or such removal, then the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, may petition any court of competent jurisdiction for the appointment of a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be a bank with a combined capital and surplus of at least \$75,000,000 which directly or through an affiliate maintains an office in New York, New York. Upon the acceptance of any appointment as Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, hereunder by a successor Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, and the retiring Collateral Agent, Custodial Agent or Securities Intermediary, as the case may be, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Collateral Agent, Custodial Agent or Securities Intermediary shall, upon such succession, be discharged from its duties and obligations as Collateral Agent, Custodial Agent or Securities Intermediary hereunder. After any retiring Collateral Agent's, Custodial Agent's or Securities Intermediary's resignation hereunder as Collateral Agent, Custodial Agent or Securities Intermediary, the provisions of this Article

VIII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent, Custodial Agent or Securities Intermediary. Any resignation or removal of the Collateral Agent hereunder shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Custodial Agent and the Securities Intermediary.

Section 8.9 Right to Appoint Agent or Advisor. The Collateral Agent shall have the right to appoint agents or advisors in connection with any of its duties hereunder, and the Collateral Agent shall not be liable for any action taken or omitted by, or in reliance upon the advice of, such agents or advisors selected in good faith. The appointment of agents pursuant to this Section 8.9 shall be subject to prior consent of the Company, which consent shall not be unreasonably withheld.

Section 8.10 Survival. The provisions of this Article VIII shall survive termination of this Agreement and the resignation or removal of the Collateral Agent or the Custodial Agent.

Section 8.11 Exculpation. Anything in this Agreement to the contrary notwithstanding, in no event shall any of the Collateral Agent, the Custodial Agent or the Securities Intermediary or their officers, employees or agents be liable under this Agreement to any third party for indirect, special, punitive, or consequential loss or damage of any kind whatsoever, including lost profits, whether or not the likelihood of such loss or damage was known to the Collateral Agent, the Custodial Agent or the Securities Intermediary, or any of them, incurred without any act or deed that is found to be attributable to gross negligence or willful misconduct on the part of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

ARTICLE IX AMENDMENT

Section 9.1 Amendment Without Consent of Holders. Without the consent of any Holders or the holders of any Separate Notes, the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Forward Purchase Contract Agent, at any time and from time to time, may amend this Agreement, in form satisfactory to the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Forward Purchase Contract Agent, for any of the following purposes:

(a) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company; or

(b) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company so long as such covenants or such surrender do not adversely affect the validity, perfection or priority of the security interests granted or created hereunder; or

(c) to evidence and provide for the acceptance of appointment hereunder by a successor Collateral Agent, Securities Intermediary or Forward Purchase Contract Agent; or

(d) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other such provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

Section 9.2 Amendment with Consent of Holders. With the consent of the Holders of not less than a majority of the Forward Purchase Contracts at the time outstanding, by Act of said Holders delivered to the Company, the Forward Purchase Contract Agent or the Collateral Agent, as the case may be, the Company, when duly authorized, the Forward Purchase Contract Agent, the Collateral Agent, the Custodial Agent and the Securities Intermediary may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Holders in respect of the Securities; provided, however, that no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security affected thereby,

(a) change the amount or type of Collateral underlying a Security (except for the rights of Holders of Upper DECS to substitute the Treasury Securities for the Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be, or the rights of Holders of Stripped DECS to substitute Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as applicable, for the Pledged Treasury Securities), impair the right of the Holder of any Security to receive distributions on the underlying Collateral or otherwise adversely affect the Holder's rights in or to such Collateral; or

(b) otherwise effect any action that would require the consent of the Holder of each Outstanding Security affected thereby pursuant to the Forward Purchase Contract Agreement if such action were effected by an agreement supplemental thereto;

(c) reduce the amount payable or distributable to Holders upon the remarketing of Notes; or

(d) reduce the percentage of Forward Purchase Contracts the consent of whose Holders is required for any such amendment.

If any amendment referred to above would adversely affect only the Upper DECS or the Stripped DECS, then only the affected class of Holders shall be entitled to vote on the amendment and the amendment shall not be effective except with the consent of the Holders of not less than a majority of the affected class. It shall not be necessary for any Act of Holders under this Article IX to approve the particular form of any proposed amendment, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.3 Execution of Amendments. In executing any amendment permitted by this Section, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Forward Purchase Contract Agent shall be entitled to receive and (subject to Section 8.1 hereof, with respect to the Collateral Agent, and Section 7.1 of the Forward Purchase Contract Agreement, with respect to the Forward Purchase Contract Agent) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment is authorized

or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied. All amendments must be in writing, signed by all parties to this Agreement.

Section 9.4 Effect of Amendments. Upon the execution of any amendment under this Article IX, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered under the Forward Purchase Contract Agreement shall be bound thereby.

Section 9.5 Reference to Amendments. Security Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any amendment pursuant to this Article IX may, and shall if required by the Company, the Collateral Agent or the Forward Purchase Contract Agent, bear a notation in form approved by the Company, the Forward Purchase Contract Agent and the Collateral Agent as to any matter provided for in such amendment. If the Company shall so determine, new Security Certificates so modified as to conform, in the opinion of the Collateral Agent, the Forward Purchase Contract Agent and the Company, to any such amendment may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Forward Purchase Contract Agent in accordance with the Forward Purchase Contract Agreement and without charge or expense to Holders in exchange for Outstanding Security Certificates.

ARTICLE X
MISCELLANEOUS

Section 10.1 No Waiver. To the extent permitted by law, no failure on the part of any party hereto or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any party hereto or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. To the extent permitted by law, the remedies herein are cumulative and are not exclusive of any remedies provided by law.

Section 10.2 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Without limiting the foregoing, the above choice of law is expressly agreed to by the Securities Intermediary, the Collateral Agent and the Holders from time to time acting through the Forward Purchase Contract Agent, as their attorney-in-fact, in connection with the establishment and maintenance of the Collateral Account. The Company, the Collateral Agent and the Holders from time to time of the Securities, acting through the Forward Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company, the Collateral Agent and the Holders from time to time of the Securities, acting through the Forward Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of

any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum, as well as to trial by jury.

Section 10.3 Notices. All notices, requests, consents and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof or, as to any party, at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

Section 10.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Forward Purchase Contract Agent, and the Holders from time to time of the Securities, by their acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Forward Purchase Contract Agent.

Section 10.5 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 10.6 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

Section 10.7 Expenses, etc. The Company agrees to reimburse Chase for: (a) all reasonable out-of-pocket costs and expenses of Chase (including, without limitation, the reasonable fees and expenses of counsel to Chase), in connection with (i) the negotiation, preparation, execution and delivery or performance of this Agreement and (ii) any modification, supplement or waiver of any of the terms of this Agreement; (b) all reasonable costs and expenses of Chase as Collateral Agent hereunder (including, without limitation, reasonable fees and expenses of counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Securities to satisfy its obligations under the Forward Purchase Contracts forming a part of the Securities and (ii) the enforcement of this Section 10.7; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated hereby.

Section 10.8 Security Interest Absolute. All rights of the Collateral Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any provision of the Forward Purchase Contracts or the Securities or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of Securities under the related Forward Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Forward Purchase Contract Agreement or any Forward Purchase Contract or any other agreement or instrument relating thereto; or

(c) any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

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

CENDANT CORPORATION

By: _____
Name:
Title:

Address for Notices:

Cendant Corporation
9 West 57th Street
New York, NY 10019
Attention: Senior Vice President, Law
Telecopy: (212) 493-1923

BANK ONE TRUST COMPANY
NATIONAL ASSOCIATION,
as Forward Purchase Contract Agent and as
attorney-in-fact of the Holders from
time to time of the Securities

By: _____
Name:
Title:

Address for Notices:

1 Bank One Plaza
Suite IL1-0126
Chicago, IL 60670-0126

Attention: Global Corporate Trust
Services Division
Telecopy: (312) 407-1708

THE CHASE MANHATTAN BANK
as Collateral Agent, Custodial Agent
and as Securities Intermediary

By: _____
Name:
Title:

Address for Notices:

The Chase Manhattan Bank
450 West 33rd Street
New York, NY 10001-2697

Attention: Institutional Trust Services
Telecopy: (212) 946-8160

INSTRUCTION FROM FORWARD PURCHASE CONTRACT AGENT TO COLLATERAL AGENT

The Chase Manhattan Bank

Re: Cendant Corporation (the "Company")

We hereby notify you in accordance with Section [4.1] [4.2] of the Pledge Agreement, dated as of July 27, 2001 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary, and ourselves, as Forward Purchase Contract Agent and as attorney-in-fact for the Holders of [UPPER DECS] [STRIPPED DECS] from time to time, that the holder of the Securities listed below (the "Holder") has elected to substitute \$_____ [aggregate principal amount of Treasury Securities] [aggregate principal amount of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] in exchange for an equal Value of [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has Transferred [Treasury Securities] [Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] to you, as Collateral Agent. We hereby instruct you, upon receipt of such [Pledged Treasury Securities] [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,], and upon the payment by such Holder of any applicable fees, to release the [Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Treasury Securities] related to such [Upper DECS] [Stripped DECS] to us in accordance with the Holder's instructions. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date:_____ Bank One Trust Company, National Association
By:_____ Name:
Title:
Signature Guarantee:_____

