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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

NOVEMBER 5, 1998 (OCTOBER 30, 1998)
(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.)

6 SYLVAN WAY,
PARSIPPANY, NEW JERSEY
(Address of Principal Executive Office)

07054
(Zip Code)

(973) 428-9700
(Registrant's telephone number, including area code)

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

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ITEM 5. OTHER

Earnings Release. On November 4, 1998, Cendant Corporation reported its third quarter results for the quarter ending September 30, 1998. Attached hereto as Exhibit 99.1 is the press release relating to the third quarter earnings release which is incorporated herein by reference in its entirety. In addition, attached hereto as Exhibit 99.2 are financial schedules summarizing restated revenue and EBITDA by business segment for all four quarters of 1997 and the first, second and third quarters of 1998. Each segment is also presented with revenues and revenue drivers for lines of business within the segment.

The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.

Credit Facility Amendments. On October 30, 1998, the Company amended and restated its 364-Day Competitive Advance and Revolving Credit Agreement which, among other things, extends such facility until October 29, 1999. The Company also made certain amendments to its Five Year Competitive Advance and Revolving Credit Facility and its Term Loan Agreement. Each of such amendments is attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, and are incorporated herein by reference in their entirety.

ITEM 7. EXHIBITS

Exhibit

Exhibit No.	Description
10.1	364 - Day Competitive Advance and Revolving Credit Agreement, as amended and restated through October 30, 1998, among Cendant Corporation, the lenders referred to herein, and The Chase Manhattan Bank, as Administrative Agent
10.2	Amendment, dated as of October 30, 1998, to the Five year Competitive Advance and Revolving Credit Agreement, dated as of October 2, 1996, by and among Cendant Corporation, the financial institutions parties thereto, and The Chase Manhattan Bank, as Administrative Agent
10.3	Amendment, dated October 30, 1998, to the Term Loan Agreement, dated as of May 29, 1998, by and among Cendant Corporation, the financial institutions parties thereto, and The Chase Manhattan Bank, as Administrative Agent
99.1	Press Release: Cendant Corporation Reports Third Quarter Results, dated November 5, 1998
99.2	Revenue Drivers

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 hereunto duly authorized.

CENDANT CORPORATION

BY: /s/ David M. Johnson

David M. Johnson
Senior Executive Vice President
and Chief Financial Officer

Date: November 5, 1998

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
REPORT DATED NOVEMBER 5, 1998 (OCTOBER 30, 1998)

EXHIBIT INDEX

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AMENDMENT (this "Amendment"), dated as of October 30, 1998, to the FIVE YEAR COMPETITIVE ADVANCE AND REVOLVING CREDIT AGREEMENT dated as of October 2, 1996 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among CENDANT CORPORATION, a Delaware corporation (the "Borrower"), the financial institutions parties thereto (the "Lenders"), and THE CHASE MANHATTAN BANK, a New York banking corporation, as agent for the Lenders (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrower has requested that certain provisions of the Credit Agreement be amended and waived as set forth herein, and;

WHEREAS, the Lenders are willing to agree to such amendments and waivers on the terms set forth herein;

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the undersigned hereby agree as follows:

1. Defined Terms. Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Section 1.

(a) Section 1 of the Credit Agreement is amended by adding the following definition in alphabetical order:

"October Amendment Date" shall mean the Effective Date as defined in the Amendment to this Agreement dated as of October 30, 1998.

(b) Section 1 of the Credit Agreement is amended by deleting the definition of "Avis" therefrom in its entirety.

(c) Section 1 of the Credit Agreement is amended by adding the following to the definition of "Consolidated EBITDA" immediately after clause (vii) thereof:

minus (viii) any cash expenditures during such period to the extent such cash expenditures (x) did not reduce Consolidated Net Income and (y) were applied against reserves that constituted non-cash items which reduced Consolidated Net Income during prior periods,

(d) Section 1 of the Credit Agreement is amended by adding at the end of the first sentence of "Consolidated Interest Expense" the following:

minus, without duplication, any interest income of the Borrower and its Consolidated Subsidiaries on a consolidated basis during such period.

(e) Section 1 of the Credit Agreement is amended by deleting clause (ii) from the definition of "Consolidated Net Income" and substituting therefor the phrase "(ii) [INTENTIONALLY OMITTED]".

(f) Section 1 of the Credit Agreement is amended by deleting the phrases "Avis and its Subsidiaries and" and "Avis and" each time they appear in the definition of the term "Consolidated Total Indebtedness".

(g) Section 1 of the Credit Agreement is amended by deleting from the definition of "GAAP" the phrase "Merger Effective Date" and substituting therefor the phrase "October Amendment Date".

(h) Section 1 of the Credit Agreement is amended by amending and restating the definition of "Merger Effective Date" in its entirety to read as follows:

"Merger Effective Date" shall mean December 18, 1997.

(i) Section 1 of the Credit Agreement is amended by deleting the phrase "Avis and its Subsidiaries and" from the definition of "Subsidiary".

3. Amendment to Section 2.9. Section 2.9 of the Credit Agreement is amended by adding at the end of paragraph (b) the phrase "plus the applicable margin, if any, for ABR Loans from time to time in effect pursuant to Section 2.22".

4. Amendment to Section 2.22. Section 2.22 of the Credit Agreement is amended by deleting such Section and substituting therefor the following:

SECTION 2.22 Certain Pricing Adjustments.

The Facility Fee and the applicable LIBOR Spread in effect from time to time shall be determined in accordance with the following table:

S&P/Moody's Rating Equivalent of the Borrower's Senior Unsecured Long-Term Debt	Facility Fee (In Basis Points)	Applicable LIBOR Spread (In Basis Points)
A/A2 or better	10.0	27.5
A-/A3	12.5	37.5
BBB+/Baa1	15.0	47.5
BBB/Baa2	17.5	57.5
BBB-/Baa3	22.5	65.0
BB+/Ba1 or lower	37.5	112.5

In the event the S&P rating on the Borrower's senior unsecured long-term debt is not equivalent to the Moody's rating on such debt, the lower rating will determine the Facility Fee and applicable LIBOR Spread. In the event that the Borrower's senior unsecured long-term debt is rated by only one of S&P and Moody's, then that single rating shall be determinative. In the event that the Borrower's senior unsecured long-term debt is not rated by either S&P or Moody's, then the Facility Fee and the applicable LIBOR Spread shall be deemed to be calculated as if the lowest rating category set forth above applied. Any increase in the Facility Fee or the applicable LIBOR Spread determined in accordance with the foregoing table shall become effective on the date of announcement or publication by the Borrower or either such rating agency of a reduction in such rating or, in the absence of such announcement or publication, on the effective date of such decreased rating, or on the date of any request by the Borrower to either of such rating agencies not to rate its senior unsecured long-term debt or on the date either of such rating agencies announces it shall no longer rate the Borrower's senior unsecured long-term debt. Any decrease in the Facility Fee or applicable LIBOR Spread shall be effective on the date of announcement or publication by either of such rating agencies of an increase in rating or in the absence of announcement or publication on the effective date of such increase in rating. The applicable margin for ABR Loans shall be 1% less than the applicable LIBOR Spread (but not less than 0%).

5. Amendment to Section 2.24. Section 2.24 of the Credit Agreement is amended by adding the following at the end thereof:

(1) Notwithstanding the other provisions of this Agreement, the Borrower may request that the Issuing Lender issue the RAC Letter of Credit on or prior to April 15, 1999 as long as, after giving effect thereto, the sum of the then current L/C Exposure plus the aggregate Loans then outstanding does not exceed the Total Commitment. The RAC Letter of Credit shall be a Letter of Credit issued under this Agreement provided that:

(i) The RAC Letter of Credit may be denominated in United Kingdom Pounds Sterling as long as at the time of issuance the Dollar Equivalent of the face amount of the RAC Letter of Credit does not exceed \$750,000,000.

(ii) The RAC Letter of Credit shall be deemed not to be a utilization of the \$100,000,000 available sublimit for the issuance of the Letters of Credit under Section 2.24(a).

(iii) The Borrower's reimbursement obligations and other payment obligations with respect to the RAC Letter of Credit (including reimbursement obligations under paragraphs (e) and (f) of this Section 2.24) shall be denominated in Dollars and shall be calculated on the basis of the Dollar Equivalent of the amount of any drawing under the RAC Letter of Credit or the face amount of the RAC Letter of Credit or any other amount with respect to the RAC Letter of Credit denominated in United Kingdom Pounds Sterling. Each Lender's funding and reimbursement obligations in respect of any drawing shall be in Dollars and shall be based on the Dollar Equivalent of the amount of such drawing calculated on the date of the such drawing.

(iv) The L/C Exposure with respect to the RAC Letter of Credit shall be equal to the Dollar Equivalent of the face amount thereof and the Dollar Equivalent of all drafts thereunder which have been presented and not yet paid or paid but not reimbursed.

(v) The Borrower, in coordination with the Administrative Agent, will implement and maintain internal controls with the object of preventing the aggregate amount of the Loans, Letters of Credit (other than the RAC Letter of Credit) and the Dollar Equivalent of the RAC Letter of Credit ("Total Exposure") from exceeding the Total Commitment. If, at any time, the Total Exposure exceeds the Total Commitment, then the Borrower shall immediately repay Loans, repay reimbursement obligations in respect of Letters of Credit and/or cause Letters of Credit to be cancelled or the amount thereof to be reduced, as shall be necessary to cause the Total Exposure to no longer exceed the Total Commitment.

(vi) Each Lender confirms that, in accordance with Sections 2.24(a)(ii) and (d), it will purchase a participating interest in the RAC Letter of Credit upon the issuance thereof.

(vii) As used in this Section 2.24 the following terms have the following meaning:

"Dollar Equivalent" shall mean with respect to any amount in respect of the RAC Letter of Credit denominated in United Kingdom Pounds Sterling, at any date of determination thereof, an amount in Dollars equivalent to such amount calculated on the basis of the Spot Rate of Exchange.

"RAC Letter of Credit" shall mean a letter of credit to be issued for the account of the Borrower by The Chase Manhattan Bank, London Branch to support the Borrower's payment obligations in respect of the RAC Loan Notes.

"Spot Rate of Exchange" shall mean, with respect to United Kingdom Pounds Sterling, at any date of determination thereof, the spot rate of exchange in New York that appears on the display page applicable to United Kingdom Pounds Sterling on the Dow Jones System Incorporated Service (or such other page as may replace such page on such service for the purpose of displaying the spot rate of exchange in New York); provided that if there shall at any time no longer exist such a page on such service, the spot rate of exchange shall be determined by reference to another similar rate publishing service selected by the Administrative Agent and, if no such similar rate publishing service is available, by reference to the published rate of the Administrative Agent in effect at such date for similar commercial transactions. Any determination by the Administrative Agent of the Spot Rate of Exchange shall be conclusive. Notwithstanding the foregoing, for purposes of calculating the fronting fee described in Section 2.24(f)(i)(c) and the commission described in Section 2.24(f)(ii) for any period, the Spot Rate shall be deemed to be the Spot Rate reasonably determined from time to time by the Administrative Agent and may be fixed from time to time by the Administrative Agent to facilitate calculation of such amounts.

6. Amendment to Section 3.4. Section 3.4 of the Credit Agreement is amended by deleting such Section and substituting therefor the following:

SECTION 3.4 Financial Statements of Borrower.

The (a) revised audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of December 31, 1996 and December 31, 1997, and (b) unaudited consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of March 31, 1998 and June 30, 1998, together with the related unaudited statements of income, shareholders' equity and cash flows for such periods, fairly present the financial condition of the Borrower and its Consolidated Subsidiaries as at the dates indicated and the results of operations and cash flows for the periods indicated in conformity with GAAP subject to normal year-end adjustments in the case of the March 31, 1998 and June 30, 1998 financial statements.

7. Amendment to Section 3.5. Section 3.5 of the Credit Agreement is amended by deleting such Section and substituting therefor the following:

There has been no material adverse change in the business, assets, operations, or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a

whole from that disclosed in the revised audited consolidated financial statements (including the footnotes thereto) of the Borrower referred to in Section 3.4 for its 1997 fiscal year; provided, however, that the foregoing representation is made solely as of the October Amendment Date.

8. Amendment to Section 3.6. Section 3.6 of the Credit Agreement is amended by deleting the phrase "Merger Effective Date" and substituting therefor the phrase "October Amendment Date".

9. Amendment to Section 3.8. Section 3.8 of the Credit Agreement is amended by deleting the phrase "Merger Effective Date" and substituting therefor the phrase "October Amendment Date".

10. Amendment to Section 3.10. Section 3.10 of the Credit Agreement is amended by deleting the phrase "G,".

11. Amendment to Section 3.14. Section 3.14 of the Credit Agreement is amended by deleting the phrase "Merger Effective Date" and substituting therefor the phrase "October Amendment Date".

12. Amendment to Section 3.15. Section 3.15 of the Credit Agreement is amended by (a) deleting each reference to the phrase "Merger Effective Date" and substituting therefor the phrase "October Amendment Date" and (b) deleting the phrase "September 1996" and substituting therefor the phrase "October 1998".

13. Amendment to Section 6.1. Section 6.1 of the Credit Agreement is amended by deleting from paragraph (a) the phrase "date hereof" each time it appears and substituting therefor the phrase "October Amendment Date".

14. Amendment to Section 9. Section 9 of the Credit Agreement is amended by adding the following at the end thereof:

SECTION 9.15. Judgment.

(a) If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in one currency into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding the day on which final judgment is given.

(b) The obligations of the Borrower in respect of this Agreement and any Note due to any party hereto or any holder of any bond shall, notwithstanding any judgment in a currency (the "judgment currency") other than the currency in which the sum originally due to such party or such holder is denominated (the "original currency"), be discharged only to the extent that on the Business Day following receipt by such party or such holder (as the case may be) of any sum adjudged to be

so due in the judgment currency such party or such holder (as the case may be) may in accordance with normal banking procedures purchase the original currency with the judgment currency; if the amount of the original currency so purchased is less than the sum originally due to such party or such holder (as the case may be) in the original currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such party or such holder (as the case may be) against such loss, and if the amount of the original currency so purchased exceeds the sum originally due to any party to this Agreement or any holder of Notes (as the case may be), such party or such holder (as the case may be), agrees to remit to such Borrower, such excess. This covenant shall survive the termination of this Agreement and payment of the Loans and all other amounts payable hereunder.

15. Amendments to Schedules 3.6, 6.1 and 6.5. Schedules 3.6, 6.1 and 6.5 of the Credit Agreement are hereby amended by replacing such Schedules with new Schedules 3.6, 6.1 and 6.5 in the forms of Schedules 3.6, 6.1 and 6.5, respectively, attached to this Amendment.

16. Effective Date. This Amendment shall become effective on the date (the "Effective Date") on which:

(a) the Borrower, the Administrative Agent and the Required Lenders under each Credit Agreement shall have duly executed and delivered to the Administrative Agent this Amendment; and

(b) the Lenders shall have received the (i) revised audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of December 31, 1997 and December 31, 1996, as adjusted for the accounting irregularities disclosed in the Borrower's amended 1997 Form 10K/A filed with the Securities and Exchange Commission and (ii) unaudited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of March 31, 1998 and June 30, 1998.

17. Representations and Warranties. The Borrower hereby represents and warrants that (a) each of the representations and warranties in Section 3 of each Credit Agreement shall be, after giving effect to this Amendment, true and correct in all material respects as if made on and as of the Effective Date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and (b) after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

18. No Other Amendments; Confirmation. Except as expressly amended hereby, the provisions of the Credit Agreement and each of the Fundamental Documents are and shall remain in full force and effect.

19. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

20. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CENDANT CORPORATION

By: /s/ Michael Monaco

Name: Michael Monaco
Title: Chief Financial Officer

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Carol A. Ulmer

Name: Carol A. Ulmer
Title: Vice President

ABN-AMRO BANK N.V. NEW YORK
BRANCH

By: _____
Name:
Title:

By: _____
Name:
Title:

BANK OF AMERICA NT&SA

By: /s/ Steve A. Aronowitz

Name: Steve A. Aronowitz
Title: Managing Director

BANK OF MONTREAL

By: /s/ Brian L. Banke

Name: Brian L. Banke
Title: Director

THE BANK OF NEW YORK

By: /s/ Eliza S. Adams

Name: Eliza S. Adams
Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/ S. Lockhart

Name: S. Lockhart
Title: Vice President

BANK OF TOKYO-MITSUBISHI TRUST
COMPANY

By: /s/ William DiNicola

Name: William DiNicola
Title: Vice President

PARIBAS

By: /s/ Russell Pomerantz

Name: Russell Pomerantz
Title: Vice President

By: /s/ Sean Reddington

Name: Sean Reddington
Title: Vice President

BAYERISCHE LANDESBANK
GIROZENTRALE
CAYMAN ISLANDS BRANCH

By:

Name:
Title:

BAYERISCHE HYPO-UND VEREINSBANK
AG, NEW YORK BRANCH

By:

Name:
Title:

By:

Name:
Title:

CIBC INC.

By: /s/ Gerald Girardi

Name: Gerald Girardi
Title: Executive Director

CITIBANK, N.A.

By:

Name:
Title:

COMERICA BANK

By: /s/ Kimberly S. Kersten

Name: Kimberly S. Kersten
Title: Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/Vladimir Labun

Name: Vladimir Hurst
Title: First Vice President-Manager

CREDIT SUISSE FIRST BOSTON

By: /s/ Bill O'Daly

Name: Bill O'Daly
Title: Vice President

By: /s/ Kristin Lepri

Name: Kristin Lepri
Title: Associate

DG BANK DEUTSCHE
GENOSSENSCHAFTSBANK, CAYMAN
ISLAND BRANCH

By: _____
Name:
Title:

By: _____
Name:
Title:

FIRST AMERICAN NATIONAL BANK

By: _____
Name:
Title:

FIRST HAWAIIAN BANK

By: _____
Name:
Title:

THE FIRST NATIONAL BANK OF BOSTON

By: -----
Name:
Title:

THE FIRST NATIONAL BANK OF CHICAGO

By: -----
Name:
Title:

FIRST NATIONAL BANK OF MARYLAND

By: -----
Name:
Title:

FIRST UNION NATIONAL BANK

By: -----
Name:
Title:

FLEET NATIONAL BANK

By: -----
Name:
Title:

THE FUJI BANK, LIMITED
NEW YORK BRANCH

By: -----
Name:
Title:

THE INDUSTRIAL BANK OF JAPAN,
LIMITED
NEW YORK BRANCH

By: /s/ Christian Giordano

Name: Christine Gioardano
Title: Vice President

MELLON BANK, N.A.