Please print name and address of Registered Holder electing to substitute [Treasury Securities] [Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] for the [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities]:

Name Social Security or other Taxpayer Identification Number, if any

Address

INSTRUCTION TO FORWARD PURCHASE CONTRACT AGENT

Bank One Trust Company, National Association

Re: UPPER DECS of Cendant Corporation (the "Company")

The undersigned Holder hereby notifies you that it has delivered to The Chase Manhattan Bank, as Collateral Agent, [\$_____ aggregate principal amount of Treasury Securities] [\$_____ aggregate principal amount of Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, the case may be,] in exchange for an equal Value of [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio, as the case may be,] [Pledged Treasury Securities] held by the Collateral Agent, in accordance with Section [4.1][4.2] of the Pledge Agreement, dated July 27, 2001 (the "Pledge Agreement"), among you, the Company and the Collateral Agent. The undersigned Holder has paid the Collateral Agent all applicable fees relating to such exchange. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the [Pledged Notes or the appropriate Applicable Ownership Interest of the Treasury Portfolio] [Pledged Treasury Securities] related to such [Upper DECS] [Stripped DECS]. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Dated: _____

Signature

Signature Guarantee: _____

Please print name and address of Registered Holder:

Name

Social Security or other Taxpayer
Identification Number, if any

Address

INSTRUCTION TO CUSTODIAL AGENT REGARDING REMARKETING

The Chase Manhattan Bank

Re: Notes of Cendant Corporation (the "Company")

The undersigned hereby notifies you in accordance with Section 4.6(c) of the Pledge Agreement, dated as of July 27, 2001 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and Bank One Trust Company, National Association, as Forward Purchase Contract Agent and as attorney-in-fact for the Holders of Upper DECS and Stripped DECS from time to time, that the undersigned elects to deliver \$ aggregate principal amount of Notes for delivery to the Remarketing Agent on the Business Day immediately preceding the [Initial Remarketing Date] [Secondary Remarketing Date] for remarketing pursuant to Section 4.6(c) of the Pledge Agreement. The undersigned will, upon request of the Remarketing Agent, execute and deliver any additional documents deemed by the Remarketing Agent or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered hereby.

The undersigned hereby instructs you, upon receipt of the Proceeds of such remarketing from the Remarketing Agent to deliver such Proceeds to the undersigned in accordance with the instructions indicated herein under "A. Payment Instructions". The undersigned hereby instructs you, in the event of Failed [Initial] [Secondary] Remarketing, upon receipt of the Notes tendered herewith from the Remarketing Agent, to be delivered to the person(s) and the address(es) indicated herein under "B. Delivery Instructions."

With this notice, the undersigned hereby (i) represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Notes tendered hereby and that the undersigned is the record owner of any Notes tendered herewith in physical form or a participant in The Depository Trust Company ("DTC") and the beneficial owner of any Notes tendered herewith by book-entry transfer to your account at DTC and (ii) agrees to be bound by the terms and conditions of Section 4.6(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

By: _____
Name:
Title:
Signature Guarantee: _____

Name

Social Security or other Taxpayer
Identification Number, if any

Address

A. PAYMENT INSTRUCTIONS

Proceeds of the remarketing should be paid by check in the name of the person(s) set forth below and mailed to the address set forth below.

Name(s)

(Please Print)
Address

(Please Print)

(Zip Code)

(Tax Identification or Social Security Number)

B. DELIVERY INSTRUCTIONS

In the event of a failed remarketing, Notes which are in physical form should be delivered to the person(s) set forth below and mailed to the address set forth below.

Name(s)

(Please Print)
Address

(Please Print)

(Zip Code)

(Tax Identification or Social Security Number)

In the event of a failed remarketing, Notes which are in book-entry form should be credited to the account at The Depository Trust Company set forth below.

DTC Account Number

Name of Account Party: _____

INSTRUCTION TO CUSTODIAL AGENT REGARDING
WITHDRAWAL FROM REMARKETING

The Chase Manhattan Bank

Re: Cendant Corporation (the "Company")

The undersigned hereby notifies you in accordance with Section 4.6(c) of the Pledge Agreement, dated as of July 27, 2001 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and Bank One Trust Company, National Association, as Forward Purchase Contract Agent and as attorney-in-fact for the Holders of Upper DECS and Stripped DECS from time to time, that the undersigned elects to withdraw the \$_____ aggregate principal amount of Notes delivered to the Custodial Agent on ____, 2001 for remarketing pursuant to Section 4.6(c) of the Pledge Agreement. The undersigned hereby instructs you to return such Notes to the undersigned in accordance with the undersigned's instructions. With this notice, the Undersigned hereby agrees to be bound by the terms and conditions of Section 4.6(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth in the Pledge Agreement.

Date: _____

By: _____
Name:
Title:
Signature Guarantee: _____

Name

Address

Social Security or other Taxpayer
Identification Number, if any

REMARKETING AGREEMENT

REMARKETING AGREEMENT, dated as of July 27, 2001 (the "Agreement") by and between Cendant Corporation, a Delaware corporation (the "Company"), Bank One Trust Company, National Association, not individually but solely as Forward Purchase Contract Agent (the "Forward Purchase Contract Agent") and as attorney-in-fact of the holders of Forward Purchase Contracts (as defined in the Forward Purchase Contract Agreement (as defined herein)), and Salomon Smith Barney, Inc. (the "Remarketing Agent").

WITNESSETH:

WHEREAS, the Company will issue \$750,000,000 (or up to \$862,000,000 if the underwriter's over-allotment option is exercised in full) aggregate Stated Amount of its Upper DECS (the "Upper DECS") under the Forward Purchase Contract Agreement, dated as of July 27, 2001, by and between the Forward Purchase Contract Agent and the Company (the "Forward Purchase Contract Agreement"); and

WHEREAS, the Company will issue concurrently in connection with the issuance of the Upper DECS \$750,000,000 (or up to \$862,000,000 if the underwriter's over-allotment option is exercised in full) aggregate principal amount of Senior Notes due August 17, 2006 (the "Senior Notes") of the Company; and

WHEREAS, the Senior Notes forming a part of the Upper DECS will be pledged pursuant to the Pledge Agreement (the "Pledge Agreement"), dated as of July 27, 2001, by and among the Company, the Chase Manhattan Bank, a New York banking corporation, as collateral agent (the "Collateral Agent"), and the Forward Purchase Contract Agent, to secure an Upper DECS holder's obligations under the related Forward Purchase Contract on the Forward Purchase Contract Settlement Date; and

WHEREAS, the Senior Notes of holders electing to have their Senior Notes remarketed and of the Upper DECS holders who have not elected to settle the Forward Purchase Contracts related to their Upper DECS by Cash Settlement and who have not settled their Forward Purchase Contracts early will be remarketed by the Remarketing Agent on the fifth Business Day immediately preceding May 17, 2004 (the "Initial Remarketing Date"); and

WHEREAS, in the event of a Failed Initial Remarketing, the Senior Notes of holders electing to have their Senior Notes remarketed and of the Upper DECS holders who have not elected to settle the Forward Purchase Contracts related to their Upper DECS by Cash Settlement and who have not settled their Forward Purchase Contracts early will be remarketed by the Remarketing Agent on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date; and

WHEREAS, in the event of a Successful Initial Remarketing, the applicable interest rate on the Senior Notes will be reset on the Initial Remarketing Date, to the Reset Rate to be determined by the Reset Agent (defined below) as the rate that such Senior Notes should bear in order for the Applicable Principal Amount of the Senior Notes to have an approximate

aggregate market value of 100.5% of the Treasury Portfolio Purchase Price on the Initial Remarketing Date, provided that in the determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate permitted by applicable law; and

WHEREAS, in the event of a Failed Initial Remarketing, the applicable interest rate on the Senior Notes that remain outstanding on and after the Forward Purchase Contract Settlement Date will be reset on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date, to the Reset Rate to be determined by the Reset Agent as the rate that such Senior Notes should bear in order to have an approximate market value of 100.5% of the aggregate principal amount of the Senior Notes on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date, provided that in the determination of such Reset Rate, the Company shall, if applicable, limit the Reset Rate to the maximum rate permitted by applicable law; and

WHEREAS, the Company has requested Salomon Smith Barney Inc. ("Salomon Smith Barney") to act as the Reset Agent and as the Remarketing Agent, and as such to perform the services described herein; and

WHEREAS, Salomon Smith Barney is willing to act as Reset Agent and Remarketing Agent and as such to perform such duties on the terms and conditions expressly set forth herein;

NOW, THEREFORE, for and in consideration of the covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 1. Definitions.

Capitalized terms used and not defined in this Agreement, in the recitals hereto or in the paragraph preceding such recitals shall have the meanings assigned to them in the Forward Purchase Contract Agreement or, if not therein defined, the Pledge Agreement.

Section 2. Appointment and Obligations of Remarketing Agent.