By: /s/ Donald G. Cassidy, Jr.

Name: Donald G. Cassidy, Jr.
Title: First Vice President

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK

By: -----
Name:
Title:

THE NORTHERN TRUST COMPANY

By: -----
Name:
Title:

PNC BANK, N.A.

By: /s/ Michael Nardo

Name: Michael Nardo
Title: Vice President

ROYAL BANK OF CANADA

By: /s/ Sheryl L. Greenberg

Name: Sheryl L. Greenberg
Title: Senior Manager

THE SAKURA BANK, LIMITED

By: /s/ Yasumasa Kikuchi

Name: Yasumasa Kikuchi
Title: Senior Vice President

THE SANWA BANK, LIMITED

By:

Name:
Title:

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH

By: /s/ J. Bruce Meredith

Name: J. Bruce Meredith
Title: Senior Vice President

SUMMIT BANK

By:

Name:
Title:

THE TOKAI BANK LIMITED NEW YORK
BRANCH

By: /s/ Shinichi Nakatani

Name: Shinichi Nakatani
Title: Assistant General Manager

UNITED STATES NATIONAL BANK OF
OREGON

By: -----
Name:
Title:

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH

By: /s/ Cynthia M. Niesen

Name: Cynthia M. Niesen
Title: Managing Director

By: /s/ Walter T. Duffy III

Name: Walter T. Duffy III
Title: Associate

BANKERS TRUST COMPANY

By: /s/ James Reilly

Name: James Reilly
Title: Vice President

Schedule 6.1

Existing Indebtedness and Guarantees

Lease Agreement dated 11/29/91 between Days Inns of America, Inc. and John Hancock Life Insurance Company in the amount of \$373,970.

Lease Agreement dated 8/1/93 between Coldwell Banker Corporation and Pitney Bowes in the amount of \$22,805.

Lease Agreement dated 6/1/95 between Coldwell Banker Corporation and Xerox Corporation in the amount of \$652,331.

Unsecured borrowings by Coldwell Banker Corporation from Wells Fargo Bank in principal amount of \$27,000,000.

Prior to March 31, 1999, \$100 million Credit Facility dated March 27, 1998 between Hebdo Mag Inc., the lenders thereto and the Canadian Imperial Bank of Commerce.

Existing Liens

Liens in connection with leases of office equipment incurred in the ordinary course of business.

364-DAY COMPETITIVE ADVANCE AND
REVOLVING CREDIT AGREEMENT

Dated as of October 2, 1996, as amended
and restated through October 30, 1998

among

CENDANT CORPORATION

as Borrower

THE LENDERS REFERRED TO HEREIN,
BANK OF AMERICA NT&SA, as Syndication Agent

CREDIT LYONNAIS NEW YORK BRANCH
CREDIT SUISSE FIRST BOSTON,
as Co-Documentation Agents

WESTDEUTSCHE LANDESBANK GIROZENTRALE
FIRST UNION NATIONAL BANK,
as Managing Agents

BANK OF NOVA SCOTIA
MELLON BANK, N.A.
CANADIAN IMPERIAL BANK OF COMMERCE
THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH
SUMITOMO BANK
PARIBAS,
as Co-Agents

and

THE CHASE MANHATTAN BANK, as
Administrative Agent

CHASE SECURITIES INC., as Lead Arranger

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364-DAY COMPETITIVE ADVANCE AND REVOLVING CREDIT AGREEMENT (the "Agreement") dated as of October 2, 1996, as amended and restated through October 30, 1998, among CENDANT CORPORATION, a Delaware corporation (the "Borrower"), the Lenders referred to herein, the Syndication Agent, Co-Documentation Agents, Managing Agents and Co-Agents identified on the signature pages hereto and THE CHASE MANHATTAN BANK, a New York banking corporation, as agent (the "Administrative Agent") for the Lenders.

INTRODUCTORY STATEMENT

The Borrower, certain of the Lenders and the Administrative Agent are parties to the 364-Day Competitive Advance and Revolving Credit Agreement dated as of October 2, 1996, as amended through the Closing Date referred to below (the "Existing Credit Agreement").

The Borrower has requested that the Maturity Date (as defined below) be extended to October 29, 1999 and has requested certain other amendments to the Existing Credit Agreement.

The Borrower, the Lenders and the Administrative Agent desire to amend and restate the Existing Credit Agreement pursuant to this Agreement and to continue the Borrower's payment and performance obligations under the Existing Credit Agreement, as amended hereby.

Accordingly, the parties hereto hereby agree as follows:

1. DEFINITIONS

For the purposes hereof unless the context otherwise requires, the following terms shall have the meanings indicated, all accounting terms not otherwise defined herein shall have the respective meanings accorded to them under GAAP and all terms defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the respective meanings accorded to them therein:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article 2.

"Affiliate" shall mean any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Borrower. For purposes of this definition, a Person shall be deemed to be "controlled by" another if such latter Person possesses, directly or indirectly, power either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such controlled Person or (ii) direct or cause the direction of the management and policies of such controlled Person whether by contract or otherwise.

"Alternate Base Rate" shall mean for any day, a rate per annum (rounded upwards to the nearest 1/16 of 1% if not already an integral multiple of 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect for such day, (b) the Federal Funds Effective Rate in effect for such day plus 1/2 of 1% or (c) the Base CD Rate in effect for such day plus 1%. For purposes hereof, "Prime Rate" shall mean the rate per annum publicly announced by the Administrative Agent from time to time as its prime rate in effect at its principal office in New York City. For purposes of this Agreement, any change in the Alternate Base Rate due to a change in the Prime Rate shall be effective on the date such change in the Prime Rate is announced as effective. "Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. "Base CD Rate" shall mean the sum of (a) the product of (i) the Average Weekly Three-Month Secondary CD Rate times (ii) a fraction of which the numerator is 100% and the denominator is 100% minus the aggregate rates of (A) basic and supplemental reserve requirements in effect on the date of effectiveness of such Average Weekly Three-Month Secondary CD Rate, as set forth below, under Regulation D of the Board applicable to certificates of deposit in units of \$100,000 or more issued by a "member bank" located in a "reserve city" (as such terms are used in Regulation D) and (B) marginal reserve requirements in effect on such date of effectiveness under Regulation D applicable to time deposits of a "member bank" and (b) the Assessment Rate. "Average Weekly Three-Month Secondary CD Rate" shall mean the three-month secondary certificate of deposit ("CD") rate for the most recent

weekly period covered therein in the Federal Reserve Statistical release entitled "Weekly Summary of Lending and Credit Measures (Averages of daily figures)" released in the week during which occurs the day for which the CD rate is being determined. The CD rate so reported shall be in effect, for the purposes of this definition, for each day of the week in which the release date of such publication occurs. If such publication or a substitute containing the foregoing rate information is not published by the Federal Reserve for any week, such average rate shall be determined by the Administrative Agent on the basis of quotations received by it from three New York City negotiable certificate of deposit dealers of recognized standing on the first Business Day of the week succeeding such week for which such rate information is not published. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Base CD Rate or Federal Funds Effective Rate, or both, for any reason, including, without limitation, the inability or failure of the Administrative Agent to obtain sufficient bids or publications in accordance with the terms hereof, the Alternate Base Rate shall be determined without regard to clause (b) or (c), or both, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Average Weekly Three-Month Secondary CD Rate shall be effective on the effective date of such change in the CD Rate. Any change in the Alternate Base Rate due to a change in the Federal Funds Effective Rate shall be effective on the effective date of such change in the Federal Funds Effective Rate.

"Applicable Law" shall mean all provisions of statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to a Person, and all orders and decrees of all courts and arbitrators in proceedings or actions in which the Person in question is a party.

"Assessment Rate" shall mean, for any day, the net annual assessment rate (rounded upwards, if necessary, to the next higher Basis Point) as most recently estimated by the Administrative Agent for determining the then current annual assessment payable by the Administrative Agent to the Federal Deposit Insurance Corporation (or any successor) for insurance by such Corporation (or such successor) of time deposits made in dollars at the Administrative Agent's domestic offices.

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit C hereto, executed by the assignor, assignee and the other parties as contemplated thereby.

"Basis Point" shall mean 1/100th of 1%.

"Board" shall mean the Board of Governors of the Federal Reserve System.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Lenders (or in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.4) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are permitted to close; provided, however, that when used in connection with a LIBOR Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits on the London Interbank Market.

"Capital Expenditures" shall mean, with respect to any Person for any period, the aggregate of all expenditures (whether paid in cash or accrued as a liability) by such Person during that period which, in accordance with GAAP, are or should be included in "additions to property, plant or equipment" or similar items reflected in the statement of cash flows of such Person.

"Capital Lease" shall mean as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which, in accordance with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Cash Collateral Account" shall mean a collateral account established with the Administrative Agent, in the name of the Administrative Agent and under its sole dominion and control, into which the Borrower shall from time to time deposit Dollars pursuant to the express provisions of this Agreement requiring such deposit.

"CFHC" shall mean Cendant Finance Holding Corporation (comprising the companies formerly constituting, and owned by, HFS Incorporated), a Delaware corporation.

"Change in Control" shall mean (i) the acquisition by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the Merger Effective Date), directly or indirectly, beneficially or of record, of ownership or control of in excess of 30% of the voting common stock of the Borrower on a fully diluted basis at any time or (ii) if at any time, individuals who at the Merger Effective Date constituted the Board of Directors of the Borrower (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Borrower, as the case may be, was approved by a vote of the majority of the directors then still in office who were either directors at the Merger Effective Date or whose election or a nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Borrower then in office.

"Chase" shall mean The Chase Manhattan Bank, a New York banking corporation.

"Closing Date" shall mean the date on which the conditions precedent to the effectiveness of this Agreement as set forth in Section 4.1 have been satisfied or waived, which shall in no event be later than October 30, 1998.

"Code" shall mean the Internal Revenue Code of 1986 and the rules and regulations issued thereunder, as now and hereafter in effect, or any successor provision thereto.

"Commitment" shall mean, with respect to each Lender, the commitment of such Lender as set forth (i) on Schedule 2.1 hereto, (ii) any applicable Assignment and Acceptance to which it may be a party, and/or (iii) any agreement delivered pursuant to Section 2.24(d), as the case may be, as such Lender's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.12 or 2.24 or Article 7. The Commitments shall automatically and permanently terminate on the earlier of (a) the Maturity Date or (b) the date of termination in whole pursuant to Section 2.12 or Article 7.

"Commitment Expiration Date" shall have the meaning assigned to such term in Section 2.24(a).

"Competitive Bid" shall mean an offer by a Lender to make a Competitive Loan pursuant to Section 2.4 in the form of Exhibit E-3.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower pursuant to Section 2.4(d) in the form of Exhibit E-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made by a Lender pursuant to Section 2.4(b), (a) in the case of a LIBOR Loan, the Margin and (b) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.4 in the form of Exhibit E-1.

"Competitive Borrowing" shall mean a Borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Lender or Lenders whose Competitive Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.4.

"Competitive Loan" shall mean a Loan from a Lender to the Borrower pursuant to the bidding procedure described in Section 2.4. Each Competitive Loan shall be a LIBOR Competitive Loan or a Fixed Rate Loan.

"Competitive Note" shall have the meaning assigned to such term in Section 2.8.

"Consolidated Assets" shall mean, at any date of determination, the total assets of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

"Consolidated EBITDA" shall mean, without duplication, for any period for which such amount is being determined, the sum of the amounts for such period of (i) Consolidated Net Income, (ii) provision for taxes based on income, (iii) depreciation expense, (iv) Consolidated Interest Expense, (v) amortization expense, (vi) non-recurring cash charges or expenses in fiscal year 1998 not to exceed \$363,600,000 to the extent incurred or paid in such period plus (vii) other non-cash items reducing Consolidated Net Income minus (viii) any cash expenditures during such period to the extent such cash expenditures (x) did not reduce Consolidated Net Income for such period and (y) were applied against reserves that constituted non-cash items which reduced Consolidated Net Income during prior periods, all as determined on a consolidated basis for the Borrower and its Consolidated Subsidiaries in accordance with GAAP. Notwithstanding the foregoing, in calculating Consolidated EBITDA pro forma effect shall be given to each acquisition of a Subsidiary or

any entity acquired in a merger in any relevant period for which the covenants set forth in Sections 6.7 and 6.8 are being calculated as if such acquisition had been made on the first day of such period.

"Consolidated Interest Expense" shall mean for any period for which such amount is being determined, total interest expense paid or payable in cash (including that properly attributable to Capital Leases in accordance with GAAP but excluding in any event all capitalized interest and amortization of debt discount and debt issuance costs) of the Borrower and its Consolidated Subsidiaries on a consolidated basis including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs (or minus net profits) under Interest Rate Protection Agreements minus, without duplication, any interest income of the Borrower and its Consolidated Subsidiaries on a consolidated basis during such period. Notwithstanding the foregoing, interest expense on any Indebtedness of the Borrower or any of its Subsidiaries which (or the proceeds of which) directly or indirectly provides credit support for the RAC Loan Notes shall be deemed not to be included in Consolidated Interest Expense.

"Consolidated Net Income" shall mean, for any period for which such amount is being determined, the net income (loss) of the Borrower and its Consolidated Subsidiaries during such period determined on a consolidated basis for such period taken as a single accounting period in accordance with GAAP, provided that there shall be excluded (i) income (or loss) of any Person (other than a Consolidated Subsidiary of the Borrower) in which the Borrower or any of its Consolidated Subsidiaries has an equity investment or comparable interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or of its Consolidated Subsidiaries by such Person during such period, (ii) [INTENTIONALLY OMITTED], (iii) the income of any Consolidated Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by that Consolidated Subsidiary of the income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Consolidated Subsidiary, (iv) any extraordinary after-tax gains and (v) any extraordinary pretax losses but only to the extent attributable to a write-down of financing costs relating to any existing and future indebtedness.

"Consolidated Net Worth" shall mean, as of any date of determination, all items which in conformity with GAAP would be included under shareholders' equity on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.

"Consolidated Subsidiaries" shall mean all Subsidiaries of the Borrower that are required to be consolidated with the Borrower for financial reporting purposes in accordance with GAAP.

"Consolidated Total Indebtedness" shall mean the total amount of Indebtedness of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis using GAAP principles of consolidation, but without regard to whether or not any such Indebtedness would be required to be shown on a consolidated balance sheet prepared in accordance with GAAP; provided that Consolidated Total Indebtedness shall be deemed to include, at the time of any computation thereof, the aggregate amount of any outstanding loans to, any investment in the capital stock of, any purchase price in excess of the fair market value of assets of, and any other investments by the Borrower and its Subsidiaries (other than PHH and its Subsidiaries) in, PHH and its Subsidiaries (other than the purchase price paid by the Borrower to acquire PHH). The amount of any such investment at any time shall equal the original cost thereof plus any additions thereto (in each case without giving effect to any appreciation or depreciation in the value thereof) net of any returns thereon actually received by the Borrower or any of its Subsidiaries (other than PHH and its Subsidiaries). For purposes of this definition, the amount of Indebtedness outstanding under the Borrower's Term Loan Agreement dated as of May 29, 1998, as amended, at any time shall be deemed to be reduced (but not to less than zero) by the amount of cash and cash equivalents of the Borrower and its Consolidated Subsidiaries at such time determined on a consolidated basis in accordance with GAAP.

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

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

"Environmental Laws" shall mean any and all federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any Governmental Authority regulating, relating to or imposing

liability or standards of conduct concerning, any Hazardous Material or environmental protection or health and safety, as now or may at any time hereafter be in effect, including without limitation, the Clean Water Act also known as the Federal Water Pollution Control Act ("FWPCA") 33 U.S.C. ss. 1251 et seq., the Clean Air Act ("CAA"), 42 U.S.C. ss. 7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), 7 U.S.C. ss. 136 et seq., the Surface Mining Control and Reclamation Act ("SMCRA"), 30 U.S.C. ss. 1201 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. ss. 9601 et seq., the Superfund Amendment and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Emergency Planning and Community Right to Know Act ("EPCRA"), 42 U.S.C. ss. 11001 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. ss. 6901 et seq., the Occupational Safety and Health Act as amended ("OSHA"), 29 U.S.C. ss. 655 and ss. 657, together, in each case, with any amendment thereto, and the regulations adopted and publications promulgated thereunder and all substitutions thereof.

"Environmental Liabilities" shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as such Act may be amended, and the regulations promulgated thereunder.

"Existing Credit Agreement" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"Extension Request" means each request by the Borrower made pursuant to Section 2.24 for the Lenders to extend the Maturity Date, which shall contain the information in respect of such extension specified in Exhibit H and shall be delivered to the Administrative Agent in writing.

"Event of Default" shall have the meaning given such term in Article 7 hereof.

"Facility Fee" shall have the meaning given such term in Section 2.7 hereof.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

"Five Year Credit Agreement" shall mean the Five Year Competitive Advance and Revolving Credit Agreement, dated as of October 2, 1996, as amended or waived from time to time, among the Borrower, the lenders referred to therein and Chase, as administrative agent.

"Fundamental Documents" shall mean this Agreement, any Revolving Credit Notes, any Competitive Notes, any guarantee delivered by CFHC pursuant to Section 6.1(i) and any other ancillary documentation which is required to be, or is otherwise, executed by the Borrower and delivered to the Administrative Agent in connection with this Agreement.