(a) The Company hereby appoints Salomon Smith Barney and Salomon Smith Barney hereby accepts such appointment, (i) as the Reset Agent to determine, in consultation with the Company, in the manner provided for herein and in the Indenture (as in effect on the date of this Remarketing Agreement) with respect to the Senior Notes, (1) the Reset Rate that, in the opinion of the Reset Agent, will, when applied to the Senior Notes, enable the Applicable Principal Amount of the Senior Notes to have an approximate aggregate market value of 100.5% of the Treasury Portfolio Purchase Price as of the Initial Remarketing Date, and (2) in the event of a Failed Initial Remarketing, the Reset Rate that, in the opinion of the Reset Agent, will, when applied to the Senior Notes, enable a Senior Note to have an approximate market value of 100.5% of its principal amount as of the fifth Business Day preceding the Forward Purchase Contract Settlement Date, provided, in each case, that the Company, by notice to the Reset Agent prior to the tenth Business Day preceding May 17, 2004, in the case of the Initial Remarketing (as defined below), or the Forward Purchase Contract Settlement Date, in the case of the Secondary Remarketing (as defined below), shall, if applicable, limit the Reset Rate so that it does not exceed the maximum rate permitted by applicable law and (ii) as the exclusive

Remarketing Agent (subject to the right of Salomon Smith Barney to appoint additional remarketing agents hereunder as described below) to (1) remarket the Senior Notes of the holders electing to have their Senior Notes remarketed and of the Upper DECS holders who have not elected to settle the Forward Purchase Contracts related to their Upper DECS by Cash Settlement and who have not settled their Forward Purchase Contracts early on the Initial Remarketing Date, for settlement on May 17, 2004 and (2) in the case of a Failed Initial Remarketing, remarket the Senior Notes of the holders electing to have their Senior Notes remarketed or of the Upper DECS holders who have not early settled the related Forward Purchase Contracts and have failed to notify the Forward Purchase Contract Agent, on or prior to the seventh Business Day immediately preceding the Forward Purchase Contract Settlement Date, of their intention to settle the related Forward Purchase Contracts through Cash Settlement. In connection with the remarketing contemplated hereby, the Remarketing Agent will enter into a Supplemental Remarketing Agreement (the "Supplemental Remarketing Agreement") with the Company and the Forward Purchase Contract Agent, which shall either be (i) substantially in the form attached hereto as Exhibit A (with such changes as the Company and the Remarketing Agent may agree upon, it being understood that changes may be necessary in the representations, warranties, covenants and other provisions of the Supplemental Remarketing Agreement due to changes in law or facts and circumstances or in the event that Salomon Smith Barney is not the sole remarketing agent, and with such further changes therein as the Remarketing Agent may reasonably request, or (ii) in such other form as the Remarketing Agent may reasonably request, subject to the approval of the Company (such approval not to be unreasonably withheld). Anything herein to the contrary notwithstanding, Salomon Smith Barney shall not be obligated to act as Remarketing Agent or Reset Agent hereunder unless the Supplemental Remarketing Agreement is in form and substance reasonably satisfactory to Salomon Smith Barney. The Company agrees that Salomon Smith Barney shall have the right, on 15 Business Days notice to the Company, to appoint one or more additional remarketing agents so long as any such additional remarketing agents shall be reasonably acceptable to the Company. Upon any such appointment, the parties shall enter into an appropriate amendment to this Agreement to reflect the addition of any such remarketing agent.

(b) Pursuant to the Supplemental Remarketing Agreement, the Remarketing Agent, either as sole remarketing agent or as representative of a group of remarketing agents appointed as aforesaid, will agree, subject to the terms and conditions set forth herein and therein, to use its reasonable efforts to (i) remarket, on the Initial Remarketing Date, the Senior Notes that the Trustee (as such term is defined in the Indenture) shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the Initial Remarketing, at a price per Note such that the aggregate price for the Applicable Principal Amount of the Senior Notes is approximately 100.5% of the Treasury Portfolio Purchase Price and (ii) in the event of a Failed Initial Remarketing, remarket, on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date, the Senior Notes that the Trustee shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the Secondary Remarketing, at a price of approximately 100.5% of the aggregate principal amount of such Senior Notes. Notwithstanding the preceding sentence, the Remarketing Agent shall not remarket any Senior Notes for a price less than the price necessary for the Applicable Principal Amount of the Senior Notes to have an aggregate price equal to 100% of the Treasury Portfolio Purchase Price (the "Minimum Initial Remarketing Price"), in the case of the Initial Remarketing, or 100% of the aggregate principal amount of such Senior Notes,

in the case of the Secondary Remarketing. After deducting the fee specified in Section 3 below, the proceeds of such Initial Remarketing or Secondary Remarketing, as the case may be, shall be paid to the Collateral Agent in accordance with Section 4.6 or 6.3 of the Pledge Agreement and Section 5.4 or 5.5 of the Forward Purchase Contract Agreement (each of which Sections are incorporated herein by reference). The right of each holder of Senior Notes or Upper DECS to have Senior Notes tendered for the Initial Remarketing or the Secondary Remarketing, as the case may be, shall be limited to the extent that (i) the Remarketing Agent conducts an Initial Remarketing and, in the event of a Failed Initial Remarketing, a Secondary Remarketing pursuant to the terms of this Agreement, (ii) Senior Notes tendered have not been called for redemption, (iii) the Remarketing Agent is able to find a purchaser or purchasers for tendered Senior Notes at a price of not less than the Minimum Initial Remarketing Price, in the case of the Initial Remarketing, and 100% of the principal amount thereof, in the case of the Secondary Remarketing and (iv) such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required.

(c) It is understood and agreed that neither the Remarketing Agent nor the Reset Agent shall have any obligation whatsoever to purchase any Senior Notes, whether in the Initial Remarketing, Secondary Remarketing or otherwise, and shall in no way be obligated to provide funds to make payment upon tender of Senior Notes for remarketing or to otherwise expend or risk their own funds or incur or be exposed to financial liability in the performance of their respective duties under this Agreement or the Supplemental Remarketing Agreement. The Company shall not be obligated in any case to provide funds to make payment upon tender of Senior Notes for remarketing.

Section 3. Fees.

In the event of a Successful Initial Remarketing, the Remarketing Agent shall retain as a remarketing fee (the "Remarketing Fee") an amount not exceeding 25 basis points (0.25%) of the Minimum Initial Remarketing Price from any amount received in connection with such Initial Remarketing in excess of the Minimum Initial Remarketing Price. In the event of a Successful Secondary Remarketing, the Remarketing Agent shall retain as the Remarketing Fee an amount not exceeding 25 basis points (0.25%), of the principal amount of the remarketed Senior Notes from any amount received in connection with such Secondary Remarketing in excess of the aggregate principal amount of such remarketed Senior Notes. In addition, the Reset Agent shall, in either case, receive from the Company a reasonable and customary fee (the "Reset Agent Fee"); provided, however, that if the Remarketing Agent shall also act as the Reset Agent, then the Reset Agent shall not be entitled to receive any such Reset Agent Fee. Payment of such Reset Agent Fee shall be made by the Company on the Initial Remarketing Date, in the case of a Successful Initial Remarketing, or on the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date, in the case of a Successful Secondary Remarketing, in immediately available funds or, upon the instructions of the Reset Agent, by certified or official bank check or checks or by wire transfer.

Section 4. Replacement and Resignation of Remarketing Agent.

(a) The Company may in its absolute discretion replace Salomon Smith Barney as the Remarketing Agent and as the Reset Agent hereunder by giving notice prior to

3:00 p.m., New York City time (i) on the eleventh Business Day immediately prior to May 17, 2004, or (ii) in the event of a Failed Initial Remarketing, prior to 3:00 p.m., New York City time on the eleventh Business Day immediately prior to the Forward Purchase Contract Settlement Date, provided, in either case, that the Company must replace Salomon Smith Barney both as Remarketing Agent and as Reset Agent unless Salomon Smith Barney shall otherwise agree. Any such replacement shall become effective upon the Company's appointment of a successor to perform the services that would otherwise be performed hereunder by the Remarketing Agent and the Reset Agent. Upon providing such notice, the Company shall use all reasonable efforts to appoint such a successor and to enter into a remarketing agreement with such successor as soon as reasonably practicable.

(b) Salomon Smith Barney may resign at any time and be discharged from its duties and obligations hereunder as the Remarketing Agent and/or as the Reset Agent by giving notice prior to 3:00 p.m., New York City time (i) on the eleventh Business Day immediately prior to May 17, 2004, or (ii) in the event of a Failed Initial Remarketing, on the eleventh Business Day immediately prior to the Forward Purchase Contract Settlement Date. Any such resignation shall become effective upon the Company's appointment of a successor to perform the services that would otherwise be performed hereunder by the Remarketing Agent and/or the Reset Agent. Upon receiving notice from the Remarketing Agent and/or the Reset Agent that it wishes to resign hereunder, the Company shall appoint such a successor and enter into a remarketing agreement with it as soon as reasonably practicable.

Section 5. Dealing in the Securities.

Each of the Remarketing Agent and the Reset Agent, when acting hereunder or, in the case of the Remarketing Agent, under the Supplemental Remarketing Agreement, or when acting in its individual or any other capacity, may, to the extent permitted by law, buy, sell, hold or deal in any of the Senior Notes, Stripped DECS, Upper DECS or any other securities of the Company. With respect to any Senior Notes, Stripped DECS, Upper DECS or any other securities of the Company owned by it, each of the Remarketing Agent and the Reset Agent may exercise any vote or join in any action with like effect as if it did not act in any capacity hereunder. Each of the Remarketing Agent and the Reset Agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Company as freely as if it did not act in any capacity hereunder.

The Company or its affiliates may, to the extent permitted by law, purchase any Senior Notes that are remarketed by any Remarketing Agent.

Section 6. Registration Statement and Prospectus.

(a) In connection with the Initial Remarketing, if and to the extent required in the view of counsel (which need not be an opinion) for each of the Remarketing Agent and the Company by applicable law, regulations or interpretations in effect at the time of such Initial Remarketing, the Company (i) shall use its reasonable efforts to have a registration statement relating to the Senior Notes effective under the Securities Act of 1933 prior to the fifth Business Day immediately preceding May 17, 2004, (ii) if requested by the Remarketing Agent shall furnish a current preliminary prospectus and, if applicable, a current preliminary prospectus

supplement to be used by the Remarketing Agent in the Initial Remarketing not later than seven Business Days prior to May 17, 2004 (or such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request, and (iii) shall furnish a current final prospectus and, if applicable, a final prospectus supplement to be used by the Remarketing Agent in the Initial Remarketing not later than the fifth Business Day immediately preceding May 17, 2004 in such quantities as the Remarketing Agent may reasonably request, and shall pay all expenses relating thereto.

(b) In the event of a Failed Initial Remarketing and in connection with the Secondary Remarketing, if and to the extent required in the view of counsel (which need not be an opinion) for either the Remarketing Agent or the Company by applicable law, regulations or interpretations in effect at the time of such Secondary Remarketing, the Company (i) shall use its reasonable efforts to have a registration statement relating to the Senior Notes effective under the Securities Act of 1933 prior to the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date, (ii) if requested by the Remarketing Agent, shall furnish a current preliminary prospectus and, if applicable, a current preliminary prospectus supplement to be used by the Remarketing Agent in the Secondary Remarketing not later than seven Business Days prior to the Forward Purchase Contract Settlement Date (or such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request, and (iii) shall furnish a current final prospectus and, if applicable, a final prospectus supplement to be used by the Remarketing Agent in the Secondary Remarketing not later than the fifth Business Day immediately preceding the Forward Purchase Contract Settlement Date in such quantities as the Remarketing Agent may reasonably request, and shall pay all expenses relating thereto.

(c) If in connection with the Initial Remarketing or, in the event of a Failed Initial Remarketing, the Secondary Remarketing it shall not be possible, in the view of counsel (which need not be an opinion) for each of the Remarketing Agent and the Company, under applicable law, regulations or interpretations in effect at the time of such Initial Remarketing or such Secondary Remarketing to register the offer and sale by the Company of the Senior Notes under the Securities Act of 1933 as otherwise contemplated by this Section 6, the Company (i) shall use its reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper and advisable to permit and effectuate the offer and sale of the Senior Notes in connection with the Initial Remarketing or the Secondary Remarketing, as the case may be, without registration under the Securities Act of 1933 pursuant to an exemption therefrom, if available, including the exemption afforded by Rule 144A under the rules and regulations promulgated under the Securities Act of 1933 by the Securities and Exchange Commission, (ii) if requested by the Remarketing Agent shall furnish a current preliminary remarketing memorandum to be used by the Remarketing Agent in the Initial Remarketing or the Secondary Remarketing, as the case may be, not later than seven Business Days prior to May 17, 2004, in the case of the Initial Remarketing, or the Forward Purchase Contract Settlement Date, in the case of the Secondary Remarketing (or in either case such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request and (iii) shall furnish a current final remarketing memorandum to be used by the Remarketing Agent in the Initial Remarketing or the Secondary Remarketing, as the case may be, not later than the fifth Business Day immediately preceding May 17, 2004, in the case of the Initial Remarketing, or the Forward Purchase Contract Settlement Date, in the case of the

Secondary Remarketing, in such quantities as the Remarketing Agent may reasonably request, and shall pay all expenses relating thereto.

(d) The Company shall also take all such actions as may (upon advice of counsel to the Company or the Remarketing Agent) be necessary or desirable under state securities or blue sky laws in connection with the Initial Remarketing and the Secondary Remarketing.

Section 7. Conditions to the Remarketing Agent's Obligations.

(a) The obligations of the Remarketing Agent and the Reset Agent under this Agreement and, in the case of the Remarketing Agent, the Supplemental Remarketing Agreement shall be subject to the terms and conditions of this Agreement and the Supplemental Remarketing Agreement, including, without limitation, the following conditions: (i) the Senior Notes tendered for, or otherwise to be included in the Initial Remarketing or Secondary Remarketing, as the case may be, have not been called for redemption, (ii) the Remarketing Agent is able to find a purchaser or purchasers for tendered Senior Notes (1) in the case of the Initial Remarketing, at a price not less than the Minimum Initial Remarketing Price, and (2) in the case of the Secondary Remarketing, at a price not less than 100% of the principal amount thereof, (iii) the Forward Purchase Contract Agent, the Collateral Agent, the Custodial Agent, the Securities Intermediary, the Company and the Trustee shall have performed their respective obligations in connection with the Initial Remarketing and, in the event of a Failed Initial Remarketing, in connection with the Secondary Remarketing, in each case pursuant to the Forward Purchase Contract Agreement, the Pledge Agreement, the Indenture, this Agreement and the Supplemental Remarketing Agreement (including, without limitation, giving the Remarketing Agent notice of the Treasury Portfolio Purchase Price no later than 10:00 a.m., New York City time, on the sixth Business Day prior to May 17, 2004, in the case of the Initial Remarketing, and giving the Remarketing Agent notice of the aggregate principal amount, as the case may be, of Senior Notes to be remarketed, no later than 10:00 a.m., New York City time, on the sixth Business Day prior to the Forward Purchase Contract Settlement Date, in the case of the Secondary Remarketing, and, in each case, concurrently delivering the Senior Notes to be remarketed to the Remarketing Agent), (iv) no Event of Default (as defined in the Indenture) shall have occurred and be continuing, (v) the accuracy of the representations and warranties of the Company included and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement or in certificates of any officer of the Company or any of its subsidiaries delivered pursuant to the provisions included or incorporated by reference in this Agreement or the Supplemental Remarketing Agreement, (vi) the performance by the Company of its covenants and other obligations included and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement, and (vii) the satisfaction of the other conditions set forth and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement.

(b) If at any time during the term of this Agreement, any Indenture Event of Default or event that with the passage of time or the giving of notice or both would become an Indenture Event of Default has occurred and is continuing under the Indenture, then the obligations and duties of the Remarketing Agent and the Reset Agent under this Agreement and the Supplemental Remarketing Agreement shall be suspended until such default or event has

been cured. The Company will promptly give the Remarketing Agent notice of all such defaults and events of which the Company is aware.

Section 8. Termination of Remarketing Agreement.

This Agreement shall terminate as to any Remarketing Agent or Reset Agent which is replaced on the effective date of its replacement pursuant to Section 4(a) hereof or pursuant to Section 4(b) hereof. Notwithstanding the foregoing, the obligations set forth in Section 3 hereof shall survive and remain in full force and effect until all amounts payable under said Section 3 shall have been paid in full; provided, however, that if any Reset Agent resigns, then the obligations set forth in Section 3 hereof shall not survive the termination of this Agreement and no fee shall be payable to such Reset Agent in such capacity. In addition, each former Remarketing Agent and Reset Agent shall be entitled to the rights and benefits under Section 10 of this Agreement notwithstanding the replacement or resignation of such Remarketing Agent or Reset Agent.

Section 9. Remarketing Agent's Performance; Duty of Care.