"GAAP" shall mean generally accepted accounting principles consistently applied (except for accounting changes in response to FASB releases or other authoritative pronouncements) provided, however, that all calculations made pursuant to Sections 6.7 and 6.8 and the related definitions shall have been computed based on such generally accepted accounting principles as are in effect on the Closing Date.

"Governmental Authority" shall mean any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any court, in each case whether of the United States or foreign.

"Guaranty" shall mean, as to any Person, any direct or indirect obligation of such Person guaranteeing or intended to guarantee any Indebtedness, Capital Lease, dividend or other monetary obligation ("primary obligation") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property

constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services, in each case, primarily for the purpose of assuring the owner of any such primary obligation of the repayment of such primary obligation or (d) as a general partner of a partnership or a joint venturer of a joint venture in respect of indebtedness of such partnership or such joint venture which is treated as a general partnership for purposes of Applicable Law. The amount of any Guaranty shall be deemed to be an amount equal to the stated or determinable amount (or portion thereof) of the primary obligation in respect of which such Guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder); provided, however, that the amount of any Guaranty shall be limited to the extent necessary so that such amount does not exceed the value of the assets of such Person (as reflected on a consolidated balance sheet of such Person prepared in accordance with GAAP) to which any creditor or beneficiary of such Guaranty would have recourse. Notwithstanding the foregoing definition, the term "Guaranty" shall not include any direct or indirect obligation of a Person as a general partner of a general partnership or a joint venturer of a joint venture in respect of Indebtedness of such general partnership or joint venture, to the extent such Indebtedness is contractually non-recourse to the assets of such Person as a general partner or joint venturer (other than assets comprising the capital of such general partnership or joint venture).

"Hazardous Materials" shall mean any flammable materials, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or similar materials defined as such in any Environmental Law.

"Hotel Subsidiary" shall mean any Subsidiary of the Borrower which (a) is engaged as its principal activity, in the hotel franchising business or related activities or (b) owns or licenses from a Person other than the Borrower or another Subsidiary, any Proprietary Right related to the hotel franchising business.

"Indebtedness" shall mean (without double counting), at any time and with respect to any Person, (i) indebtedness of

such Person for borrowed money (whether by loan or the issuance and sale of debt securities) or for the deferred purchase price of property or services purchased (other than amounts constituting trade payables arising in the ordinary course and payable within 180 days); (ii) indebtedness of others which such Person has directly or indirectly assumed or guaranteed (but only to the extent so assumed or guaranteed) or otherwise provided credit support therefor, including without limitation, Guaranties; (iii) indebtedness of others secured by a Lien on assets of such Person, whether or not such Person shall have assumed such indebtedness (but only to the extent of the fair market value of such assets); (iv) obligations of such Person in respect of letters of credit, acceptance facilities, or drafts or similar instruments issued or accepted by banks and other financial institutions for the account of such Person (other than trade payables arising in the ordinary course and payable within 180 days); or (v) obligations of such Person under Capital Leases. In order to avoid doubt with respect to double counting, any Indebtedness of the Borrower or any of its Subsidiaries, in an amount not to exceed the principal of the RAC Loan Notes, which (or the proceeds of which) directly or indirectly provides credit support for the RAC Loan Notes shall be deemed not to be Indebtedness for purposes of this Agreement.

"Interest Coverage Ratio" shall mean, for each period for which it is to be determined, the ratio of (i) Consolidated EBITDA minus the amount of Restricted Payments and Capital Expenditures of the Borrower and its Consolidated Subsidiaries (determined on a consolidated basis, in accordance with GAAP) to the extent paid in cash (including cash payments during such period to liquidate any such item previously accrued as a liability) to (ii) Consolidated Interest Expense.

"Interest Payment Date" shall mean, with respect to any Borrowing, the last day of the Interest Period applicable thereto and, in the case of a LIBOR Borrowing with an Interest Period of more than three months' duration or a Fixed Rate Borrowing with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months, duration or 90 days' duration, as the case may be, been applicable to such Borrowing, and, in addition, the date of any refinancing or conversion of a Borrowing with, or to, a Borrowing of a different Interest Rate Type.

"Interest Period" shall mean (a) as to any LIBOR Borrowing, the period commencing on the date of such

Borrowing, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3, 6 or, subject to each Lender's approval, 12 months thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date and (iii) the date such Borrowing is refinanced with a Borrowing of a different Interest Rate Type in accordance with Section 2.6 or is prepaid in accordance with Section 2.13, (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing and (d) with respect to Loans made by an Objecting Lender, no Interest Period with respect to such Objecting Lender's Loans shall end after such Objecting Lender's Commitment Expiration Date; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of LIBOR Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) no Interest Period with respect to any LIBOR Borrowing or Fixed Rate Borrowing may be selected which would result in the aggregate amount of LIBOR Loans and Fixed Rate Loans having Interest Periods ending after any day on which a Commitment reduction is scheduled to occur being in excess of the Total Commitment scheduled to be in effect after such date. Interest shall accrue from, and including, the first day of an Interest Period to, but excluding, the last day of such Interest Period.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement or other similar financial agreement or arrangement.

"Interest Rate Type" when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall include LIBOR, the Alternate Base Rate and the Fixed Rate.

"Lender and "Lenders" shall mean the financial institutions whose names appear at the foot hereof and any assignee of a Lender pursuant to Section 9.3(b).

"Lending Office" shall mean, with respect to any of the Lenders, the branch or branches (or affiliate or affiliates) from which any such Lender's LIBOR Loans, Fixed Rate Loans or ABR Loans, as the case may be, are made or maintained and for the account of which all payments of principal of, and interest on, such Lender's LIBOR Loans, Fixed Rate Loans or ABR Loans are made, as notified to the Administrative Agent from time to time.

"LIBOR" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next Basis Point) equal to the rate at which Dollar deposits approximately equal in principal amount to (a) in the case of a Revolving Credit Borrowing, Chase's portion of such LIBOR Borrowing and (b) in the case of a Competitive Borrowing, a principal amount that would have been Chase's portion of such Competitive Borrowing had such Competitive Borrowing been a Revolving Credit Borrowing, and for a maturity comparable to such Interest Period, are offered to the principal London office of Chase in immediately available funds in the London Interbank Market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Article 2.

"LIBOR Loan" shall mean any LIBOR Competitive Loan or LIBOR Revolving Credit Loan.

"LIBOR Revolving Credit Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Article 2.

"LIBOR Spread" shall mean, at any date or any period of determination, the LIBOR Spread that would be in effect on such date or during such period pursuant to the chart set forth in Section 2.22 based on the rating of the Borrower's senior unsecured long-term debt.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind whatsoever (including any conditional sale or other title retention agreement, any lease in the nature thereof or agreement to

give any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loan" shall mean a Competitive Loan or a Revolving Credit Loan, whether made as a LIBOR Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Margin" shall mean, as to any LIBOR Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to four decimal places) to be added to, or subtracted from, LIBOR in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall be as defined in Regulation U of the Board.

"Material Adverse Effect" shall mean a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole.

"Material Subsidiary" shall mean (i) any Subsidiary of the Borrower which, together with its Subsidiaries at the time of determination hold, or, solely with respect to Sections 7(f) and 7(g), any group of Subsidiaries which, if merged into each other at the time of determination would hold, assets constituting 10% or more of Consolidated Assets or accounts for 10% or more of Consolidated EBITDA for the Rolling Period immediately preceding the date of determination or (ii) any Subsidiary of the Borrower which holds material trademarks, tradenames or other intellectual property rights.

"Maturity Date" shall mean October 29, 1999, or such later date as shall be determined pursuant to the provisions of Section 2.24 with respect to non-Objecting Lenders.

"Merger" shall mean the merger of HFS Incorporated into CUC International Inc.

"Merger Effective Date" shall mean December 18, 1997.

"Moody's" shall mean Moody's Investors Service Inc.

"Multiemployer Plan" shall mean a plan described in Section 3(37) of ERISA.

"Notes" shall mean the Competitive Notes and the Revolving Credit Notes.

"1997 10K" shall have the meaning set forth in Section 4.1(c).

"non-Objecting Lender" shall mean any Lender that is not an Objecting Lender.

"Obligations" shall mean the obligation of the Borrower to make due and punctual payment of principal of, and interest on, the Loans, the Facility Fee and all other monetary obligations of the Borrower to the Administrative Agent or any Lender under this Agreement, the Notes or the Fundamental Documents or with respect to any Interest Rate Protection Agreements entered into between the Borrower and any Lender.

"Objecting Lender" shall mean any Lender that does not consent to the extension of the Maturity Date pursuant to Section 2.24.

"Original Closing Date" shall mean October 2, 1996.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Encumbrances" shall mean Liens permitted under Section 6.5 hereof.

"Person" shall mean any natural person, corporation, division of a corporation, partnership, trust, joint venture, association, company, estate, unincorporated organization or government or any agency or political subdivision thereof.

"PHH" shall mean PHH Corporation, a Maryland corporation.

"Plan" shall mean an employee pension benefit plan described in Section 3(2) of ERISA, other than a Multiemployer Plan.

"Pro Forma Basis" shall mean in connection with any transaction for which a determination on a Pro Forma Basis is required to be made hereunder, that such determination shall be made (i) after giving effect to any issuance of Indebtedness, any acquisition, any disposition or any other transaction (as applicable) and (ii) assuming that the issuance of Indebtedness, acquisition, disposition or other transaction and, if applicable, the application of any proceeds therefrom, occurred at the beginning of the most recent Rolling Period ending at least thirty (30) days prior

to the date on which such issuance of Indebtedness, acquisition, disposition or other transaction occurred.

"RAC Loan Notes" shall mean the loan notes to be issued by the Borrower to the sellers of the RAC Motoring Service Limited business in connection with the Borrower's acquisition of such business.

"Receivables Facility" shall mean the Coldwell Banker Relocation Services, Inc. receivables facility evidenced by the Amended and Restated Investor Funding Agreement, dated as of October 5, 1994 among Coldwell Banker Funding Corporation, Bankers Trust Company, the Investors party thereto, Citicorp North America Inc. and Bank of America Illinois, The Homeowner Employee Asset Receivable Trust Amended and Restated Pooling and Servicing Agreement, dated as October 5, 1994 among Coldwell Banker Funding Corporation, Coldwell Banker Relocation Services, Inc., Citicorp North America, Inc. and Bankers Trust Company and the Amended and Restated Purchase Agreement, dated as of October 5, 1994 by and between Coldwell Banker Relocation Services, Inc. and Coldwell Banker Funding Corporation, as each of the foregoing may from time to time be amended, modified or supplemented and any replacement or refinancing thereof whether or not with the same parties.

"Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA, other than a reportable event as to which provision for 30-day notice to the PBGC would be waived under applicable regulations had the regulations in effect on the Closing Date been in effect on the date of occurrence of such reportable event.

"Required Lenders" shall mean at any time, Lenders holding Commitments representing 51% of the Total Commitment, except that (i) for purposes of determining the Lenders entitled to declare the principal of and the interest on the Loans and the Notes and all other amounts payable hereunder or thereunder to be forthwith due and payable pursuant to Article 7 and (ii) at all times after the termination of the Total Commitment in its entirety, "Required Lenders" shall mean Lenders holding 51% of the aggregate principal amount of the Loans at the time outstanding.

"Restricted Payment" shall mean (i) any distribution, dividend or other direct or indirect payment on account of shares of any class of stock of the Borrower or any Subsidiary now or hereafter outstanding except for distributions, dividends or other payments solely in shares

of capital stock of a Subsidiary which are distributed pro rata to its stockholders or solely in shares of capital stock of the Borrower, (ii) any redemption or other acquisition or re-acquisition by the Borrower or a Subsidiary of any class of its own stock or other equity interest of the Borrower, a Subsidiary or an Affiliate now or hereafter outstanding, and (iii) any payment made to retire, or obtain the surrender of any outstanding warrants or options or other rights to purchase or acquire shares of any class of stock of the Borrower or a Subsidiary now or hereafter outstanding; provided, however, that the term "Restricted Payment" as used herein, shall not include any distribution, dividend, redemption or other payment made to the Borrower by any of its Consolidated Subsidiaries, or to any of the Borrower's Consolidated Subsidiaries by the Borrower or any of its other Consolidated Subsidiaries.

"Revolving Credit Borrowing" shall mean a Borrowing consisting of simultaneous Revolving Credit Loans from each of the Lenders.

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.5 in the form of Exhibit F.

"Revolving Credit Loans" shall mean the Loans made by the Lenders to the Borrower pursuant to a notice given by the Borrower under Section 2.5. Each Revolving Credit Loan shall be a LIBOR Revolving Credit Loan or an ABR Loan.

"Revolving Credit Note" shall have the meaning assigned to such term in Section 2.8.

"Rolling Period" shall mean with respect to any fiscal quarter, such fiscal quarter and the three immediately preceding fiscal quarters considered as a single accounting period.

"S&P" shall mean Standard & Poor's Ratings Services.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Administrative Agent or any Lender is subject, for Eurocurrency Liabilities (as defined in Regulation D). Such reserve percentages shall include those imposed under Regulation D. LIBOR Loans shall

be deemed to constitute Eurocurrency Liabilities and as such shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" shall mean with respect to any Person, any corporation, association, joint venture, partnership or other business entity (whether now existing or hereafter organized) of which at least a majority of the voting stock or other ownership interests having ordinary voting power for the election of directors (or the equivalent) is, at the time as of which any determination is being made, owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; provided that for purposes of Sections 6.1, 6.5, 6.6, 6.7 and 6.8 hereof, PHH and its Subsidiaries shall be deemed not to be Subsidiaries of the Borrower.

"Supermajority Lenders" means Lenders (a) which are not Objecting Lenders with respect to any previous Extension Request and (b) which have Commitments representing at least 75% of the aggregate Commitment Percentages of such non-Objecting Lenders.

"Total Commitment" shall mean, at any time, the aggregate amount of the Lenders' Commitments as in effect at such time.

2. THE LOANS

SECTION 2.1. Commitments.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make Revolving Credit Loans to the Borrower, at any time and from time to time on and after the Original Closing Date and until the earlier of the Maturity Date and the termination of the Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Commitment minus the sum of such Lender's pro rata share of the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Lender's Commitment pursuant to Section 2.18 subject, however, to the conditions that (a) at no time shall (i) the sum of (A) the outstanding aggregate principal amount of all Revolving Credit Loans made by all Lenders plus (B) the outstanding aggregate principal amount of all Competitive Loans made by all Lenders

exceed (ii) the Total Commitment and (b) at all times the outstanding aggregate principal amount of all Revolving Credit Loans made by each Lender shall equal the product of (i) the percentage that its Commitment represents of the Total Commitment times (ii) the outstanding aggregate principal amount of all Revolving Credit Loans made pursuant to a notice given by the Borrower under Section 2.5. The Commitments of the Lenders may be terminated or reduced from time to time pursuant to Section 2.12 or Article 7.

(b) Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow hereunder, on and after the Closing Date and prior to the Maturity Date, upon the terms and subject to the conditions and limitations set forth herein.

SECTION 2.2. Loans.

(a) Each Revolving Credit Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their Commitments; provided, however, that the failure of any Lender to make any Revolving Credit Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.4. The Revolving Credit Loans or Competitive Loans comprising any Borrowing shall be (i) in the case of Competitive Loans and LIBOR Loans, in an aggregate principal amount that is an integral multiple of \$5,000,000 and not less than \$10,000,000 and (ii) in the case of ABR Loans, in an aggregate principal amount that is an integral multiple of \$500,000 and not less than \$5,000,000 (or if less, an aggregate principal amount equal to the remaining balance of the available Total Commitment).

(b) Each Competitive Borrowing shall be comprised entirely of LIBOR Competitive Loans or Fixed Rate Loans, and each Revolving Credit Borrowing shall be comprised entirely of LIBOR Revolving Credit Loans or ABR Loans, as the Borrower may request pursuant to Section 2.4 or 2.5, as applicable. Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and the applicable Note. Borrowings of more than one Interest Rate Type may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in an aggregate of more than 9 separate Revolving Credit Loans of any Lender being outstanding hereunder at any one time. For

purposes of the calculation required by the immediately preceding sentence, LIBOR Revolving Credit Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans and all Loans of a single Interest Rate Type made on a single date shall be considered a single Loan if such Loans have a common Interest Period.

(c) Subject to Section 2.6, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by making funds available at the offices of the Administrative Agent's Agent Bank Services Department, 1 Chase Manhattan Plaza, 8th Floor, New York, New York 10081, Attention: Miranda Chin, for credit to Cendant Corporation Clearing Account, Account No. 144812905 (Reference: Cendant Corporation Credit Agreement dated as of October 2, 1996) no later than 1:00 P.M. New York City time in Federal or other immediately available funds. Upon receipt of the funds to be made available by the Lenders to fund any Borrowing hereunder, the Administrative Agent shall disburse such funds by depositing them into an account of the Borrower maintained with the Administrative Agent. Competitive Loans shall be made by the Lender or Lenders whose Competitive Bids therefor are accepted pursuant to Section 2.4 in the amounts so accepted and Revolving Credit Loans shall be made by all the Lenders pro rata in accordance with Section 2.1 and this Section 2.2.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.3. Use of Proceeds.

The proceeds of the Loans shall be used for working capital and general corporate purposes of the Company and its Subsidiaries, including, without limitation, for acquisitions and support of the Borrower's commercial paper program.

SECTION 2.4. Competitive Bid Procedure.

(a) In order to request Competitive Bids, the Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit E-1, to be received by the Administrative Agent (i) in the case of a LIBOR Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A

Competitive Bid Request that does not conform substantially to the format of Exhibit E-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower of such rejection by telecopier. Such request for Competitive Bids shall in each case refer to this Agreement and specify (i) whether the Borrowing then being requested is to be a LIBOR Borrowing or a Fixed Rate Borrowing, (ii) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof, which shall be in a minimum principal amount of \$10,000,000 and in an integral multiple of \$5,000,000, and (iii) the Interest Period with respect thereto (which may not end after the Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopier (in the form set forth in Exhibit E-2) the Lenders to bid, on the terms and subject to the conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Lender may, in its sole discretion, make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Lender must be received by the Administrative Agent via telecopier, in the form of Exhibit E-3, (i) in the case of a LIBOR Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit E-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower, and the Administrative Agent shall notify the Lender making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (i) the principal amount (which shall be in a minimum principal amount of \$10,000,000 and in an integral multiple of \$5,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Lender is willing to make to the Borrower, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make the Competitive Loan or Loans and (iii) the Interest Period or Interest Periods with respect thereto. If any Lender shall elect not to make a Competitive Bid, such Lender shall so notify the Administrative Agent via telecopier (i) in the case of LIBOR Competitive Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any

Lender to give such notice shall not cause such Lender to be obligated to make any Competitive Loan as part of such proposed Competitive Borrowing. A Competitive Bid submitted by a Lender pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the Borrower by telecopier of all the Competitive Bids made, the Competitive Bid Rate or Rates and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.4.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower shall notify the Administrative Agent by telephone, promptly confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter whether and to what extent it has decided to accept or reject any or all of the bids referred to in paragraph (c) above, (i) in the case of a LIBOR Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (A) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (B) the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject a bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (D) if the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted at lower Competitive Bid Rates with respect to such Competitive Bid Request (it being understood that acceptance in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate) and (E) except pursuant to clause (D) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$10,000,000 and an integral multiple of \$5,000,000; provided further, however, that if a Competitive Loan must be in an amount

less than \$10,000,000 because of the provisions of clause (D) above, such Competitive Loan shall be in a minimum principal amount of \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (D), the amounts shall be rounded to integral multiples of \$1,000,000 in a manner that shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender whether its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within four Business Days after the date of any previous Competitive Bid Request, or such shorter period as may be agreed upon by the Borrower and the Administrative Agent.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such bid directly to the Borrower one quarter of an hour earlier than the latest time at which the other Lenders are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.4 shall be given in accordance with Section 9.1.

(i) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Competitive Loans unless at the time the Borrower has a senior unsecured long-term debt rating of BBB- or better from S&P or Baa3 or better from Moody's.

SECTION 2.5. Revolving Credit Borrowing Procedure.

In order to effect a Revolving Credit Borrowing, the Borrower shall hand deliver or telecopy to the Administrative Agent a Borrowing notice in the form of Exhibit F (a) in the case of a LIBOR Borrowing, not later than 12:00 (noon), New York City time, three Business Days before a proposed Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 (noon), New York City time, on the day of a proposed Borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Revolving Credit Borrowing Request. Such notice shall be irrevocable and

shall in each case specify (a) whether the Borrowing then being requested is to be a LIBOR Borrowing or an ABR Borrowing, (b) the date of such Revolving Credit Borrowing (which shall be a Business Day) and the amount thereof and (c) if such Borrowing is to be a LIBOR Borrowing, the Interest Period with respect thereto. If no election as to the Interest Rate Type of a Revolving Credit Borrowing is specified in any such notice, then the requested Revolving Credit Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.5 of its election to refinance a Revolving Credit Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with an ABR Borrowing. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.5 and of each Lender's portion of the requested Borrowing.

SECTION 2.6. Refinancings.

The Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Interest Rate Type made pursuant to Section 2.4 or pursuant to a notice under Section 2.5, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Revolving Credit Borrowings and Revolving Credit Borrowings with Competitive Borrowings; provided, however, that at any time after the occurrence, and during the continuation, of a Default or an Event of Default, a Revolving Credit Borrowing or portion thereof may only be refinanced with an ABR Borrowing. Any Borrowing or part thereof so refinanced shall be deemed to be repaid in accordance with Section 2.8 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing, to the extent they do not exceed the principal amount of the Borrowing being refinanced, shall not be paid by the Lenders to the Administrative Agent or by the Administrative Agent to the Borrower pursuant to Section 2.2(c); provided, however, that (a) if the principal amount extended by a Lender in a refinancing is greater than the principal amount extended by such Lender in the Borrowing being refinanced, then such Lender shall pay such difference to the Administrative Agent for distribution to the Borrower or any Lenders described in clause (b) below, as applicable, (b) if the principal amount extended by a Lender in the Borrowing being refinanced is greater than the principal amount being extended by such Lender in the refinancing, the Administrative Agent shall

return the difference to such Lender out of amounts received pursuant to clause (a) above, and (c) to the extent any Lender fails to pay the Administrative Agent amounts due from it pursuant to clause (a) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with Section 2.6 and, to the extent of such failure, the Borrower shall pay such amount to the Administrative Agent as required by Section 2.10; and (d) to the extent the Borrower fails to pay to the Administrative Agent any amounts due in accordance with Section 2.10 as a result of the failure of a Lender to pay the Administrative Agent any amounts due as described in clause (c) above, the portion of any refinanced Loan deemed not repaid shall be deemed to be outstanding solely to the Lender which has failed to pay the Administrative Agent amounts due from it pursuant to clause (a) above to the full extent of such Lender's portion of such Loan.

SECTION 2.7. Fees.

(a) The Borrower agrees to pay to each Lender, through the Administrative Agent, on each March 31, June 30, September 30 and December 31, commencing December 31, 1996, and on the date on which the Commitment of such Lender shall be terminated as provided herein, a facility fee (a "Facility Fee",) at the rate per annum from time to time in effect in accordance with Section 2.22, on the amount of the Commitment of such Lender, whether used or unused, during the preceding quarter (or shorter period commencing with the Closing Date, or ending with the Maturity Date or any date on which the Commitment of such Lender shall be terminated). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Lender shall commence to accrue on the Closing Date, shall be payable in arrears and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Lender as provided herein.

(b) The Borrower agrees to pay the Administrative Agent, for its own account, the fees at the times and in the amounts provided for in the letter agreement dated August 28, 1996 among the Borrower, Chase and Chase Securities Inc.

(c) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the fees shall be refundable under any circumstances.

SECTION 2.8. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Credit Loan of such Lender on the Maturity Date (or such earlier date on which the Revolving Credit Loans become due and payable pursuant to Article 7); provided, that the Revolving Credit Loans made by Objecting Lenders shall be repaid as provided in Section 2.24. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Revolving Credit Loans from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.9.

(b) The Borrower unconditionally promises to pay to the Administrative Agent, for the account of each Lender that makes a Competitive Loan, on the last day of the Interest Period applicable to such Competitive Loan, the principal amount of such Competitive Loan. The Borrower further unconditionally promises to pay interest on each such Competitive Loan for the period from and including the date of Borrowing of such Competitive Loan on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and payable as specified in, Section 2.9.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Revolving Credit Loan and Competitive Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(d) The Administrative Agent shall maintain the Register pursuant to Section 9.3(e), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Revolving Credit Loan and Competitive Loan made hereunder, the Interest Rate Type thereof and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(e) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.8 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner

affect the obligation of the Borrower to repay (with applicable interest) the Revolving Credit Loans and Competitive Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

(f) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a promissory note of the Borrower evidencing the Revolving Credit Loans of such Lender, substantially in the form of Exhibit A-1 with appropriate insertions as to date and principal amount (a "Revolving Credit Note").

(g) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a promissory note of the Borrower evidencing the Competitive Loans of such Lender, substantially in the form of Exhibit A-2 with appropriate insertions as to date and principal amount (a "Competitive Note").

SECTION 2.9. Interest on Loans.

(a) Subject to the provisions of Section 2.10, the Loans comprising each LIBOR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each LIBOR Revolving Credit Loan, LIBOR for the Interest Period in effect for such Borrowing plus the applicable LIBOR Spread from time to time in effect and (ii) in the case of each LIBOR Competitive Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Margin offered by the Lender making such Loan and accepted by the Borrower pursuant to Section 2.5. Interest on each LIBOR Borrowing shall be payable on each applicable Interest Payment Date.

(b) Subject to the provisions of Section 2.10, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate plus the applicable margin, if any, for ABR Loans from time to time in effect pursuant to Section 2.22.

(c) Subject to the provisions of Section 2.10, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the Borrower pursuant to Section 2.4.

(d) Interest on each Loan shall be payable in arrears on each Interest Payment Date applicable to such Loan. The LIBOR or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.10. Interest on Overdue Amounts.

If the Borrower shall default in the payment of the principal of, or interest on, any Loan or any other amount becoming due hereunder, the Borrower shall on demand from time to time pay interest, to the extent permitted by Applicable Law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as applicable, in the case of amounts bearing interest determined by reference to the Prime Rate and a year of 360 days in all other cases, equal to (a) in the case of the remainder of the then current Interest Period for any LIBOR Loan or Fixed Rate Loan, the rate applicable to such Loan under Section 2.9 plus 2% per annum and (b) in the case of any other amount, the rate that would at the time be applicable to an ABR Loan under Section 2.9 plus 2% per annum.

SECTION 2.11. Alternate Rate of Interest.

In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a LIBOR Loan, the Administrative Agent shall have determined that Dollar deposits in the amount of the requested principal amount of such LIBOR are not generally available in the London Interbank Market, or that the rate at which such Dollar deposits are being offered will not adequately and fairly reflect the cost to any Lender of making or maintaining its portion of such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining LIBOR, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopier notice of such determination to the Borrower and the Lenders. In the event of any such determination, until the Administrative Agent shall have determined that circumstances giving rise to such notice no longer exist, (a) any request by the Borrower for a LIBOR Competitive Borrowing pursuant to Section 2.4 shall be of no force and effect and shall be denied by the Administrative Agent and (b) any request by the Borrower for a LIBOR Borrowing pursuant to Section 2.5 shall be deemed to be a request for an ABR Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

SECTION 2.12. Termination and Reduction of Commitments.

(a) The Commitments of all of the Lenders shall be automatically terminated on the Maturity Date.

(b) Subject to Section 2.13(b), upon at least three Business Days, prior irrevocable written or teletype notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; provided, however, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of \$5,000,000 and in a minimum principal amount of \$10,000,000 and (ii) the Borrower shall not be entitled to make any such termination or reduction that would reduce the Total Commitment to an amount less than the sum of the aggregate outstanding principal amount of the Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Lenders in accordance with their respective Commitments. The Borrower shall pay to the Administrative Agent for the account of the Lenders on the date of each termination or reduction in the Total Commitment, the Facility Fees on the amount of the Total Commitment so terminated or reduced accrued to the date of such termination or reduction.

SECTION 2.13. Prepayment of Loans.

(a) Prior to the Maturity Date, the Borrower shall have the right at any time to prepay any Revolving Credit Borrowing, in whole or in part, subject to the requirements of Section 2.17 but otherwise without premium or penalty, upon prior written or teletype notice to the Administrative Agent before 12:00 noon New York City time at least one Business Day in the case of an ABR Loan and at least three Business Days in the case of a LIBOR Loan; provided, however, that each such partial prepayment shall be in an integral multiple of \$5,000,000 and in a minimum aggregate principal amount of \$10,000,000. The Borrower shall not have the right to prepay any Competitive Borrowing without the consent of the relevant lender.

(b) On any date when the sum of the aggregate outstanding Loans (after giving effect to any Borrowings effected on such date) exceeds the Total Commitment, the Borrower shall make a mandatory prepayment of the Revolving Credit Loans in such amount as may be necessary so that the aggregate amount of outstanding Loans after giving effect to such prepayment does not exceed the Total Commitment then in effect. Any prepayments required by this paragraph shall be applied to outstanding ABR

Loans up to the full amount thereof before they are applied to outstanding LIBOR Revolving Credit Loans.

(c) Each notice of prepayment pursuant to Section 2.13(a) shall specify the specific Borrowing(s), the prepayment date and the aggregate principal amount of each Borrowing to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing(s) by the amount stated therein. All prepayments under this Section 2.13 shall be accompanied by accrued interest on the principal amount being prepaid, to the date of prepayment.

SECTION 2.14. Eurodollar Reserve Costs.

The Borrower shall pay to the Administrative Agent for the account of each Lender, so long as such Lender shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of, or including, Eurocurrency Liabilities (as defined in Regulation D of the Board), additional interest on the unpaid principal amount of each LIBOR Loan made to the Borrower by such Lender, from the date of such Loan until such Loan is paid in full, at an interest rate per annum equal at all times during the Interest Period for such Loan to the remainder obtained by subtracting (i) LIBOR for such Interest Period from (ii) the rate obtained by multiplying LIBOR as referred to in clause (i) above by the Statutory Reserves of such Lender for such Interest Period. Such additional interest shall be determined by such Lender and notified to the Borrower (with a copy to the Administrative Agent) not later than five Business Days before the next Interest Payment Date for such Loan, and such additional interest so notified to the Borrower by any Lender shall be payable to the Administrative Agent for the account of such Lender on each Interest Payment Date for such Loan.

SECTION 2.15. Reserve Requirements; Change in

Circumstances.

(a) Notwithstanding any other provision herein, if after the date of this Agreement any change in Applicable Law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall subject any Lender to, or increase the net amount of, any tax, levy, impost, duty, charge, fee, deduction or withholding with respect to any LIBOR Loan or Fixed Rate Loan, or shall change the basis of taxation of payments to any Lender of the principal of or interest on any LIBOR Loan or Fixed Rate Loan made by such Lender or any other fees or amounts payable hereunder (other than (x) taxes imposed on the overall net income

of such Lender by the jurisdiction in which such Lender has its principal office or its applicable Lending Office or by any political subdivision or taxing authority therein (or any tax which is enacted or adopted by such jurisdiction, political subdivision or taxing authority as a direct substitute for any such taxes) or (y) any tax, assessment, or other governmental charge that would not have been imposed but for the failure of any Lender to comply with any certification, information, documentation or other reporting requirement), (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, or (iii) shall impose on any Lender or the London Interbank Market any other condition affecting this Agreement or any LIBOR Loan or Fixed Rate Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBOR Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) in respect thereof by an amount deemed in good faith by such Lender to be material, then the Borrower shall pay such additional amount or amounts as will compensate such Lender for such increase or reduction to such Lender upon demand by such Lender.

(b) If, after the date of this Agreement, any Lender shall have determined in good faith that the adoption after the date hereof of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any Lending Office of such Lender) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of its obligations hereunder to a level below that which such Lender (or its holding company) could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's policies or the policies of its holding company, as the case may be, with respect to capital adequacy) by an amount deemed by such Lender to be material, then, from time to time, the Borrower shall pay to the Administrative Agent for the account of such Lender such additional amount or amounts as will compensate such Lender for such reduction upon demand by such Lender.

(c) A certificate of a Lender setting forth in reasonable detail (i) such amount or amounts as shall be

necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts referred to in the preceding clause (i), shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Administrative Agent for the account of such Lender the amount shown as due on any such certificate within 10 Business Days after its receipt of the same.

(d) Failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Lender's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.14 shall be available to each Lender regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

(e) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that (i) would cause it to incur any increased cost under this Section 2.15, Section 2.16 or Section 2.21 or (ii) would require the Borrower to pay an increased amount under this Section 2.15, Section 2.16 or Section 2.21, it will use reasonable efforts to notify the Borrower of such event or condition and, to the extent not inconsistent with such Lender's internal policies, will use its reasonable efforts to make, fund or maintain the affected Loans of such Lender, or, if applicable to participate in Letters of Credit, through another Lending Office of such Lender if as a result thereof the additional monies which would otherwise be required to be paid or the reduction of amounts receivable by such Lender thereunder in respect of such Loans or Letters of Credit would be materially reduced, or any inability to perform would cease to exist, or the increased costs which would otherwise be required to be paid in respect of such Loans or Letters of Credit pursuant to this Section 2.15, Section 2.16 or Section 2.21 would be materially reduced or the taxes or other amounts otherwise payable under this Section 2.15, Section 2.16 or Section 2.21 would be materially reduced, and if, as determined by such Lender, in its sole discretion, the making, funding or maintaining of such Loans or Letters of Credit through such other Lending Office would not otherwise materially adversely affect such Loans or Letters of Credit or such Lender.

(f) In the event any Lender shall have delivered to the Borrower a notice that LIBOR Loans are no longer available

from such Lender pursuant to Section 2.16, that amounts are due to such Lender pursuant to paragraph (c) hereof or that any of the events designated in paragraph (e) hereof have occurred, the Borrower may (but subject in any such case to the payments required by Section 2.17), provided that there shall exist no Default or Event of Default, upon at least five Business Days' prior written or telecopier notice to such Lender and the Administrative Agent, but not more than 30 days after receipt of notice from such Lender, identify to the Administrative Agent a lending institution reasonably acceptable to the Administrative Agent which will purchase the Commitment, the amount of outstanding Loans and any participations in Letters of Credit from the Lender providing such notice and such Lender shall thereupon assign its Commitment, any Loans owing to such Lender and any participations in Letters of Credit and the Notes held by such Lender to such replacement lending institution pursuant to Section 9.3. Such notice shall specify an effective date for such assignment and at the time thereof, the Borrower shall pay all accrued interest, Facility Fees and all other amounts (including without limitation all amounts payable under this Section) owing hereunder to such Lender as at such effective date for such assignment.

SECTION 2.16. Change in Legality.

(a) Notwithstanding anything to the contrary herein contained, if any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any LIBOR Loan or to give effect to its obligations as contemplated hereby, then, by written notice to the Borrower and to the Administrative Agent, such Lender may:

(i) declare that LIBOR Loans will not thereafter be made by such Lender hereunder, whereupon such Lender shall not submit a Competitive Bid in response to a request for LIBOR Competitive Loans and the Borrower shall be prohibited from requesting LIBOR Revolving Credit Loans from such Lender hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding LIBOR Loans made by it be converted to ABR Loans, in which event (A) all such LIBOR Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in Section 2.16(b) and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted LIBOR Loans shall instead be applied to repay the ABR Loans resulting from the conversion of such LIBOR Loans.