The duties and obligations of the Remarketing Agent and the Reset Agent shall be determined solely by the express provisions of this Agreement and, in the case of the Remarketing Agent, the Supplemental Remarketing Agreement. No implied covenants or obligations of or against the Remarketing Agent or the Reset Agent shall be read into this Agreement or the Supplemental Remarketing Agreement. In the absence of a final judicial determination of willful misconduct, bad faith or gross negligence on the part of the Remarketing Agent or the Reset Agent, as the case may be, the Remarketing Agent and the Reset Agent each may conclusively rely upon any document furnished to it which purports to conform to the requirements of this Agreement or the Supplemental Remarketing Agreement, as the case may be, as to the truth of the statements expressed therein. Each of the Remarketing Agent and the Reset Agent shall be protected in acting upon any document or communication reasonably believed by it to be signed, presented or made by the proper party or parties. Neither the Remarketing Agent nor the Reset Agent shall have any obligation to determine whether there is any limitation under applicable law on the Reset Rate on the Senior Notes or, if there is any such limitation, the maximum permissible Reset Rate on the Senior Notes, and they shall rely solely upon written notice from the Company (which the Company agrees to provide prior to the tenth Business Day before May 17, 2004, in the case of the Initial Remarketing, and prior to the tenth Business Day before Forward Purchase Contract Settlement Date, in the case of the Secondary Remarketing) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate. Neither the Remarketing Agent nor the Reset Agent shall incur any liability under this Agreement or the Supplemental Remarketing Agreement to any beneficial owner or holder of Senior Notes, or other securities, either in its individual capacity or as Remarketing Agent or Reset Agent, as the case may be, for any action or failure to act in connection with the Remarketing or otherwise in connection with the transactions contemplated by this Agreement or the Supplemental Remarketing Agreement, except to the extent that such liability has, by final judicial determination, resulted from the willful misconduct, bad faith or gross negligence of the Remarketing Agent or the Reset Agent or by their failure to fulfill their express obligations hereunder or, in the case of the Remarketing Agent, under the Supplemental Remarketing Agreement. The provisions of this Section 9 shall survive any termination of this

Agreement and shall also continue to apply to every Remarketing Agent and Reset Agent notwithstanding their resignation or removal.

Section 10. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless the Remarketing Agent, the Reset Agent and their respective directors, officers, employees, agents, affiliates and each person, if any, who controls the Remarketing Agent or the Reset Agent within the meaning of either Section 15 of the Securities Act of 1933, as amended (the "1933 Act"), or Section 20 of the Securities Exchange Act of 1934, as amended (the "1934 Act") (the Remarketing Agent, the Reset Agent and each such person or entity being an "Indemnified Party"), as follows:

(i) from and against any and all losses, claims, damages, liabilities and expenses whatsoever, joint or several, as incurred, to which such Indemnified Party may become subject under any applicable federal or state law, or otherwise, and related to, arising out of, or based on (A) the failure to have an effective Registration Statement (as defined in the Supplemental Remarketing Agreement) under the 1933 Act relating to the Senior Notes, as the case may be, if required, or the failure to satisfy the prospectus delivery requirements of the 1933 Act because the Company failed to provide the Remarketing Agent with a Prospectus (as defined in the Supplemental Remarketing Agreement) for delivery, or (B) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereto (including any information deemed to be a part of the Registration Statement at the time it became effective pursuant to paragraph (b) of Rule 430A under the 1933 Act, if applicable), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (C) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus, or any amendment or supplement thereto, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (D) any untrue statement or alleged untrue statement of a material fact contained in any preliminary remarketing memorandum or any final remarketing memorandum, or any amendment or supplement thereto, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (E) any untrue statement or alleged untrue statement of a material fact contained in any other documents (including, without limitation, any documents incorporated or deemed to be incorporated by reference in any such documents) provided by the Company for use in connection with the remarketing of the Senior Notes or any of the transactions related thereto, or (F) any breach by the Company of any of the representations, warranties or agreements included or incorporated by reference in this Agreement or the Supplemental Remarketing Agreement, or (G) any failure by the Company to make or consummate the remarketing of the Senior Notes (including, without limitation, any Failed Initial Remarketing or Failed Secondary Remarketing) or the withdrawal, recession, termination, amendment or extension of the terms of such remarketing, or (H) any failure on the part of the Company to comply, or any breach by the Company of, any of the provisions included or incorporated by reference in this Agreement, the Supplemental Remarketing Agreement, the Forward Purchase Contract Agreement, the Upper DECS, the Stripped DECS, the Pledge Agreement, the Indenture or the Senior Notes (collectively, the "Operative Documents") or (I) the remarketing of the Senior Notes, as the case

may be, or any other transaction contemplated by any of the Operative Documents, or the engagement of the Remarketing Agent or the Reset Agent pursuant to, or the performance by the Remarketing Agent or the Reset Agent of the respective services contemplated by, this Agreement or the Supplemental Remarketing Agreement, whether or not the Initial Remarketing or the Secondary Remarketing or the reset of the interest rate on the Senior Notes as contemplated herein actually occur;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever related to, arising out of or based on any matter described in (i) above; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Salomon Smith Barney, reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever related to, arising out of or based on any matter described in (i) above to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that the Company shall not be liable under clause (i)(B), (i)(C), (i)(D) or (i)(E) to the extent any such loss, claim, damage, liability or expense arises out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and conformity with written information furnished to the Company by the Remarketing Agent or the Reset Agent expressly for use in the Registration Statement (or any amendment thereto), any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) or any preliminary or final remarketing memorandum (or any amendment or supplement thereto) or any other documents used in connection with remarketing of the Senior Notes, as the case may be; provided, further, that with respect to any untrue statement or omission of a material fact made in any preliminary prospectus, the indemnity agreement contained in this Section 10(a) shall not inure to the benefit of the Remarketing Agent to the extent that any such loss, claim, damage or liability of the Remarketing Agent occurs under the circumstance where it shall be that (w) the Company had previously furnished copies of the Prospectus to Salomon Smith Barney Inc. (x) delivery of the Prospectus was required to be made to such person, (y) the untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact contained in the preliminary prospectus was corrected in the Prospectus, and (z) there was not sent or given to such person, at or prior to the written confirmation of the sale of Securities to such person, a copy of the Prospectus and the delivery thereof would have constituted a complete defense to such person's claim in respect of such untrue statement or omission or alleged untrue statement or omission; provided, further, that the Company shall not be liable under clause (i)(G) or (i)(I) to the extent that such loss, claim, damage, liability or expense has, by final judicial determination, resulted from the willful misconduct, bad faith or gross negligence of the Remarketing Agent or the Reset Agent or by their failure to fulfill their express obligations hereunder or, in the case of the Remarketing Agent, under the Supplemental Remarketing Agreement.

The Company agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or its respective security holders or creditors relating to or arising out of the engagement of the Remarketing Agent or the Reset Agent pursuant to, or the performance by the Remarketing Agent or the Reset Agent of their respective services contemplated by, this Agreement or the Supplemental Remarketing Agreement except to the extent that any loss, claim, damage, liability or expense resulted from the willful misconduct, gross negligence or bad faith of the Remarketing Agent or the Reset Agent, as the case may be.

The Company agrees that, without Salomon Smith Barney's prior written consent, it will not settle, compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any action or claim whatsoever in respect of which indemnification or contribution could be sought under this Section 10 (whether or not Salomon Smith Barney or any other Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Party from all liability arising out of such litigation, investigation, proceeding, action or claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an Indemnified Party.

(b) If the indemnification provided for in Section 10(a) hereof is for any reason unavailable to or insufficient to hold harmless an Indemnified Party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then the Company shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such Indemnified Party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Remarketing Agent and the Reset Agent on the other hand from the remarketing of the Senior Notes contemplated hereby or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Remarketing Agent and the Reset Agent on the other hand in connection with the statements, omissions or other matters which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Remarketing Agent and the Reset Agent on the other hand in connection with the remarketing of the Senior Notes contemplated hereby shall be deemed to be in the same respective proportions as the aggregate principal amount of the Senior Notes which are or are to be remarketed bears to the aggregate fees actually received by the Remarketing Agent and the Reset Agent under Section 3 hereof. The relative fault of the Company on the one hand and the Remarketing Agent and the Reset Agent on the other hand (i) in the case of an untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, shall be determined by reference to, among other things, whether such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or by the Remarketing Agent or the Reset Agent on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission and (ii) in the case of any other action or omission shall be determined by reference to, among other things, whether such action or omission was taken or omitted to be taken by the Company on the one hand, or by the

Remarketing Agent or the Reset Agent, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to prevent or correct such action or omission. The Company, the Remarketing Agent and the Reset Agent agree that it would not be just and equitable if contribution pursuant to this Section 10(b) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 10(b). The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an Indemnified Party and referred to above in this Section 10(b) shall be deemed to include any legal or other expenses incurred by such Indemnified Party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or any such omission or alleged omission or any other such action or omission; provided, however, that to the extent permitted by applicable law, in no event shall the Remarketing Agent or the Reset Agent be required to contribute any amount which, in the aggregate, exceeds the aggregate principal amount of Notes to be remarketed pursuant to this Agreement. No investigation or failure to investigate by any Indemnified Party shall impair the foregoing indemnification and contribution agreement or any rights an Indemnified Party may have. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(c) In the event an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Company, the Company agrees to reimburse the Remarketing Agent or the Reset Agent, as the case may be, for all reasonable expenses, as incurred, which are incurred by the Remarketing Agent or the Reset Agent, as the case may be, in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and disbursements of its legal counsel, and to compensate the Remarketing Agent or the Reset Agent, as the case may be, in an amount to be mutually agreed upon.