(b) For purposes of this Section 2.16, a notice to the Borrower by any Lender pursuant to Section 2.16(a) shall be effective on the date of receipt thereof by the Borrower.

SECTION 2.17. Reimbursement of Lenders.

(a) The Borrower shall reimburse each Lender on demand for any loss incurred or to be incurred by it in the reemployment of the funds released (i) by any prepayment (for any reason) of any LIBOR or Fixed Rate Loan if such Loan is repaid other than on the last day of the applicable Interest Period for such Loan or (ii) in the event that after the Borrower delivers a notice of borrowing under Section 2.5 in respect of LIBOR Revolving Credit Loans or a Competitive Bid Accept/Reject Letter under Section 2.4(d), pursuant to which it has accepted bids of one or more of the Lenders, the applicable Loan is not made on the first day of the Interest Period specified by the Borrower for any reason other than (I) a suspension or limitation under Section 2.16 of the right of the Borrower to select a LIBOR Loan or (II) a breach by a Lender of its obligations hereunder. In the case of such failure to borrow, such loss shall be the amount as reasonably determined by such Lender as the excess, if any of (A) the amount of interest which would have accrued to such Lender on the amount not borrowed, at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.9, for the period from the date of such failure to borrow, to the last day of the Interest Period for such Loan which would have commenced on the date of such failure to borrow, over (B) the amount realized by such Lender in reemploying the funds not advanced during the period referred to above. In the case of a payment other than on the last day of the Interest Period for a Loan, such loss shall be the amount as reasonably determined by the Administrative Agent as the excess, if any, of (A) the amount of interest which would have accrued on the amount so paid at a rate of interest equal to the interest rate applicable to such Loan pursuant to Section 2.9, for the period from the date of such payment to the last day of the then current daily Interest Period for such Loan, over (B) the amount equal to the product of (x) the amount of the Loan so paid times (y) the current daily yield on U.S. Treasury Securities (at such date of determination) with maturities approximately equal to the remaining Interest Period for such Loan times (z) the number of days remaining in the Interest Period for such Loan. Each Lender shall deliver to the Borrower from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error. The Borrower shall pay to the Administrative Agent for the account of each Lender the amount shown as due on any certificate within thirty (30) days after its receipt of the same.

(b) In the event the Borrower fails to prepay any Loan on the date specified in any prepayment notice delivered pursuant to Section 2.13(a), the Borrower on demand by any Lender shall pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any loss incurred by such Lender as a result of such failure to prepay, including, without limitation, any loss, cost or expenses incurred by reason of the acquisition of deposits or other funds by such Lender to fulfill deposit obligations incurred in anticipation of such prepayment. Each Lender shall deliver to the Borrower and the Administrative Agent from time to time one or more certificates setting forth the amount of such loss (and in reasonable detail the manner of computation thereof) as determined by such Lender, which certificates shall be conclusive absent manifest error.

SECTION 2.18. Pro Rata Treatment.

Except as permitted under Sections 2.14, 2.15(c), 2.16, 2.17, 2.23 and 2.24, (i) each Revolving Credit Borrowing, each payment or prepayment of principal of any Revolving Credit Borrowing, each payment of interest on the Revolving Credit Loans, each payment of the Facility Fees, each reduction of the Total Commitment and each refinancing of any Borrowing with, or conversion of any Borrowing to, a Revolving Credit Borrowing, or continuation of any Borrowing as a Revolving Credit Borrowing, shall be allocated pro rata among the Lenders in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amount of their outstanding Revolving Credit Loans). Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Lenders participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Lenders at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Lenders (including those Lenders that shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing computed in accordance with Section 2.1, to the next higher or lower whole dollar amount.

SECTION 2.19. Right of Setoff.

If any Event of Default shall have occurred and be continuing and any Lender shall have requested the Administrative Agent to declare the Loans immediately due and payable pursuant to Article 7, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by such Lender and any other indebtedness at any time owing by such Lender to, or for the credit or the account of, the Borrower, against any of and all the obligations now or hereafter existing under this Agreement and the Loans held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such Loans and although such Obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such setoff and application made by such Lender, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender under this Section 2.19 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 2.20. Manner of Payments.

All payments by the Borrower hereunder and under the Notes shall be made in Dollars in Federal or other immediately available funds at the office of the Administrative Agent's Agent Bank Services Department, 1 Chase Manhattan Plaza, 8th Floor, New York, New York 10081, Attention: Miranda Chin, for credit to Cendant Corporation Clearing Account, Account No. 144812905 (Reference: Cendant Corporation Credit Agreement dated October 2, 1996) no later than 12:00 noon, New York City time, on the date on which such payment shall be due. Interest in respect of any Loan hereunder shall accrue from and including the date of such Loan to, but excluding, the date on which such Loan is paid or refinanced with a Loan of a different Interest Rate Type.

SECTION 2.21. United States Withholding.

(a) Prior to the date of the initial Loans hereunder, and from time to time thereafter if requested by the Borrower or the Administrative Agent or required because, as a result of a change in Applicable Law or a change in circumstances or otherwise, a previously delivered form or statement becomes incomplete or incorrect in any material respect, each Lender organized under the laws of a jurisdiction outside the United States shall provide, if applicable, the Administrative Agent and the Borrower with complete, accurate and duly executed forms or other statements prescribed by the Internal Revenue Service of

the United States certifying such Lender's exemption from, or entitlement to a reduced rate of, United States withholding taxes (including backup withholding taxes) with respect to all payments to be made to such Lender hereunder and under the Notes.

(b) The Borrower and the Administrative Agent shall be entitled to deduct and withhold any and all present or future taxes or withholdings, and all liabilities with respect thereto, from payments hereunder or under the Notes, if and to the extent that the Borrower or the Administrative Agent in good faith determines that such deduction or withholding is required by the law of the United States, including, without limitation, any applicable treaty of the United States. In the event the Borrower or the Administrative Agent shall so determine that deduction or withholding of taxes is required, it shall advise the affected Lender as to the basis of such determination prior to actually deducting and withholding such taxes. In the event the Borrower or the Administrative Agent shall so deduct or withhold taxes from amounts payable hereunder, it (i) shall pay to or deposit with the appropriate taxing authority in a timely manner the full amount of taxes it has deducted or withheld; (ii) shall provide evidence of payment of such taxes to, or the deposit thereof with, the appropriate taxing authority and a statement setting forth the amount of taxes deducted or withheld, the applicable rate, and any other information or documentation reasonably requested by the Lenders from whom the taxes were deducted or withheld; and (iii) shall forward to such Lenders any receipt for such payment or deposit of the deducted or withheld taxes as may be issued from time to time by the appropriate taxing authority. Unless the Borrower and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments hereunder or under the Notes are not subject to United States withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Borrower or the Administrative Agent may withhold taxes from such payments at the applicable statutory rate in the case of payments to or for any Lender organized under the laws of a jurisdiction outside the United States.

(c) Each Lender agrees (i) that as between it and the Borrower or the Administrative Agent, it shall be the Person to deduct and withhold taxes, and to the extent required by law it shall deduct and withhold taxes, on amounts that such Lender may remit to any other Person(s) by reason of any undisclosed transfer or assignment of an interest in this Agreement to such other Person(s) pursuant to paragraph (g) of Section 9.3 and (ii) to indemnify the Borrower and the Administrative Agent and any officers, directors, agents, or employees of the Borrower or the Administrative Agent against, and to hold them harmless from, any tax, interest, additions to tax, penalties, reasonable counsel

and accountants' fees, disbursements or payments arising from the assertion by any appropriate taxing authority of any claim against them relating to a failure to withhold taxes as required by Applicable Law with respect to amounts described in clause (i) of this paragraph (c).

(d) Each assignee of a Lender's interest in this Agreement in conformity with Section 9.3 shall be bound by this Section 2.21, so that such assignee will have all of the obligations and provide all of the forms and statements and all indemnities, representations and warranties required to be given under this Section 2.21.

(e) In the event that any withholding taxes shall become payable solely as a result of any change in any statute, treaty, ruling, determination or regulation occurring after the Initial Date in respect of any sum payable hereunder or under any other Fundamental Document to any Lender or the Administrative Agent (i) the sum payable by the Borrower shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.21) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with Applicable Law. For purposes of this Section 2.21, the term "Initial Date" shall mean (i) in the case of the Administrative Agent, the date hereof, (ii) in the case of each Lender as of the date hereof, the date hereof and (iii) in the case of any other Lender, the effective date of the Assignment and Acceptance pursuant to which it became a Lender.

SECTION 2.22. Certain Pricing Adjustments.

The Facility Fee and the applicable LIBOR Spread in effect from time to time shall be determined in accordance with the following table:

S&P/Moody's Rating Equivalent of the Borrower's senior unsecured long- term debt -----	Facility Fee (in Basis Points) -----	Applicable LIBOR Spread (in Basis Points) -----
A/A2 or better	8.0	29.5
A-/A3	10.0	40.0
BBB+/Baa1	12.5	50.0

BBB/Baa2	15.0	60.0
BBB-/Baa3	17.5	70.0
BB+/Ba1 or lower	32.5	117.5

In the event the S&P rating on the Borrower's senior unsecured long-term debt is not equivalent to the Moody's rating on such debt, the lower rating will determine the Facility Fee and applicable LIBOR Spread. In the event that the Borrower's senior unsecured long-term debt is rated by only one of S&P and Moody's, then that single rating shall be determinative. In the event that the Borrower's senior unsecured long-term debt is not rated by either S&P or Moody's, then the Facility Fee and the applicable LIBOR Spread shall be deemed to be calculated as if the lowest rating category set forth above applied. Any increase in the Facility Fee or the applicable LIBOR Spread determined in accordance with the foregoing table shall become effective on the date of announcement or publication by the Borrower or either such rating agency of a reduction in such rating or, in the absence of such announcement or publication, on the effective date of such decreased rating, or on the date of any request by the Borrower to either of such rating agencies not to rate its senior unsecured long-term debt or on the date either of such rating agencies announces it shall no longer rate the Borrower's senior unsecured long-term debt. Any decrease in the Facility Fee or applicable LIBOR Spread shall be effective on the date of announcement or publication by either of such rating agencies of an increase in rating or in the absence of announcement or publication on the effective date of such increase in rating. The applicable margin for ABR Loans shall be 1% less than the applicable LIBOR Spread (but not less than 0%).

SECTION 2.23. [INTENTIONALLY OMITTED].

SECTION 2.24. Extension of Maturity Date. (a) Not less than 60 days and not more than 90 days prior to the Maturity Date then in effect, provided that no Event of Default shall have occurred and be continuing, the Borrower may request an extension of such Maturity Date by submitting to the Administrative Agent an Extension Request containing the information in respect of such extension specified in Exhibit H, which the Administrative Agent shall promptly furnish to each Lender. Each Lender shall, not less than 30 days and not more than 60 days prior to the Maturity Date then in effect, notify the Borrower and the Administrative Agent of its election to extend or not extend the Maturity Date as requested in such Extension Request. Notwithstanding any provision of this Agreement to the contrary, any notice by any Lender of its willingness to extend the

Maturity Date shall be revocable by such Lender in its sole and absolute discretion at any time prior to the date which is 30 days prior to the Maturity Date then in effect. If the Supermajority Lenders shall approve in writing the extension of the Maturity Date requested in such Extension Request, the Maturity Date shall automatically and without any further action by any Person be extended for the period specified in such Extension Request; provided that (i) each extension pursuant to this Section 2.24 shall be for a maximum of 364 days and (ii) the Commitment of any Lender which does not consent in writing to such extension not less than 30 days and not more than 60 days prior to the Maturity Date then in effect (an "Objecting Lender") shall, unless earlier terminated in accordance with this Agreement, expire on the Maturity Date in effect on the date of such Extension Request (such Maturity Date, if any, referred to as the "Commitment Expiration Date" with respect to such Objecting Lender). If not less than 30 days and not more than 60 days prior to the Maturity Date then in effect, the Supermajority Lenders shall not approve in writing the extension of the Maturity Date requested in an Extension Request, the Maturity Date shall not be extended pursuant to such Extension Request. The Administrative Agent shall promptly notify (y) the Lenders and the Borrower of any extension of the Maturity Date pursuant to this Section 2.24 and (z) the Borrower and any other Lender of any Lender which becomes an Objecting Lender.

(b) Revolving Credit Loans owing to any Objecting Lender on the Commitment Expiration Date with respect to such Lender shall be repaid in full on or before such Commitment Expiration Date.

(c) The Borrower shall have the right, so long as no Event of Default has occurred and is then continuing, upon giving notice to the Administrative Agent and the Objecting Lender in accordance with Section 2.13, to prepay in full the Revolving Credit Loans of the Objecting Lenders, together with accrued interest thereon, any amounts payable pursuant to Sections 2.9, 2.10, 2.14, 2.15, 2.17, 2.21, and 9.4 and any accrued and unpaid Facility Fee or other amounts payable to it hereunder and/or, upon giving not less than three Business Days' notice to the Objecting Lenders and the Administrative Agent, to cancel the whole or part of the Commitments of the Objecting Lenders.

(d) The Borrower may, with the consent of the Administrative Agent, designate one or more financial institutions to act as a Lender hereunder in place of any Objecting Lender, and upon the execution of an agreement substantially in the form of Exhibit I by each such Objecting Lender (who hereby agrees to execute such agreement), such replacement financial institution and the Administrative Agent,

such replacement financial institution shall become and be a Lender hereunder with all the rights and obligations it would have had if it had been named on the signature pages hereof, and having for all such financial institutions aggregate Commitments of no greater than the whole of the Commitment of the Objecting Lender in place of which such financial institutions were designated; provided, that the Facility Fees, interest and other payments to the Lenders due hereunder shall accrue for the account of each such financial institution from the date of replacement pursuant to such agreement. The Administrative Agent shall notify the Lenders of the execution of any such agreement, the name of the financial institution executing such agreement and the amount of such financial institution's Commitment.

3. REPRESENTATIONS AND WARRANTIES OF BORROWER

In order to induce the Lenders to enter into this Agreement and to make the Loans and participate in the Letters of Credit provided for herein, the Borrower makes the following representations and warranties to the Administrative Agent and the Lenders, all of which shall survive the execution and delivery of this Agreement, the issuance of the Notes and the making of the Loans and issuance of the Letters of Credit:

SECTION 3.1 Corporate Existence and Power.

The Borrower and its Subsidiaries have been duly organized and are validly existing in good standing under the laws of their respective jurisdictions of incorporation and are in good standing or have applied for authority to operate as a foreign corporation in all jurisdictions where the nature of their properties or business so requires it and where a failure to be in good standing as a foreign corporation would have a Material Adverse Effect. The Borrower has the corporate power to execute, deliver and perform its obligations under this Agreement and the other Fundamental Documents and other documents contemplated hereby and to borrow hereunder.

SECTION 3.2. Corporate Authority, No Violation and Compliance with Law.

The execution, delivery and performance of this Agreement and the other Fundamental Documents and the borrowings hereunder (a) have been duly authorized by all necessary corporate action on the part of the Borrower, (b) will not violate any provision of any Applicable Law (including any laws related to franchising) applicable to the Borrower or any of its Subsidiaries or any of their respective properties or assets, (c) will not violate any provision of the Certificate of Incorporation or By-Laws of the Borrower or any of its

Subsidiaries, or any indenture, any agreement for borrowed money, any bond, note or other similar instrument or any other material agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any of its Subsidiaries or any of their respective properties or assets are bound, (d) will not be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any material indenture, agreement, bond, note or instrument and (e) will not result in the creation or imposition of any Lien upon any property or assets of the Borrower or any of its Subsidiaries other than pursuant to this Agreement or any other Fundamental Document.

SECTION 3.3. Governmental and Other Approval and

Consents.

No action, consent or approval of, or registration or filing with, or any other action by, any governmental agency, bureau, commission or court is required in connection with the execution, delivery and performance by the Borrower of this Agreement or the other Fundamental Documents.

SECTION 3.4. Financial Statements of Borrower.

The (a) revised audited financial statements of the Borrower and its Consolidated Subsidiaries as of December 31, 1996 and December 31, 1997, and (b) unaudited consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of March 31, 1998 and June 30, 1998, together with the related unaudited statements of income, shareholders' equity and cash flows for such periods, fairly present the financial condition of the Borrower and its Consolidated Subsidiaries as at the dates indicated and the results of operations and cash flows for the periods indicated in conformity with GAAP subject to normal year-end adjustments in the case of the March 31, 1998 and June 30, 1998 financial statements.

SECTION 3.5. No Material Adverse Change.

There has been no material adverse change in the business, assets, operations, or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole from that disclosed in the revised audited financial statements (including the footnotes thereto) of the Borrower referred to in Section 3.4 for its 1997 fiscal year; provided, however, that the foregoing representation is made solely as of the Closing Date.

SECTION 3.6. Subsidiaries.

Annexed hereto as Schedule 3.6 is a correct and complete list as of the Closing Date of all Material Subsidiaries of the Borrower showing, as to each Material Subsidiary, its name, the jurisdiction of its incorporation, its authorized capitalization and the ownership of the capital stock of such Material Subsidiary.

SECTION 3.7. Copyrights, Patents and Other Rights.

Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.8. Title to Properties.

Each of the Borrower and its Material Subsidiaries will have at the Closing Date good title or valid leasehold interests to each of the properties and assets reflected on the balance sheets referred to in Section 3.4, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes, and all such properties and assets will be free and clear of Liens, except Permitted Encumbrances.

SECTION 3.9. Litigation.

Except as set forth on Schedule 3.9, there are no lawsuits or other proceedings pending (including, but not limited to, matters relating to environmental liability), or, to the knowledge of the Borrower, threatened, against or affecting the Borrower or any of its Subsidiaries or any of their respective properties, by or before any Governmental Authority or arbitrator, which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries is in default with respect to any order, writ, injunction, decree, rule or regulation of any Governmental Authority, which default would have a Material Adverse Effect.