(d) Promptly after receipt by an Indemnified Party of written notice of any claim or commencement of an action or proceeding with respect to which indemnification may be sought hereunder, such Indemnified Party will notify the Company in writing of such claim or of the commencement of such action or proceeding, but failure to so notify the Company will not relieve the Company from any liability which it may have to such Indemnified Party under this indemnification and contribution agreement except to the extent the Company was materially prejudiced by such failure to notify, and in any event will not relieve the Company from any other liability that it may have to such Indemnified Party. The Company, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Company may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Company shall have agreed in writing to pay such fees and expenses, (ii) the Company shall have failed to take reasonable steps necessary to defend any claim within ten calendar days after receiving written notice from the Indemnified Party that that Indemnified Party believes the Company has failed to take such steps or (iii) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Indemnified Party and

representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Company shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred after receipt of adequate documentation thereof.

(e) Anything herein or in the Supplemental Remarketing Agreement to the contrary notwithstanding, the provisions of this Section 10, and the rights of the Remarketing Agent, the Reset Agent and the other Indemnified Parties hereunder, shall be in addition to, and not in limitation of, any rights or benefits (including, without limitation, rights to indemnification or contribution) which the Remarketing Agent, the Reset Agent or any other Indemnified Party may have under any other instrument or agreement.

Section 11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

Section 12. Term of Agreement. (a) Unless otherwise terminated in accordance with the provisions hereof and except as otherwise provided herein, this Agreement shall remain in full force and effect from the date hereof until the first day thereafter on which no Senior Notes are outstanding, or, if earlier, the Business Day immediately following May 17, 2004, in the case of a Successful Initial Remarketing, or the Business Day immediately following the Forward Purchase Contract Settlement Date, in the case of a Successful Secondary Remarketing. Anything herein to the contrary notwithstanding, the provisions of the last section of Section 8 hereof and the provisions of Sections 3, 9, 10 and 12(b) hereof shall survive any termination of this Agreement and remain in full force and effect; provided, however, that if any Reset Agent resigns, then the obligations set forth in Section 3 hereof shall not survive the termination of this Agreement and no fee shall be payable to such Reset Agent in such capacity.

(b) All representations and warranties included or incorporated by reference in this Agreement, or the Supplemental Remarketing Agreement, or contained in certificates of officers of the Company submitted pursuant hereto or thereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Agent, the Reset Agent or any of their controlling persons, or by or on behalf of the Company or the Forward Purchase Contract Agent, and shall survive the remarketing of the Senior Notes.

Section 13. Successors and Assigns. The rights and obligations of the Company and the Forward Purchase Contract Agent (both in its capacity as Forward Purchase Contract Agent and as attorney-in-fact) hereunder may not be assigned or delegated to any other person without the prior written consent of the Remarketing Agent and the Reset Agent, which consent shall not be unreasonably withheld. The rights and obligations of the Remarketing Agent and the Reset Agent hereunder may not be assigned or delegated to any other person without the prior written consent of the Company, except that the Remarketing Agent shall have the right to appoint additional remarketing agents as provided herein. This Agreement shall inure to the benefit of and be binding upon the Company, the Forward Purchase Contract Agent, the Remarketing Agent and the Reset Agent and their respective successors and assigns and the

other Indemnified Parties (as defined in Section 10 hereof) and the successors, assigns, heirs and legal representatives of the Indemnified Parties. The terms "successors" and "assigns" shall not include any purchaser of Securities or Senior Notes merely because of such purchase.

Section 14. Headings. Section headings have been inserted in this Agreement and the Supplemental Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement or the Supplemental Remarketing Agreement and will not be used in the interpretation of any provision of this Agreement or the Supplemental Remarketing Agreement.

Section 15. Severability. If any provision of this Agreement or the Supplemental Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy or for any other reason, then, to the extent permitted by law, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstances or jurisdiction, or of rendering any other provision or provisions of this Agreement or the Supplemental Remarketing Agreement, as the case may be, invalid, inoperative or unenforceable to any extent whatsoever.

Section 16. Counterparts. This Agreement and the Supplemental Remarketing Agreement may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 17. Amendments. This Agreement and the Supplemental Remarketing Agreement may be amended by any instrument in writing signed by the parties hereto. The Company and the Forward Purchase Contract Agent agree that they will not enter into, cause or permit any amendment or modification of the Forward Purchase Contract Agreement, the Indenture, the Pledge Agreement, the Senior Notes, the Upper DECS or any other instruments or agreements relating to the Senior Notes or the Upper DECS which would adversely affect the rights, duties or obligations of the Remarketing Agent or the Reset Agent without the prior written consent of the Remarketing Agent or the Reset Agent, as the case may be.

Section 18. Notices. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing or transmitted by any standard form of telecommunication, including telephone or telecopy, and confirmed in writing. All written notices and confirmations of notices by telecommunication shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid. All such notices, requests, consents or other communications shall be addressed as follows: if to the Company, to Cendant Corporation, 9 West 57th Street, New York, NY 10019, Attention: Eric J. Bock, Esq.; Vice President - Legal; if to the Remarketing Agent or Reset Agent, to Salomon Smith Barney Inc. at 388 Greenwich Street, New York, New York 10013, Attention: Caesar Sweitzer, Managing Director, with a copy to Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, Attention: Robert Evans III; and if to the Forward Purchase Contract Agent, to Bank One Trust Company, National Association, 153 West 51st Street, New York, NY 10019, Attention:

Sandra Becker Whalen, or to such other address as any of the above shall specify to the other in writing.

Section 19. Information. The Company agrees to furnish the Remarketing Agent and the Reset Agent with such information and documents as the Remarketing Agent or the Reset Agent may reasonably request in connection with the transactions contemplated by this Remarketing Agreement and the Supplemental Remarketing Agreement, and make reasonably available to the Remarketing Agent, the Reset Agent and any accountant, attorney or other advisor retained by the Remarketing Agent or the Reset Agent such information that parties would customarily require in connection with a due diligence investigation conducted in accordance with applicable securities laws and cause the Company's officers, directors, employees and accountants to participate in all such discussions and to supply all such information reasonably requested by any such person in connection with such investigation.

IN WITNESS WHEREOF, each of the Company, the Forward Purchase Contract Agent and the Remarketing Agent has caused this Agreement to be executed in its name and on its behalf by one of its duly authorized signatories as of the date first above written.

CENDANT CORPORATION

By: _____
Name:
Title:

CONFIRMED AND ACCEPTED:

SALOMON SMITH BARNEY INC.

By: _____
Authorized Signatory

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION
not individually but solely as Forward Purchase Contract
Agent and as attorney-in-fact for the holders of
the Forward Purchase Contracts

By: _____
Name:
Title:

Form of Supplemental Remarketing Agreement

Supplemental Remarketing Agreement dated _____, ____ among Cendant Corporation, a Delaware corporation (the "Company"), Salomon Smith Barney Inc. (the "Remarketing Agent"), and Bank One Trust Company, National Association, as Forward Purchase Contract Agent and attorney-in-fact for the Holders of the Forward Purchase Contracts (as such terms are defined in the Forward Purchase Contract Agreement referred to in Schedule I hereto).

NOW, THEREFORE, for and in consideration of the covenants herein made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used and not defined in this Agreement shall have the meanings assigned to them in the Remarketing Agreement dated as of July 27, 2001 (the "Remarketing Agreement") among the Company, the Forward Purchase Contract Agent and Salomon Smith Barney Inc. or, if not defined in the Remarketing Agreement, the meanings assigned to them in the Forward Purchase Contract Agreement (as defined in Schedule I hereto).

2. Registration Statement and Prospectus. The Company has filed with the Securities and Exchange Commission, and there has become effective, a registration statement on Form S-3, including a prospectus, relating to the Securities (as such term is defined on Schedule I hereto). Such Registration Statement, as amended, and including the information deemed to be a part thereof pursuant to Rule 430A under the Securities Act of 1933, as amended (the "1933 Act"), and the documents incorporated or deemed to be incorporated by reference therein, are hereinafter called, collectively, the "Registration Statement"; (the related preliminary prospectus dated _____, including the documents incorporated or deemed to be incorporated by reference therein, [and preliminary prospectus supplemented dated _____] are hereinafter called, [collectively] the "preliminary prospectus";] and the related prospectus dated _____, including the documents incorporated or deemed to be incorporated by reference therein, [and prospectus supplement dated _____] are hereinafter called, [collectively,] the "Prospectus." The Company has provided copies of the Registration Statement [, the preliminary prospectus] and the Prospectus to the Remarketing Agent, and hereby consents to the use of the [preliminary prospectus] and the Prospectus in connection with the remarketing of the Securities. [IN THE EVENT THAT A REGISTRATION STATEMENT IS NOT POSSIBLE OR NOT REQUIRED, INSERT THE FOLLOWING: The Company has provided to the Remarketing Agent, for use in connection with remarketing of the Securities (as such term is defined on Schedule I hereto), a [preliminary remarketing memorandum and] remarketing memorandum and [describe other materials, if any]. Such remarketing memorandum (including the documents incorporated or deemed to be incorporated by reference therein, [and] [describe other materials] are hereinafter called, collectively, the "Prospectus," [and such preliminary marketing memorandum (including the documents incorporated or deemed to be incorporated by reference therein) is hereinafter called a "preliminary prospectus"]]. The Company hereby consents to the use of the Prospectus [and the preliminary prospectus] in connection with the remarketing of the Securities]. All references in this Agreement to amendments or supplements to the Registration

Statement [, the preliminary prospectus] or the Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated or deemed to be incorporated by reference in the Registration Statement [, the preliminary prospectus] or the Prospectus, as the case may be.

3. Provisions Incorporated by Reference.

(a) Subject to Section 3(b), the provisions of the Underwriting Agreement (other than Section 2, Section 3, Section 5, Section 8 and Section 9 thereof) are incorporated herein by reference, mutatis mutandis, and the Company hereby makes the representations and warranties, and agrees to comply with the covenants and obligations, set forth in the provisions of the Underwriting Agreement incorporated by reference herein, as modified by the provisions of Section 3(b) hereof.

(b) With respect to the provisions of the Underwriting Agreement incorporated herein, for the purposes hereof, (i) all references therein to the "Underwriter" shall be deemed to refer to the Remarketing Agent ; (ii) all references therein to the "Securities" or "Initial Securities" shall be deemed to refer to the Securities as defined herein; (iii) all references therein to the "Closing Date" shall be deemed to refer to the Remarketing Closing Date specified in Schedule I hereto; (iv) all references therein to the "Registration Statement" [, the "preliminary prospectus"] or the "Final Prospectus" shall be deemed to refer to the Registration Statement[, the preliminary prospectus] and the Prospectus, respectively, as defined herein; (v) all references therein to this "Agreement," the "Underwriting Agreement," "hereof," "herein" and all references of similar import, shall be deemed to mean and refer to this Supplemental Remarketing Agreement; (vi) all references therein to "the date hereof," "the date of this Agreement" and all similar references shall be deemed to refer to the date of this Supplemental Remarketing Agreement; (vii) all references therein to any "settlement date" shall be disregarded; and (viii) [Indicate any other changes, including changes relating to the offer and sale of the Securities in connection with the Remarketing without registration under the Securities Act of 1933 in reliance upon an exemption therefrom (including the exemption afforded by Rule 144A)].]

4. Remarketing. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth or incorporated by reference herein and in the Remarketing Agreement, the Remarketing Agent agrees to use its reasonable efforts to remarket, in the manner set forth in Section 2(b) of the Remarketing Agreement, the aggregate principal amount, as the case may be, of Securities set forth in Schedule I hereto at a purchase price not less than 100% of the [Minimum Initial Remarketing Price] [aggregate principal amount of the Securities]. In connection therewith, the registered holder or holders thereof agree, in the manner specified in Section 5 hereof, to pay to the Remarketing Agent a Remarketing Fee equal to an amount not exceeding 25 basis points (0.25%) of [the Minimum Initial Remarketing Price] [such aggregate principal amount,] payable by deduction from any amount received in connection from such [Initial][Secondary] Remarketing in excess of 100% of the [Minimum Initial Remarketing Price] [aggregate principal amount of the Securities]. The right of each holder of Securities to have Securities tendered for purchase shall be limited to the extent set forth in the last sentence of Section 2(b) of the Remarketing Agreement (which is incorporated by reference herein). As more fully provided in Section 2(c) of the Remarketing Agreement (which is incorporated by reference herein), the Remarketing Agent is not obligated to purchase

any Securities in the remarketing or otherwise, and neither the Company nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of Securities for remarketing.

5. Delivery and Payment. Delivery of payment for the remarketed Securities by the purchasers thereof identified by the Remarketing Agent and payment of the Remarketing Fee shall be made on the Remarketing Closing Date at the location and time specified in Schedule I hereto (or such later date not later than five Business Days after such date as the Remarketing Agent shall designate), which date and time may be postponed by agreement between the Remarketing Agent and the Company. Delivery of the remarketed Securities and payment of the Remarketing Fee shall be made to the Remarketing Agent against payment by the respective purchasers of the remarketed Securities of the consideration therefor as specified herein, which consideration shall be paid to the Collateral Agent for the account of the persons entitled thereto by certified or official bank check or checks drawn on or by a New York Clearing House bank and payable in immediately available funds or in immediately available funds by wire transfer to an account or accounts designated by the Collateral Agent.

If the Securities are not represented by a Global Security held by or on behalf of The Depository Trust Company, certificates for the Securities shall be registered in such names and denominations as the Remarketing Agent may request not less than three full Business Days in advance of the Remarketing Closing Date, and the Company, the Collateral Agent and the registered holder or holders thereof agree to have such certificates available for inspection, packaging and checking by the Remarketing Agent in New York, New York not later than 1:00 p.m. on the Business Day prior to the Remarketing Closing Date.

6. Notices. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing or transmitted by any standard form of telecommunication, including telephone or telecopy, and confirmed in writing. All written notices and confirmations of notices by telecommunication shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid. All such notices, requests, consents or other communications shall be addressed as follows: if to the Company, to Cendant Corporation, 9 West 57th Street, New York, NY 10019, Attention: Eric J. Bock, Esq.; Vice President - Legal; if to the Remarketing Agent or Reset Agent, to Salomon Smith Barney Inc. at 388 Greenwich Street, New York, New York 10013, Attention: Caesar Sweitzer, Managing Director, with a copy to Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, Attention: Robert Evans III; and if to the Forward Purchase Contract Agent, to Bank One Trust Company, National Association, 153 West 51st Street, New York, NY 10019, Attention: Sandra Becker Whalen, or to such other address as any of the above shall specify to the other in writing.

7. Conditions to Obligations of Remarketing Agent. Anything herein to the contrary notwithstanding, the parties hereto agree (and the holders and beneficial owners of the Securities will be deemed to agree) that the obligations of the Remarketing Agent under this Agreement and the Remarketing Agreement are subject to the satisfaction of the conditions set forth in Section 7 of the Remarketing Agreement (which are incorporated herein by reference), and to the satisfaction, on the Remarketing Closing Date, of the conditions incorporated by

reference herein from Section 5 of the Underwriting Agreement as modified by Section 3(b) hereof (including, without limitation, the delivery of opinions of counsel, officers' certificates and accountants' comfort letters in form and substance satisfactory to the Remarketing Agent, the accuracy as of the Remarketing Closing Date of the representations and warranties of the Company included and incorporated by reference herein and the performance by the Company of its obligations under the Remarketing Agreement and this Agreement as and when required hereby and thereby). In addition, anything herein or in the Remarketing Agreement to the contrary notwithstanding, the Remarketing Agreement and this Agreement may be terminated by the Remarketing Agent, by notice to the Company at any time prior to the time of settlement on the Remarketing Closing Date, if any of the events or conditions set forth in Section 9 of the Underwriting Agreement, as modified by Section 3(b) hereof, shall have occurred or shall exist.

8. Indemnity and Contribution. Anything herein to the contrary notwithstanding, the Remarketing Agent shall be entitled to indemnity and contribution on the terms and conditions set forth in the Remarketing Agreement.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the Remarketing Agent.

Very truly yours,

CENDANT CORPORATION

By:

Name:
Title:

CONFIRMED AND ACCEPTED:

SALOMON SMITH BARNEY INC.

By:

Authorized Signatory

[Add other Remarketing Agents, if any]

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION
not individually but solely as Forward Purchase Contract
Agent and as attorney-in-fact for the holders of
the Forward Purchase Contracts

By: -----

Name:
Title:

SCHEDULE I

Securities subject to the remarketing: Senior Notes due August 17, 2006 of the Company (the "Securities")

Forward Purchase Contract Agreement, dated as of July 27, 2001 (the "Forward Purchase Contract Agreement") by and between Cendant Corporation, a Delaware corporation, and Bank One Trust Company, National Association

Pledge Agreement dated as of July 27, 2001 (the "Pledge Agreement") by and between Cendant Corporation, a Delaware corporation, The Chase Manhattan Bank, as Collateral Agent, and Bank One Trust Company, National Association

Indenturedated as of February 24, 1998 (the "Base Indenture") by and between Cendant Corporation, a Delaware corporation, and Bank of Nova Scotia Trust Company of New York, as Trustee

Fourth Supplemental Indenture, dated as of July 27, 2001 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture") by and Cendant Corporation, a Delaware corporation, and Bank of Nova Scotia Trust Company of New York, as Trustee

[Minimum Initial Remarketing Price]

[Aggregate Principal Amount of Securities: \$ _____]

Underwriting Agreement, dated July 20, 2001 (the "Underwriting Agreement") between Cendant Corporation and Salomon Smith Barney Inc.