SECTION 3.10. Federal Reserve Regulations.

Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans will be used, whether immediately, incidentally or ultimately,

for any purpose violative of or inconsistent with any of the provisions of Regulation T, U or X of the Board.

SECTION 3.11. Investment Company Act.

The Borrower is not, and will not during the term of this Agreement be, (x) an "investment company", within the meaning of the Investment Company Act of 1940, as amended or (y) subject to regulation under the Public Utility Holding Company Act of 1935 or the Federal Power Act.

SECTION 3.12. Enforceability.

This Agreement and the other Fundamental Documents when executed will constitute legal, valid and enforceable obligations (as applicable) of the Borrower (subject, as to enforcement, to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity).

SECTION 3.13. Taxes.

The Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and local tax returns which are required to be filed, and has paid or has caused to be paid all taxes as shown on said returns or on any assessment received by them in writing, to the extent that such taxes have become due, except (a) as permitted by Section 5.4 hereof or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.14. Compliance with ERISA.

Each of the Borrower and its Subsidiaries is in compliance in all material respects with the provisions of ERISA and the Code applicable to Plans, and the regulations and published interpretations thereunder, if any, which are applicable to it. Neither the Borrower nor any of its Subsidiaries has, with respect to any Plan established or maintained by it, engaged in a prohibited transaction which would subject it to a material tax or penalty on prohibited transactions imposed by ERISA or Section 4975 of the Code. No liability to the PBGC that is material to the Borrower and its Subsidiaries taken as a whole has been, or to the Borrower's best knowledge is reasonably expected to be, incurred with respect to the Plans and there has been no Reportable Event and no other event or condition that presents a material risk of termination of a Plan by the PBGC. Neither the Borrower nor any of its Subsidiaries has engaged in a transaction which would result in the incurrence of a material liability under Section 4069 of

ERISA. As of the Closing Date, neither the Borrower nor any of its Subsidiaries contributes to a Multiemployer Plan, and has not incurred any liability that would be material to the Borrower and its Subsidiaries taken as a whole on account of a partial or complete withdrawal (as defined in Sections 4203 and 4205 of ERISA, respectively) with respect to any Multiemployer Plan.

SECTION 3.15. Disclosure.

As of the Closing Date, neither this Agreement nor the Confidential Information Memorandum dated October 1998, at the time it was furnished, contained any untrue statement of a material fact or omitted to state a material fact, under the circumstances under which it was made, necessary in order to make the statements contained herein or therein not misleading. At the Closing Date, there is no fact known to the Borrower which, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The Borrower has delivered to the Administrative Agent certain projections relating to the Borrower and its Consolidated Subsidiaries. Such projections are based on good faith estimates and assumptions believed to be reasonable at the time made, provided, however, that the Borrower makes no representation or warranty that such assumptions will prove in the future to be accurate or that the Borrower and its Consolidated Subsidiaries will achieve the financial results reflected in such projections.

SECTION 3.16. Environmental Liabilities.

Except with respect to any matters, that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) except as set forth on Schedule 3.16, has become subject to any Environmental Liability, (iii) except as set forth on Schedule 3.16, has received notice of any claim with respect to any Environmental Liability or (iv) except as set forth on Schedule 3.16, knows of any basis for any Environmental Liability.

4. CONDITIONS OF LENDING

SECTION 4.1. Conditions Precedent to Effectiveness.

The effectiveness of this Agreement is subject to the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received this Agreement and each of the other

Fundamental Documents, each executed and delivered by a duly authorized officer of the Borrower.

(b) Corporate Documents for the Borrower. The Administrative Agent shall have received, with copies for each of the Lenders, a certificate of the Secretary or Assistant Secretary of the Borrower dated the date of the initial Loans and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and by-laws of the Borrower as in effect on the date of such certification; (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of the Borrower authorizing the borrowings hereunder and the execution, delivery and performance in accordance with their respective terms of this Agreement and any other documents required or contemplated hereunder; and (C) as to the incumbency and specimen signature of each officer of the Borrower executing this Agreement or any other document delivered by it in connection herewith (such certificate to contain a certification by another officer of the Borrower as to the incumbency and signature of the officer signing the certificate referred to in this paragraph (b)).

(c) Financial Statements. The Lenders shall have received the (a) revised audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of December 31, 1997 and December 31, 1996, as adjusted for the accounting irregularities disclosed in the Borrower's amended 1997 Form 10K/A filed with the Securities and Exchange Commission (the "1997 10K"), and (b) unaudited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of March 31, 1998 and June 30, 1998.

(d) Opinions of Counsel. The Administrative Agent shall have received the favorable written opinions, dated the date of the initial Loans and addressed to the Administrative Agent and the Lenders, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Borrower and of James E. Buckman, Executive Vice President and General Counsel of the Borrower, substantially in the form of Exhibits B-1 and B-2 hereto, respectively.

(e) Payment of Fees. The Administrative Agent shall be satisfied that all amounts payable to the Administrative Agent and the other Lenders pursuant hereto or with regard to the transactions contemplated hereby have been or are simultaneously being paid.

(f) Closing Date Payments. The Borrower and the Lenders shall have made such payments among themselves on the Closing Date as directed by the Administrative Agent with the result that, after giving effect thereto, the outstanding Revolving Credit Loans, if any, shall be held by the Lenders pro rata in accordance with their respective Commitments. The Borrower shall have paid to the Administrative Agent, for the account of the respective Lenders under the Existing Credit Agreement, all unpaid fees and other amounts accrued under the Existing Credit Agreement to the Closing Date.

(g) Officer's Certificate. The Administrative Agent shall have received a certificate of the Borrower's chief executive officer or chief financial officer certifying, as of the Closing Date, compliance with the conditions set forth in paragraphs (b) and (c) of Section 4.2.

(h) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent may reasonably require.

SECTION 4.2. Conditions Precedent to Each Loan.

The obligation of the Lenders to make each Loan, including the initial Loan hereunder, is subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a notice with respect to such Borrowing as required by Article 2 hereof.

(b) Representations and Warranties. The representations and warranties set forth in Article 3 hereof (other than those set forth in Section 3.5, which shall be deemed made only on the Closing Date) and in the other Fundamental Documents shall be true and correct in all material respects on and as of the date of each Borrowing hereunder (except to the extent that such representations and warranties expressly relate to an earlier date) with the same effect as if made on and as of such date; provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

(c) No Event of Default. On the date of each Borrowing hereunder, the Borrower shall be in material compliance with all of the terms and provisions set forth

herein to be observed or performed and no Event of Default or Default shall have occurred and be continuing; provided, however, that this condition shall not apply to a Revolving Credit Borrowing which is solely refinancing outstanding Revolving Credit Loans and which, after giving effect thereto, has not increased the aggregate amount of outstanding Revolving Credit Loans.

Each Borrowing shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section.

5. AFFIRMATIVE COVENANTS

From the date of the initial Loan and for so long as the Commitments shall be in effect or any amount shall remain outstanding under any Note or unpaid under this Agreement, the Borrower agrees that, unless the Required Lenders shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

SECTION 5.1. Financial Statements, Reports, etc.

Deliver to each Lender:

(a) As soon as is practicable, but in any event within 100 days after the end of each fiscal year of the Borrower, the audited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of, and the related consolidated statements of income, shareholders' equity and cash flows for such year, and the corresponding figures as at the end of, and for, the preceding fiscal year, accompanied by an opinion of Deloitte & Touche LLP or such other independent certified public accountants of recognized standing as shall be retained by the Borrower and satisfactory to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards relating to reporting and which report and opinion shall (A) be unqualified as to going concern and scope of audit and shall state that such financial statements fairly present the financial condition of the Borrower and its Consolidated Subsidiaries, as at the dates indicated and the results of the operations and cash flows for the periods indicated and (B) contain no material exceptions or qualifications except for qualifications relating to accounting changes (with which such independent public accountants concur) in response to FASB releases or other authoritative pronouncements;

(b) As soon as is practicable, but in any event within 55 days after the end of each of the first three fiscal quarters of each fiscal year, the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries, as at the end of, and the related unaudited statements of income (or changes in financial position) for such quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter and the corresponding figures as at the end of, and for, the corresponding period in the preceding fiscal year, together with a certificate signed by the chief financial officer or a vice president responsible for financial administration of the Borrower to the effect that such financial statements, while not examined by independent public accountants, reflect, in his opinion and in the opinion of the Borrower, all adjustments necessary to present fairly the financial position of the Borrower and its Consolidated Subsidiaries, as the case may be, as at the end of the fiscal quarter and the results of their operations for the quarter then ended in conformity with GAAP consistently applied, subject only to year-end and audit adjustments and to the absence of footnote disclosure;

(c) Together with the delivery of the statements referred to in paragraphs (a) and (b) of this Section 5.1, a certificate of the chief financial officer or a vice president responsible for financial administration of the Borrower, substantially in the form of Exhibit D hereto (i) stating whether or not the signer has knowledge of any Default or Event of Default and, if so, specifying each such Default or Event of Default of which the signer has knowledge, the nature thereof and any action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event and (ii) demonstrating in reasonable detail compliance with the provisions of Sections 6.7 and 6.8 hereof;

(d) Promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available by the Borrower or any of its Subsidiaries to its shareholders generally, of all regular and periodic reports and all registration statements and prospectuses, if any, filed by any of them with any securities exchange or with the Securities and Exchange Commission, or any comparable foreign bodies, and of all press releases and other statements made available generally by any of them to the public concerning material developments in the business of the Borrower or any of its Subsidiaries;

(e) Promptly upon any executive officer of the Borrower or any of its Subsidiaries obtaining knowledge of the occurrence of any Default or Event of Default, a certificate of the president or chief financial officer of the Borrower specifying the nature and period of existence of such Default or Event of Default and what action the Borrower has taken, is taking and proposes to take with respect thereto;

(f) Promptly upon any executive officer of the Borrower or any of its Subsidiaries obtaining knowledge of (i) the institution of any action, suit, proceeding, investigation or arbitration by any Governmental Authority or other Person against or affecting the Borrower or any of its Subsidiaries or any of their assets, or (ii) any material development in any such action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders), which, in each case might reasonably be expected to have a Material Adverse Effect, the Borrower shall promptly give notice thereof to the Lenders and provide such other information as may be reasonably available to it (without waiver of any applicable evidentiary privilege) to enable the Lenders to evaluate such matters;

(g) With reasonable promptness, such other information and data with respect to the Borrower and its Subsidiaries as from time to time may be reasonably requested by any of the Lenders; and

(h) Together with each set of financial statements required by paragraph (a) above, a certificate of the independent certified public accountants rendering the report and opinion thereon (which certificate may be limited to the extent required by accounting rules or otherwise) (i) stating whether, in connection with their audit, any Default or Event of Default has come to their attention, and if such a Default or Event of Default has come to their attention, specifying the nature and period of existence thereof, and (ii) stating that based on their audit nothing has come to their attention which causes them to believe that the matters specified in paragraph (c)(ii) above for the applicable fiscal year are not stated in accordance with the terms of this Agreement.

SECTION 5.2. Corporate Existence; Compliance with

Statutes.

Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate

existence, material rights, licenses, permits and franchises and comply, except where failure to comply, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, with all provisions of Applicable Law, and all applicable restrictions imposed by, any Governmental Authority, including without limitation, the Federal Trade Commission's "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" as amended from time to time (16 C.F.R. ss.ss. 436.1 et seq.) and all state laws and regulations of similar import; provided, however, that mergers, dissolutions and liquidations permitted under Section 6.4 shall be permitted.

SECTION 5.3. Insurance.

Maintain with financially sound and reputable insurers insurance in such amounts and against such risks as are customarily insured against by companies in similar businesses; provided however, that workmen's compensation insurance or similar coverage may be effected with respect to its operations in any particular state or other jurisdiction through an insurance fund operated by such state or jurisdiction and such insurance may contain self-insurance retention and deductible levels consistent with normal industry practices.

SECTION 5.4. Taxes and Charges.

Duly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent, all federal, state or local taxes, assessments, levies and other governmental charges, imposed upon the Borrower or any of its Subsidiaries or their respective properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies which if unpaid could reasonably be expected to result in a Material Adverse Effect; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower shall have set aside on its books reserves (the presentation of which is segregated to the extent required by GAAP) adequate with respect thereto if reserves shall be deemed necessary by the Borrower in accordance with GAAP; and provided, further, that the Borrower will pay all such taxes, assessments, levies or other governmental charges forthwith upon the commencement of proceedings to foreclose any Lien which may have attached as security therefor (unless the same is fully bonded or otherwise effectively stayed).

SECTION 5.5. ERISA Compliance and Reports.

Furnish to the Administrative Agent as soon as possible, and in any event within 30 days after any executive officer (as defined in Regulation C under the Securities Act of 1933) of the Borrower knows that (i) any Reportable Event with respect to any Plan has occurred, a statement of the chief financial officer of the Borrower, setting forth details as to such Reportable Event and the action which it proposes to take with respect thereto, together with a copy of the notice, if any, required to be filed by the Borrower or any of its Subsidiaries of such Reportable Event with the PBGC or (ii) an accumulated funding deficiency has been incurred or an application has been made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard or an extension of any amortization period under Section 412 of the Code with respect to a Plan, a Plan has been or is proposed to be terminated in a "distress termination" (as defined in Section 4041(c) of ERISA), proceedings have been instituted to terminate a Plan or a Multiemployer Plan, a proceeding has been instituted to collect a delinquent contribution to a Plan or a Multiemployer Plan, or either the Borrower or any of its Subsidiaries will incur any liability (including any contingent or secondary liability) to or on account of the termination of or withdrawal from a Plan under Sections 4062, 4063, 4064 of ERISA or the withdrawal or partial withdrawal from a Multiemployer Plan under Sections 4201 or 4204 of ERISA, a statement of the chief financial officer of the Borrower, setting forth details as to such event and the action it proposes to take with respect thereto, promptly upon the reasonable request of the Administrative Agent, copies of each annual and other report with respect to each Plan and promptly after receipt thereof, a copy of any notice the Borrower or any of its Subsidiaries may receive from the PBGC relating to the PBGC's intention to terminate any Plan or to appoint a trustee to administer any Plan; provided that the Borrower shall not be required to notify the Administrative Agent of the occurrence of any of the events set forth in the preceding clauses (a) and (c) unless such event, individually or in the aggregate, could reasonably be expected to result in a material liability to the Borrower and its Subsidiaries taken as a whole.

SECTION 5.6. Maintenance of and Access to Books and Records;
Examinations.

Maintain or cause to be maintained at all times true and complete books and records of its financial operations (in accordance with GAAP) and provide the Administrative Agent and its representatives access to all such books and records and to any of their properties or assets during regular business hours, in order that the Administrative Agent may make such audits and examinations and make abstracts from such books, accounts and

records and may discuss the affairs, finances and accounts with, and be advised as to the same by, officers and independent accountants, all as the Administrative Agent may deem appropriate for the purpose of verifying the various reports delivered pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement.

SECTION 5.7. Maintenance of Properties.

Keep its properties which are material to its business in good repair, working order and condition consistent with industry practice.

SECTION 5.8. Changes in Character of Business.

Cause the Borrower and its Subsidiaries taken as a whole to be primarily engaged in the franchising and services businesses.

6. NEGATIVE COVENANTS

From the date of the initial Loan and for so long as the Commitments shall be in effect or any amount shall remain outstanding under any Note or unpaid under this Agreement, unless the Required Lenders shall otherwise consent in writing, the Borrower agrees that it will not, nor will it permit any of its Subsidiaries to, directly or indirectly:

SECTION 6.1. Limitation on Indebtedness.

Incur, assume or suffer to exist any Indebtedness of any Material Subsidiary except:

(a) Indebtedness in existence on the Closing Date, or required to be incurred pursuant to a contractual obligation in existence on the Closing Date, which in either case, is listed on Schedule 6.1 hereto, but not any extensions or renewals thereof, unless effected on substantially the same terms or on terms not more adverse to the Lenders;

(b) purchase money Indebtedness (including Capital Leases) to the extent permitted under Section 6.5(b);

(c) Guaranties;

(d) Indebtedness owing by any Material Subsidiary to the Borrower or any other Subsidiary arising in the ordinary course of business for normal business purposes;

(e) Indebtedness of any Material Subsidiary of the Borrower issued and outstanding prior to the date on which such Subsidiary became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Subsidiary becoming a Subsidiary of the Borrower); provided that immediately prior and on a Pro Forma Basis after giving effect to, such Person becoming a Subsidiary of the Borrower, no Default or Event of Default shall occur or then be continuing and the aggregate principal amount of such Indebtedness, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (f) and (g) below, shall not exceed \$400,000,000;

(f) any renewal, extension or modification of Indebtedness under paragraph (e) above so long (i) as such renewal, extension or modification is effected on substantially the same terms or on terms which, in the aggregate, are not more adverse to the Lenders and (ii) the principal amount of such Indebtedness is not increased;

(g) other Indebtedness of any Material Subsidiary in an aggregate principal amounts which, when added to the aggregate outstanding principal amount of Indebtedness permitted by paragraphs (e) and (f) above, does not exceed \$400,000,000;

(h) in addition to the Indebtedness permitted by paragraphs (a)-(g) above and paragraph (i) below, Indebtedness of PHH Corporation and its Subsidiaries so long as, after giving effect to the incurrence of such Indebtedness and the use of the proceeds thereof, the ratio of Indebtedness of PHH and its Subsidiaries to consolidated shareholders' equity of PHH is less than 10 to 1; and

(i) in addition to the Indebtedness permitted by paragraphs (a)-(h) above, Indebtedness of CFHC so long as CFHC shall have guaranteed payment of the Borrower's obligations under this Agreement on terms reasonably satisfactory to the Administrative Agent.

SECTION 6.2. INTENTIONALLY OMITTED.

SECTION 6.3. Hotel Subsidiaries.