Remarketing Closing Date, Time and Location:

July 27, 2001

Cendant Corporation
9 West 57th Street
New York, New York 10019

Ladies and Gentlemen:

I am the Senior Vice President, Law and Secretary of Cendant Corporation, a Delaware corporation (the "Company"), and have acted as counsel in connection with its preparation and filing with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the "Securities Act"), of a prospectus supplement, dated July 20, 2001 (the "Prospectus Supplement"), to the prospectus, dated November 18, 1998 (the "Prospectus"), included as part of the Registration Statement on Form S-3 of the Company, Cendant Capital II and Cendant Capital III (File Nos. 333-49405 and 333-65456) (the "Registration Statement"), relating to the offering by the Company of up to 17,250,000 of its Upper DECS(sm) (the "Upper DECS"), each with a stated amount of \$50. Each Upper DECS initially consists of (a) a forward purchase contract (a "Forward Purchase Contract") under which (i) the holder is obligated to purchase from the Company on August 17, 2004 a number of shares of CD common stock, par value \$0.01 per share, of the Company (the "Shares") and (ii) the Company will pay the holder contract payment adjustments and (b) \$50 principal amount of the Company's senior notes due August 2006. The Company issued the Upper DECS pursuant to that certain underwriting agreement, dated as of July 20, 2001, by and between the Company and Salomon Smith Barney Inc., as the underwriter (the "Underwriting Agreement").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Registration Statement,

Cendant Corporation
July 27, 2001

(ii) the Prospectus, (iii) the Prospectus Supplement, (iv) the Underwriting Agreement, (v) the Forward Purchase Contract Agreement, dated July 27, 2001 (the "Forward Purchase Contract Agreement"), between the Company and Bank One Trust Company, National Association, as forward purchase contract agent (the "Forward Purchase Contract Agent"), (vi) the Pledge Agreement, dated July 27, 2001, among the Company, The Chase Manhattan Bank, as collateral agent, custodial agent and securities intermediary, and the Forward Purchase Contract Agent, (vii) the Remarketing Agreement, dated July 27, 2001, among the Company, the Forward Purchase Contract Agent and Salomon Smith Barney Inc., as remarketing agent, and (viii) the Indenture, dated February 24, 1998, between the Company and the Bank of Nova Scotia Trust Company of New York, as trustee (the "Trustee"), as supplemented by the Fourth Supplemental Indenture, dated as of July 27, 2001, between the Company and the Trustee. I have also examined originals or copies, certified or otherwise identified to my satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I have deemed necessary or appropriate as a basis for the opinions set forth herein.

In my examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such latter documents. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery of such documents by the parties to such documents, and the validity and binding effect thereof. As to any facts material to the opinions expressed herein which I did not independently establish or verify, I have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

I am admitted to the bars in the States of New York and New Jersey and do not express any opinion as to the laws of any other jurisdiction.

Based upon and subject to the limitations, qualifications, exceptions and assumptions set forth above, I am of the opinion that:

Cendant Corporation
July 27, 2001

1. The Upper DECS have been duly authorized and are valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent enforcement thereof might be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditor's rights generally, and (ii) general principles of equity, regardless of whether enforceability is considered in a proceeding at law or equity.

2. The Shares subject to the Forward Purchase Contracts have been duly authorized and reserved for issuance and, when issued and delivered by the Company pursuant to the terms of the Forward Purchase Contract Agreement, will be validly issued, fully paid and non-assessable.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. I also consent to the reference to the use of my name under the caption "Legal Matters" in the Registration Statement. In giving this consent, I do not thereby admit that I am included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Eric J. Bock

Eric J. Bock
Senior Vice President, Law and
Secretary

July 27, 2001

Cendant Corporation
9 West 57th Street
New York, NY 10019

Re: Offering of Upper DECS

Ladies and Gentlemen:

We have acted as special counsel to Cendant Corporation, a Delaware corporation (the "Company"), in connection with the preparation of the Prospectus Supplement, dated July 20, 2001 (the "Prospectus Supplement"), relating to certain investment units (the "Upper DECS"), initially comprised of forward purchase contracts to purchase shares of common stock of the Company, par value \$0.01 per share, and senior notes due 2006 (the "Notes") issued by the Company.

In connection with this opinion, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of (i) the Underwriting Agreement, dated July 20, 2001, between Salomon Smith Barney Inc. and the Company, (ii) the Registration Statement on Form S-3 (File No. 333-49405) of the Company filed with the Securities and Exchange Commission (the "Commission") on April 13, 1998, under the Securities Act of 1933, as amended (the "Securities Act"), and the Registration Statement on Form S-3 (File No. 333-65456) of the Company filed with the Commission on July 19, 2001, under the Securities Act, (iii) the Prospectus of the Company, dated November 18, 1998 (the "Prospectus"), (iv) the Prospectus Supplement, (v) the Senior Indenture, dated as of February 24, 1998, between the Company and The Bank of Nova Scotia Trust Company of New York, as trustee (the "Trustee"), as supplemented by the Fourth Supplemental Indenture, dated as of July 27, 2001, between the Company and the Trustee, (vi) the Purchase Contract Agreement between the Company and Bank One Trust Company, National Association, as Purchase Contract Agent, dated as of July 27, 2001, and (vii) such

other documents, certificates, and records as we have deemed necessary or appropriate as a basis for the opinion set forth herein. We have also relied upon statements and representations made to us by representatives of the Company. For purposes of this opinion, we have assumed the validity and accuracy of the documents, certificates, records, statements, and representations referred to above.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the authenticity of the originals of such latter documents. In making our examination of documents executed, or to be executed, by the parties indicated therein, we have assumed that each party has, or will have, the power, corporate or other, to enter into and perform all obligations thereunder and we have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by each party indicated in the documents and that such documents constitute, or will constitute, valid and binding obligations of each party.

Based upon the foregoing and in reliance thereon, and subject to the qualifications, exceptions, assumptions and limitations herein contained, we are of the opinion that:

(1) although the discussion set forth in the Prospectus Supplement under the heading "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES" does not purport to discuss all possible United States federal income tax consequences of the purchase, ownership and disposition of the Upper DECS, such discussion constitutes, in all material respects, a fair and accurate summary of the United States federal income tax consequences of the purchase, ownership and disposition of the Upper DECS, based upon current United States federal income tax law; and

(2) the Notes will be treated as indebtedness of the Company for United States federal income tax purposes.

We express no opinion concerning any tax consequences associated with the Upper DECS other than those specifically set forth herein.

This opinion is delivered in accordance with the requirements of Item 601(b)(8) of Regulation S-K under the Securities Act. In rendering our opinion, we have considered the applicable provisions of the Internal Revenue Code of 1986, as amended, Treasury Department regulations promulgated thereunder, pertinent judicial authorities, interpretive rulings of the Internal Revenue Service and such other authorities as we have considered relevant. It should be noted that statutes, regulations, judicial decisions and administrative interpretations are subject to change or differing interpretations, possibly with retroactive effect. Moreover, there can be no assurance that the opinion expressed herein will be accepted by the Internal Revenue Service or, if challenged, by a court of law. A change in the authorities or the accuracy or completeness of any of the information, documents, certificates, records, statements, representations, covenants, or assumptions on which our opinion is based could affect our conclusions. This opinion is expressed as of the date hereof, and we are under no obligation to supplement or revise our opinion to reflect any changes (including changes that have retroactive effect) in applicable law or any information, document, certificate, record, statement, representation, covenant or assumption relied upon herein that becomes incorrect or untrue.

This opinion is delivered to you solely for use in connection with the Prospectus Supplement and is not to be used, circulated, quoted or otherwise referred to for any other purpose, or relied upon by any other person, without our express written permission. In accordance with the requirements of Item 601(b)(23) of Regulation S-K under the Securities Act, we hereby consent to the filing of this opinion as an exhibit to the Prospectus Supplement and to the reference to our firm in the Prospectus Supplement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules or regulations of the Commission thereunder.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher &
Flom LLP

[CENDANT LOGO]

CENDANT CLOSES UPPER DECS (SM) OFFERING

JULY 30, 2001, NEW YORK, NY - Cendant Corporation (NYSE:CD) today announced that it has closed the previously announced public offering of \$750 million of Upper DECS SM, consisting of senior notes and forward purchase contracts to purchase Cendant common stock. Cendant has granted the underwriter, Salomon Smith Barney, an option for up to an additional \$112.5 million of Upper DECS SM to cover over-allotments, if any. Pursuant to the forward purchase contracts, Cendant will issue common stock in August 2004. The net proceeds from this offering will be used for general corporate purposes.

The senior notes will bear interest at an annual rate of 6.75% and the forward purchase contracts have an annual interest rate of 1.00%, payable quarterly in years one through three. The senior notes have a five-year maturity and the interest rate in years four and five will be based on a remarketing at the time the forward purchase contracts mature. The forward purchase contracts call for the holder to purchase the minimum of 1.7593 shares and a maximum of 2.3223 shares of Cendant common stock per Upper DECS (SM) based upon the average of the closing price per share of Cendant common stock for a 20 consecutive day trading period ending in mid August 2004. This represents a maximum common stock purchase price of \$28.42 per share or a 32% premium to the \$21.53 closing price of Cendant common stock on July 19, 2001.

A registration statement related to this offering has been filed with the Securities and Exchange Commission and has become effective.

Cendant Corporation is primarily a provider of travel and residential real estate services. With approximately 57,000 employees, New York City-based Cendant provides these services to businesses and consumers in over 100 countries.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such jurisdiction. The offering may be made only by means of a prospectus or related prospectus supplement, copies of which may be obtained from Salomon Smith Barney.

(SM) Service mark of Salomon Smith Barney, Inc.

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