No Hotel Subsidiary shall incur or suffer to exist any obligation to advance money to purchase securities from, or otherwise make any investment in, any Person engaged in the gaming business.

SECTION 6.4. Consolidation, Merger, Sale of Assets.

(a) Neither the Borrower nor any of its Material Subsidiaries (in one transaction or series of transactions) will wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, except any merger, consolidation, dissolution or liquidation (i) in which the Borrower is the surviving entity or if the Borrower is not a party to such transaction then a Subsidiary is the surviving entity or the successor to the Borrower has unconditionally assumed in writing all of the payment and performance obligations of the Borrower under this Agreement and the other Fundamental Documents, (ii) in which the surviving entity becomes a Subsidiary of the Borrower immediately upon the effectiveness of such merger, consolidation, dissolution or liquidation, (iii) involving a Subsidiary in connection with a transaction permitted by Section 6.4(b) or (iv) the Merger; provided, however, that immediately prior to and on a Pro Forma Basis after giving effect to any such transaction described in any of the preceding clauses (i), (ii) and (iii) no Default or Event of Default has occurred and is continuing.

(b) The Borrower and its Subsidiaries (either individually or collectively and whether in one transaction or series of related transactions) will not sell or otherwise dispose of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole.

SECTION 6.5. Limitations on Liens.

Suffer any Lien on the property of the Borrower or any of the Material Subsidiaries, except:

(a) deposits under worker's compensation, unemployment insurance and social security laws or to secure statutory obligations or surety or appeal bonds or performance or other similar bonds in the ordinary course of business, or statutory Liens of landlords, carriers, warehousemen, mechanics and material men and other similar Liens, in respect of liabilities which are not yet due or which are being contested in good faith, Liens for taxes not yet due and payable, and Liens for taxes due and payable, the validity or amount of which is currently being contested in good faith by appropriate proceedings and as to which foreclosure and other enforcement proceedings shall not have been commenced (unless fully bonded or otherwise effectively stayed);

(b) purchase money Liens granted to the vendor or Person financing the acquisition of property, plant or

equipment if (i) limited to the specific assets acquired and, in the case of tangible assets, other property which is an improvement to or is acquired for specific use in connection with such acquired property or which is real property being improved by such acquired property; (ii) the debt secured by the Lien is the unpaid balance of the acquisition cost of the specific assets on which the Lien is granted; and (iii) such transaction does not otherwise violate this Agreement;

(c) Liens upon real and/or personal property, which property was acquired after the date of this Agreement (by purchase, construction or otherwise) by the Borrower or any of its Material Subsidiaries, each of which Liens existed on such property before the time of its acquisition and was not created in anticipation thereof; provided, however, that no such Lien shall extend to or cover any property of the Borrower or such Material Subsidiary other than the respective property so acquired and improvements thereon;

(d) Liens arising out of attachments, judgments or awards as to which an appeal or other appropriate proceedings for contest or review are promptly commenced (and as to which foreclosure and other enforcement proceedings (i) shall not have been commenced (unless fully bonded or otherwise effectively stayed) or (ii) in any event shall be promptly fully bonded or otherwise effectively stayed);

(e) Liens created under any Fundamental Document;

(f) Existing Liens listed on Schedule 6.5 and any extensions or renewals thereof;

(g) Liens in connection with the Receivables Facility;

(h) Liens consisting of cash and/or cash equivalents collateral securing the RAC Loan Notes or guarantees thereof provided that the amount of such cash collateral shall not exceed the amount of unpaid principal and accrued interest on the RAC Loan Notes; and

(i) other Liens securing obligations having an aggregate principal amount not to exceed 15% of Consolidated Net Worth.

SECTION 6.6. Sale and Leaseback.

Enter into any arrangement with any Person or Persons, whereby in contemporaneous transactions the Borrower or any of

its Subsidiaries sells essentially all of its right, title and interest in a material asset and the Borrower or any of its Subsidiaries acquires or leases back the right to use such property except that the Borrower may enter into sale-leaseback transactions relating to assets not in excess of \$200,000,000 in the aggregate on a cumulative basis.

SECTION 6.7. Leverage.

Permit the ratio of Consolidated Total Indebtedness on the last day of any fiscal quarter to Consolidated EBITDA for the Rolling Period ended on such day to be more than 3.5 to 1.0.

SECTION 6.8. Interest Coverage Ratio.

Permit the Interest Coverage Ratio for any Rolling Period to be less than 3.0 to 1.0.

SECTION 6.9. Accounting Practices.

Establish a fiscal year ending on other than December 31, or modify or change accounting treatments or reporting practices except as otherwise required or permitted by GAAP.

7. EVENTS OF DEFAULT

In the case of the happening and during the continuance of any of the following events (herein called "Events of Default"):

(a) any representation or warranty made by the Borrower in this Agreement or any other Fundamental Document or in connection with this Agreement or with the execution and delivery of the Notes or the Borrowings hereunder, or any statement or representation made in any report, financial statement, certificate or other document furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender under or in connection with this Agreement, shall prove to have been false or misleading in any material respect when made or delivered;

(b) default shall be made in the payment of any principal of or interest on the Notes or of any fees or other amounts payable by the Borrower hereunder, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and in the case of payments of interest, such default shall continue unremedied

for five days, and in the case of payments other than of any principal amount of or interest on the Notes, such default shall continue unremedied for five days after receipt by the Borrower of an invoice therefor;

(c) default shall be made in the due observance or performance of any covenant, condition or agreement contained in Section 5.1(e) (with respect to notice of Default or Events of Default), 5.8 or Article 6 of this Agreement;

(d) default shall be made by the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to the terms of this Agreement, or any other Fundamental Document and such default shall continue unremedied for thirty (30) days after the Borrower obtains knowledge of such occurrence;

(e) (i) default in payment shall be made with respect to any Indebtedness of the Borrower or any of its Subsidiaries where the amount or amounts of such Indebtedness exceeds \$50,000,000 in the aggregate; or (ii) default in payment or performance shall be made with respect to any Indebtedness of the Borrower or any of its Subsidiaries where the amount or amounts of such Indebtedness exceeds \$50,000,000 in the aggregate, if the effect of such default is to result in the acceleration of the maturity of such Indebtedness; or (iii) any other circumstance shall arise (other than the mere passage of time) by reason of which the Borrower or any Subsidiary of the Borrower is required to redeem or repurchase, or offer to holders the opportunity to have redeemed or repurchased, any such Indebtedness where the amount or amounts of such Indebtedness exceeds \$50,000,000 in the aggregate; provided that clause (iii) shall not apply to secured Indebtedness that becomes due as a result of a voluntary sale of the property or assets securing such Indebtedness and provided, further clauses (ii) and (iii) shall not apply to any Indebtedness of any Subsidiary issued and outstanding prior to the date such Subsidiary became a Subsidiary of the Borrower (other than Indebtedness issued in connection with, or in anticipation of, such Subsidiary becoming a Subsidiary of the Borrower) if such default or circumstance arises solely as a result of a "change of control" provision applicable to such Indebtedness which becomes operative as a result of the acquisition of such Subsidiary by the Borrower or any of its Subsidiaries;

(f) the Borrower or any of its Material Subsidiaries shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors; or the Borrower or any of its Material Subsidiaries shall commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property or shall file an answer or other pleading in any such case, proceeding or other action admitting the material allegations of any petition, complaint or similar pleading filed against it or consenting to the relief sought therein; or the Borrower or any Material Subsidiary thereof shall take any action to authorize any of the foregoing;

(g) any involuntary case, proceeding or other action against the Borrower or any of its Material Subsidiaries shall be commenced seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action (i) results in the entry of any order for relief against it or (ii) shall remain undismissed for a period of sixty (60) days;

(h) the occurrence of a Change in Control;

(i) final judgment(s) for the payment of money in excess of \$50,000,000 shall be rendered against the Borrower or any of its Subsidiaries which within thirty (30) days from the entry of such judgment shall not have been discharged or stayed pending appeal or which shall not have been discharged within thirty (30) days from the entry of a final order of affirmance on appeal; or

(j) a Reportable Event relating to a failure to meet minimum funding standards or an Inability to pay benefits when due shall have occurred with respect to any Plan under the control of the Borrower or any of its Subsidiaries and shall not have been remedied within 45 days after the

occurrence of such Reportable Event, if the occurrence thereof could reasonably be expected to have a Material Adverse Effect;

then, in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may or shall, if directed by the Required Lenders, take either or both of the following actions, at the same or different times: terminate forthwith the Commitments and/or declare the principal of and the interest on the Loans and the Notes and all other amounts payable hereunder or thereunder to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement or in the Notes to the contrary notwithstanding. If an Event of Default specified in paragraphs (f) or (g) above shall have occurred, the principal of and interest on the Loans and the Notes and all other amounts payable hereunder or thereunder shall thereupon and concurrently become due and payable without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement or the Notes to the contrary notwithstanding and the Commitments of the Lenders shall thereupon forthwith terminate.

8. THE ADMINISTRATIVE AGENT

SECTION 8.1 Administration by Administrative Agent.

The general administration of the Fundamental Documents and any other documents contemplated by this Agreement shall be by the Administrative Agent or its designees. Each of the Lenders hereby irrevocably authorizes the Administrative Agent, at its discretion, to take or refrain from taking such actions as agent on its behalf and to exercise or refrain from exercising such powers under the Fundamental Documents, the Notes and any other documents contemplated by this Agreement as are delegated by the terms hereof or thereof, as appropriates together with all powers reasonably incidental thereto. The Administrative Agent shall have no duties or responsibilities except as set forth in the Fundamental Documents. Any Lender which is a co-agent (as indicated on the signature pages hereto) for the credit facility hereunder shall not have any duties or responsibilities except as a Lender hereunder. Any Lender which is a Syndication Agent, Co-Documentation Agent, Managing Agent or Co-Agent (as indicated on the signature pages hereto) for the credit facility hereunder shall not have any duties or responsibilities except as a Lender hereunder.

SECTION 8.2. Advances and Payments.

(a) On the date of each Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Loan to be made by it in accordance with this Agreement. Each of the Lenders hereby authorizes and requests the Administrative Agent to advance for its account, pursuant to the terms hereof, the amount of the Loan to be made by it, unless with respect to any Lender, such Lender has theretofore specifically notified the Administrative Agent that such Lender does not intend to fund that particular Loan. Each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent pursuant to the immediately preceding sentence. If any such reimbursement is not made in immediately available funds on the same day on which the Administrative Agent shall have made any such amount available on behalf of any Lender in accordance with this Section 8.2, such Lender shall pay interest to the Administrative Agent at a rate per annum equal to the Administrative Agent's cost of obtaining overnight funds in the New York Federal Funds Market. Notwithstanding the preceding sentence, if such reimbursement is not made by the second Business Day following the day on which the Administrative Agent shall have made any such amount available on behalf of any Lender or such Lender has indicated that it does not intend to reimburse the Administrative Agent, the Borrower shall immediately pay such unreimbursed advance amount (plus any accrued, but unpaid interest at the rate applicable to ABR Loans) to the Administrative Agent.

(b) Any amounts received by the Administrative Agent in connection with this Agreement or the Notes the application of which is not otherwise provided for shall be applied, in accordance with each of the Lenders' pro rata interest therein, first, to pay accrued but unpaid Facility Fees, second, to pay accrued but unpaid interest on the Notes, third, the principal balance outstanding on the Notes and fourth, to pay other amounts payable to the Administrative Agent and/or the Lenders. All amounts to be paid to any of the Lenders by the Administrative Agent shall be credited to the Lenders, after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in such Lender's correspondent account with the Administrative Agent, or as such Lender and the Administrative Agent shall from time to time agree.

SECTION 8.3. Sharing of Setoffs and Cash Collateral.

Each of the Lenders agrees that if it shall, through the operation of Section 2.19 hereof or the exercise of a right

of bank's lien, setoff or counterclaim against the Borrower, including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Loans as a result of which the unpaid portion of its Loans is proportionately less than the unpaid portion of any of the other Lenders (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lenders a participation in the Loans of such other Lenders, so that the aggregate unpaid principal amount of each of the Lenders' Loans and its participation in Loans of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to the obtaining of such payment was to the principal amount of all Loans outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro rata.

SECTION 8.4. Notice to the Lenders.

Upon receipt by the Administrative Agent from the Borrower of any communication calling for an action on the part of the Lenders, or upon notice to the Administrative Agent of any Event of Default, the Administrative Agent will in turn immediately inform the other Lenders in writing (which shall include telegraphic communications) of the nature of such communication or of the Event of Default, as the case may be.

SECTION 8.5. Liability of Administrative Agent.

(a) The Administrative Agent, when acting on behalf of the Lenders may execute any of its duties under this Agreement by or through its officers, agents, or employees and neither the Administrative Agent nor its directors, officers, agents, or employees shall be liable to the Lenders or any of them for any action taken or omitted to be taken in good faith, or be responsible to the Lenders or to any of them for the consequences of any oversight or error of judgment, or for any loss, unless the same shall happen through its gross negligence or willful misconduct. The Administrative Agent and its directors, officers, agents, and employees shall in no event be liable to the Lenders or to any of them for any action taken or omitted to be taken by it pursuant to instructions received by it from the Required Lenders or in reliance upon the advice of counsel selected by it. Without limiting the foregoing, neither the Administrative Agent nor any of its directors, officers, employees, or agents shall be responsible to any of the Lenders

for the due execution, validity, genuineness, effectiveness, sufficiency, or enforceability of, or for any statement, warranty, or representation in, or for the perfection of any security interest contemplated by, this Agreement or any related agreement, document or order, or for the designation or failure to designate this transaction as a "Highly Leveraged Transaction" for regulatory purposes, or shall be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower of any of the terms, conditions, covenants, or agreements of this Agreement or any related agreement or document.

(b) Neither the Administrative Agent nor any of its respective directors, officers, employees, or agents shall have any responsibility to the Borrower on account of the failure or delay in performance or breach by any of the Lenders or the Borrower of any of their respective obligations under this Agreement or the Notes or any related agreement or document or in connection herewith or therewith.

(c) The Administrative Agent, in such capacity hereunder, shall be entitled to rely on any communication, instrument, or document reasonably believed by it to be genuine or correct and to have been signed or sent by a Person or Persons believed by it to be the proper Person or Persons, and it shall be entitled to rely on advice of legal counsel, independent public accountants, and other professional advisers and experts selected by it.

SECTION 8.6. Reimbursement and Indemnification.

Each of the Lenders severally and not jointly agrees (i) to reimburse the Administrative Agent, in the amount of its proportionate share, for any expenses and fees incurred for the benefit of the Lenders under the Fundamental Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the administration or enforcement thereof not reimbursed by the Borrower or one of its Subsidiaries, and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees, or agents, on demand, in the amount of its proportionate share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of the Fundamental Documents or any action taken or omitted by it or any of them under the Fundamental Documents to the extent not reimbursed by the Borrower or one of its Subsidiaries (except

such as shall result from the gross negligence or willful misconduct of the Person seeking indemnification).

SECTION 8.7. Rights of Administrative Agent.

It is understood and agreed that Chase shall have the same rights and powers hereunder (including the right to give such instructions) as the other Lenders and may exercise such rights and powers, as well as its rights and powers under other agreements and instruments to which it is or may be party, and engage in other transactions with the Borrower as though it were not the Administrative Agent on behalf of the Lenders under this Agreement.

SECTION 8.8. Independent Investigation by Lenders.

Each of the Lenders acknowledges that it has decided to enter into this Agreement and to make the Loans and participate in the Letters of Credit hereunder based on its own analysis of the transactions contemplated hereby and of the creditworthiness of the Borrower and agrees that the Administrative Agent shall not bear responsibility therefor.

SECTION 8.9. Notice of Transfer.

The Administrative Agent may deem and treat any Lender which is a party to this Agreement as the owners of such Lender's respective portions of the Loans for all purposes, unless and until a written notice of the assignment or transfer thereof executed by any such Lender shall have been received by the Administrative Agent and become effective pursuant to Section 9.3.

SECTION 8.10. Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent from among the Lenders. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which with the consent of the Borrower, which will not be unreasonably withheld, shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder

by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

9. MISCELLANEOUS

SECTION 9.1. Notices.

Notices and other communications provided for herein shall be in writing and shall be delivered or mailed (or in the case of telegraphic communication, if by telegram, delivered to the telegraph company and, if by telex, telecopy, graphic scanning or other telegraphic communications equipment of the sending party hereto, delivered by such equipment) addressed, if to the Administrative Agent or Chase, to it at 270 Park Avenue, New York, New York 10017-2070 Attn: Sandra Miklave, with a copy to Stephanie Parker, or if to the Borrower, to it at 6 Sylvan Way, Parsippany, NJ 07054-0278 Attention: Michael Monaco, Vice Chairman and Chief Financial Officer and James E. Buckman, Senior Executive Vice President and General Counsel, with a copy to Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, NY 10022, Attn: James Douglas, or if to a Lender, to it at its address set forth on the signature page (or in its Assignment and Acceptance, Commitment Increase Supplement or other agreement pursuant to which it became a Lender hereunder), or such other address as such party may from time to time designate by giving written notice to the other parties hereunder. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the fifth Business Day after the date when sent by registered or certified mail, postage prepaid, return receipt requested, if by mail, or when delivered to the telegraph company, charges prepaid, if by telegram, or when receipt is acknowledged, if by any telecopier or telegraphic communications equipment of the sender, in each case addressed to such party as provided in this Section 9.1 or in accordance with the latest unrevoked written direction from such party.

SECTION 9.2. Survival of Agreement, Representations and Warranties, etc.

All warranties, representations and covenants made by the Borrower herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Administrative Agent and the Lenders and shall survive the making of the Loans herein contemplated and the issuance and delivery to the Administrative Agent of the Notes regardless of any investigation made by the Administrative Agent or the Lenders or on their behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid and so long as the Commitment has not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrower hereunder.

SECTION 9.3. Successors and Assigns; Syndications; Loan Sales; Participations.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party (provided, however, that the Borrower may not assign its rights hereunder without the prior written consent of all the Lenders), and all covenants, promises and agreements by, or on behalf of, the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Lenders.

(b) Each of the Lenders may (but only with the prior written consent of the Administrative Agent and the Borrower, which consents shall not be unreasonably withheld or delayed) assign to one or more banks or other entities either (i) all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the same portion of the Loans at the time owing to it and the Notes held by it) (a "Ratable Assignment") or (ii) all or a portion of its rights and obligations under and in respect of (A) its Commitment under this Agreement and the same portion of the Revolving Credit Loans at the time owing to it or (B) the Competitive Loans at the time owing to it (including, without limitation, in the case of any such type of Loan, the same portion of the associated Note) (a "Non-Ratable Assignment"); provided, however, that (1) each Non-Ratable Assignment shall be of a constant, and not a varying, percentage of all of the assigning Lender's rights

and obligations in respect of the Loans and the Commitment (if applicable) which are the subject of such assignment, (2) each Ratable Assignment shall be of a constant, and not a varying, percentage of the assigning Lender's rights and obligations under this Agreement, (3) the amount of the Commitment or Competitive Loans, as the case may be, of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Lender) shall be in a minimum principal amount of \$10,000,000 unless otherwise agreed by the Borrower and the Administrative Agent and (4) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with any Note or Notes subject to such assignment (if required hereunder) and a processing and recordation fee of \$3,500. Upon such execution, delivery, acceptance and recording, and from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five Business Days after the date of acceptance and recording by the Administrative Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto).

(c) Notwithstanding the other provisions of this Section 9.3, each Lender may at any time make a Ratable Assignment or a Non-Ratable Assignment of its interests, rights and obligations under this Agreement to (i) any Affiliate of such Lender or (ii) any other Lender hereunder.

(d) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in, or in connection with, this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Lender assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Fundamental Documents; (iii) such assignee confirms that it has received a copy of this Agreement, together

with copies of the most recent financial statements delivered pursuant to Sections 5.1(a) and 5.1(b) (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.4 hereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will be bound by the provisions of this Agreement and will perform in accordance with its terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(e) The Administrative Agent, on behalf of the Borrower, shall maintain at its address at which notices are to be given to it pursuant to Section 9.1, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may (and, in the case of any Loan or other obligation hereunder not evidenced by a Note, shall) treat each Person whose name is recorded in the Register as the owner of a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Fundamental Documents, notwithstanding any notice to the contrary. Any assignment of any Loan or other obligation hereunder not evidenced by a Note shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, any Notes subject to such assignment (if required hereunder) and the processing and recordation fee, the Administrative Agent (subject to the right, if any, of the Borrower to require its consent thereto) shall, if such Assignment and Acceptance has been completed and is in the form of Exhibit C hereto, (i) accept such

Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower. If a portion of the Commitment has been assigned by an assigning Lender, then such Lender shall deliver its Revolving Credit Note, if any, at the same time it delivers the applicable Assignment and Acceptance to the Administrative Agent. If only Competitive Loans have been assigned by the assigning Lender, such Lender shall not be required to deliver its Competitive Note to the Administrative Agent, unless such Lender no longer holds a Commitment under this Agreement, in which event such assigning Lender shall deliver its Competitive Note, if any, at the same time it delivers the applicable Assignment and Acceptance to the Administrative Agent. Within five Business Days after receipt of the notice, the Borrower, at its own expense, shall execute and deliver to the applicable Lenders at their request, either (A) a new Revolving Credit Note to the order of such assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance and a Competitive Note to the order of such assignee in an amount equal to the Total Commitment hereunder, and a new Revolving Credit Note to the order of the assigning Lender in an amount equal to the Commitment retained by it hereunder, or (B) if Competitive Loans only have been assigned and the assigning Lender holds a Commitment under this Agreement, then a new Competitive Note to the order of the assignee Lender in an amount equal to the outstanding principal amount of the Competitive Loan(s) purchased by it pursuant to the Assignment and Acceptance, or (C) if Competitive Loans only have been assigned and the assigning Lender does not hold a Commitment under this Agreement, a new Competitive Note to the order of such assignee in an amount equal to the outstanding principal amount of the Competitive Loans(s) purchased by it pursuant to such Assignment and Acceptance and, a new Competitive Note to the order of the assigning Lender in an amount equal to the outstanding principal amount of the Competitive Loans retained by it hereunder. Any new Revolving Credit Notes shall be in an aggregate principal amount equal to the aggregate principal amount of the Commitments of the respective Lenders. All new Notes shall be dated the date hereof and shall otherwise be in substantially the forms of Exhibits A-1 and A-2 hereto, as the case may be.

(g) Each of the Lenders may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Loans owing to it and the Note or Notes held by it); provided, however, that (i) any such Lender's obligations under this Agreement shall remain unchanged, (ii) such participant shall not be granted any voting rights under this Agreement, except with respect to

matters requiring the consent of each of the Lenders hereunder, (iii) any such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iv) the participating banks or other entities shall be entitled to the cost protection provisions contained in Sections 2.14, 2.15 and 2.17 hereof but a participant shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Lender granting such participation would have been entitled to receive, and (v) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

(h) The Lenders may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.3, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to the Administrative Agent by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall agree, by executing a confidentiality letter in form and substance equivalent to the confidentiality letter executed by the Lenders in connection with information received by such Lenders relating to this transaction to preserve the confidentiality of any confidential information relating to the Borrower received from such Lender.

(i) Each Lender hereby represents that it is a commercial lender or financial institution which makes loans in the ordinary course of its business and that it will make the Loans hereunder for its own account in the ordinary course of such business; provided, however, that, subject to preceding clauses (a) through (h), the disposition of the Notes or other evidence of Indebtedness held by that Lender shall at all times be within its exclusive control.

(j) The Borrower consents that any Lender may at any time and from time to time pledge, or otherwise grant a security interest in, any Loan or any Note evidencing such Loan (or any part thereof), including any such pledge or grant to any Federal Reserve Bank, and this Section shall not apply to any such pledge or grant; provided that no such pledge or grant shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

SECTION 9.4. Expenses; Documentary Taxes.

Whether or not the transactions hereby contemplated shall be consummated, the Borrower agrees to pay all reasonable

out-of-pocket expenses incurred by the Administrative Agent in connection with the syndication, preparation, execution, delivery and administration of this Agreement, the Notes and the making of the Loans, including but not limited to any internally allocated audit costs, the reasonable fees and disbursements of Simpson Thacher & Bartlett, counsel to the Administrative Agent, as well as all reasonable out-of-pocket expenses incurred by the Lenders in connection with any restructuring or workout of this Agreement, or the Notes or in connection with the enforcement or protection of the rights of the Lenders in connection with this Agreement or the Notes or any other Fundamental Document, and with respect to any action which may be instituted by any Person against any Lender in respect of the foregoing, or as a result of any transaction, action or nonaction arising from the foregoing, including but not limited to the fees and disbursements of any counsel for the Lenders. Such payments shall be made on the date of execution of this Agreement and thereafter on demand. The Borrower agrees that it shall indemnify the Administrative Agent and the Lenders from, and hold them harmless against, any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the Notes or any other Fundamental Document. The obligations of the Borrower under this Section shall survive the termination of this Agreement and/or the payment of the Loans.

SECTION 9.5. Indemnity.

Further, by the execution hereof, the Borrower agrees to indemnify and hold harmless the Administrative Agent and the Lenders and their respective directors, officers, employees and agents (each, an "Indemnified Party") from and against any and all expenses (including reasonable fees and disbursements of counsel), losses, claims, damages and liabilities arising out of any claim, litigation, investigation or proceeding (regardless of whether any such Indemnified Party is a party thereto) in any way relating to the transactions contemplated hereby, but excluding therefrom all expenses, losses, claims, damages, and liabilities arising out of or resulting from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification, provided, however, that the Borrower shall not be liable for the fees and expenses of more than one separate firm for all such Indemnified Parties in connection with any one such action or any separate but substantially similar or related actions in the same jurisdiction, nor shall the Borrower be liable for any settlement of any proceeding effected without the Borrower's written consent, and provided further, however, that this Section 9.5 shall not be construed to expand the scope of the Borrower's reimbursement obligations specified in Section 9.4. The

obligations of the Borrower under this Section 9.5 shall survive the termination of this Agreement and/or payment of the Loans.

SECTION 9.6. CHOICE OF LAW.

THIS AGREEMENT AND THE NOTES HAVE BEEN EXECUTED AND DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF SUCH STATE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE AND, IN THE CASE OF PROVISIONS RELATING TO INTEREST RATES, ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

SECTION 9.7. No Waiver.

No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right, power or remedy hereunder or under the Notes or with regards to the Letters of Credit shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 9.8. Extension of Maturity.

Except as otherwise specifically provided in Article 8 hereof, should any payment of principal of or interest on the Notes or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 9.9 Amendments, etc.

No modification, amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower herefrom or therefrom, shall in any event be effective unless the same shall be in writing and signed or consented to in writing by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the written consent of each Lender affected thereby (x) increase the Commitment of a Lender or postpone or waive any scheduled reduction in the Commitments, or (y) alter the stated maturity or principal amount of any installment of any Loan, or decrease the rate of interest payable thereon, or the rate at which the Facility Fees accrue or

(z) waive a default under Section 7(b) hereof with respect to a scheduled principal installment of any Loan; and provided, further that no such modification or amendment shall without the written consent of all of the Lenders (i) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders, or (ii) amend this Section 9.9 or the definition of Required Lenders or Supermajority Lenders; and provided, further that no such modification or amendment shall decrease the Commitment of any Lender without the written consent of such Lender. No such amendment or modification may adversely affect the rights and obligations of the Administrative Agent hereunder without its prior written consent; and provided, further that the consent of the Lenders shall not be required with respect to any amendment to this Agreement pursuant to Section 2.23. No notice to or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances. Each holder of a Note shall be bound by any amendment, modification, waiver or consent authorized as provided herein, whether or not a Note shall have been marked to indicate such amendment, modification, waiver or consent and any consent by any holder of a Note shall bind any Person subsequently acquiring a Note, whether or not a Note is so marked.

SECTION 9.10. Severability.

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

SECTION 9.11. SERVICE OF PROCESS; WAIVER OF JURY

TRIAL.

(a) THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF BROUGHT BY THE ADMINISTRATIVE AGENT OR A LENDER. THE BORROWER TO THE EXTENT PERMITTED BY APPLICABLE LAW (A) HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURTS, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING

IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT, AND (B) HEREBY WAIVES THE RIGHT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING ANY OFFSETS OR COUNTERCLAIMS EXCEPT COUNTERCLAIMS THAT ARE COMPULSORY OR OTHERWISE ARISE FROM THE SAME SUBJECT MATTER. THE BORROWER HEREBY CONSENTS TO SERVICE OF PROCESS BY MAIL AT ITS ADDRESS TO WHICH NOTICES ARE TO BE GIVEN PURSUANT TO SECTION 9.1 HEREOF. THE BORROWER AGREES THAT ITS SUBMISSION TO JURISDICTION AND CONSENT TO SERVICE OF PROCESS BY MAIL IS MADE FOR THE EXPRESS BENEFIT OF THE ADMINISTRATIVE AGENT AND THE LENDERS. FINAL JUDGMENT AGAINST THE BORROWER IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION (A) BY SUIT, ACTION OR PROCEEDING ON THE JUDGMENT, A CERTIFIED OR TRUE COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND THE AMOUNT OF INDEBTEDNESS OR LIABILITY OF THE SUBMITTING PARTY THEREIN DESCRIBED OR (B) IN ANY OTHER MANNER PROVIDED BY, OR PURSUANT TO, THE LAWS OF SUCH OTHER JURISDICTION, PROVIDED, HOWEVER, THAT THE ADMINISTRATIVE AGENT OR A LENDER MAY AT ITS OPTION BRING SUIT, OR INSTITUTE OTHER JUDICIAL PROCEEDINGS AGAINST THE BORROWER OR ANY OF ITS ASSETS IN ANY STATE OR FEDERAL COURT OF THE UNITED STATES OR OF ANY COUNTRY OR PLACE WHERE THE BORROWER OR SUCH ASSETS MAY BE FOUND.

(b) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED THAT THE PROVISIONS OF THIS SECTION 9.11(b) CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH THE OTHER PARTIES HAVE RELIED, ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. THE PARTIES HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 9.11(b) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF SUCH OTHER PARTY TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

SECTION 9.12. Headings.

Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 9.13. Execution in Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

SECTION 9.14. Entire Agreement.

This Agreement represents the entire agreement of the parties with regard to the subject matter hereof and the terms of any letters and other documentation entered into among the Borrower, the Administrative Agent or any Lender (other than the provisions of the letter agreement dated August 28, 1996 among the Borrower, Chase and Chase Securities Inc., relating to fees and expenses and syndication issues) prior to the execution of this Agreement which relate to Loans to be made shall be replaced by the terms of this Agreement.

SECTION 9.15. Confidentiality.

Each of the Administrative Agent and the Lenders agrees to keep confidential all non-public information provided to it by the Borrower and its Subsidiaries pursuant to this Agreement that is designated by the Borrower as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any affiliate of any Lender, (b) to any participant or assignee (each, a "Transferee") of such Lender or prospective Transferee which agrees to comply with the provisions of this Section, (c) to any of its employees, directors, agents, attorneys, accountants and other professional advisors, (d) upon the request or demand of any governmental or regulatory authority having jurisdiction over it, (e) in response to any order of any court or other governmental authority or as may otherwise be required pursuant to any requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) which has been publicly disclosed other than in breach of this Section 9.15, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or (i) in connection with the exercise of any remedy hereunder or under any other Fundamental Document.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CENDANT CORPORATION

By: /s/ Michael Monaco

Name: Michael Monaco
Title: Chief Financial Officer

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Carol A. Ulmer

Name: Carol A. Ulmer
Title: Vice President

BANK OF AMERICA NT&SA

By: /s/ Steve A. Aronowitz

Name: Steve A. Aronowitz
Title: Managing Director

THE BANK OF NEW YORK

By: /s/ Eliza S. Adams

Name: Eliza S. Adams
Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/ S. Lockhart

Name: S. Lockhart
Title: Vice President

PARIBAS

By: /s/ Russel Pomerantz

Name: Russel Pomerantz
Title: Vice President

By: /s/ Sean Reddington

Name: Sean Reddington
Title: Vice President

BAYERISCHE HYPO-UND VEREINSBANK
AG, NEW YORK BRANCH

By: /s/ Marianne Weinzinger

Name: Marianne Weinzinger
Title: Director

By: /s/ Pamela J. Gillons

Name: Pamela J. Gillons
Title: Assistant Treasurer

CIBC, INC

By: /s/ Gerald Girardi

Name: Gerald Girardi
Title: Executive Director

COMERICA BANK

By: /s/ Kimberly S. Kersten

Name: Kimberly S. Kersten
Title: Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Vladamir Labun

Name: Vladamir Labun
Title: First Vice President-Manager

CREDIT SUISSE FIRST BOSTON

By: /s/ Bill O'Daly

Name: Bill O'Daly
Title: Vice President

By: /s/ Thomas G. Muolo

Name: Thomas G. Muolo
Title: Vice President

FIRST AMERICAN NATIONAL BANK

By: /s/ Seth Butler

Name: Seth Butler
Title: Senior Vice President

THE FIRST NATIONAL BANK OF CHICAGO

By: /s/ Cory M. Helfand

Name: Cory M. Helfand
Title: Vice President

FIRST NATIONAL BANK OF MARYLAND

By: /s/ Marion I. Knott

Name: Marion I. Knott
Title: Senior Vice President

FIRST UNION NATIONAL BANK

By: /s/ Mark R. Smith

Name: Mark R. Smith
Title: Senior Vice President

FLEET NATIONAL BANK

By: /s/ Marlene K. Haddad

Name: Marlene K. Haddad
Title: Vice President

THE FUJI BANK, LIMITED
NEW YORK BRANCH

By: /s/ Toshiaki Yakura

Name: Toshiaki Yakura
Title: Senior Vice President

THE INDUSTRIAL BANK OF JAPAN, LIMITED
NEW YORK BRANCH

By: /s/ William Kennedy

Name: William Kennedy
Title: Vice President

MELLON BANK, N.A.

By: /s/ Donald G. Cassidy, Jr.

Name: Donald G. Cassidy, Jr.
Title: First Vice President

THE NORTHERN TRUST COMPANY

By: /s/ Eric Strickland

Name: Eric Strickland
Title: Vice President

ROYAL BANK OF CANADA

By: /s/ Sheryl L. Greenberg

Name: Sheryl L. Greenberg
Title: Senior Manager

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH

By: /s/ J. Bruce Meredith

Name: J. Bruce Meredith
Title: Senior Vice President

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH

By: /s/ Cynthia M. Niesen

Name: Cynthia M. Niesen
Title: Managing Director

By: /s/ Walter T. Duffy III

Name: Walter T. Duffy III
Title: Associate

BANKERS TRUST COMPANY

By: /s/ James Reilly

Name: James Reilly
Title: Vice President

Schedule 2.1

Lender -----	Commitments -----
The Chase Manhattan Bank	\$ 95,750,000.00
Bank of America NT&SA	\$ 88,000,000.00
Credit Lyonnais New York Branch	\$ 88,000,000.00
Credit Suisse First Boston	\$ 88,000,000.00
First Union National Bank	\$ 75,000,000.00
Westdeutsche Landesbank Girozentrale	\$ 75,000,000.00
The Bank of Nova Scotia	\$ 55,000,000.00
Mellon Bank, N.A.	\$ 55,000,000.00
CIBC, Inc.	\$ 50,000,000.00
The Industrial Bank of Japan, Limited New York Branch	\$ 50,000,000.00
The Sumitomo Bank, Limited, New York Branch	\$ 50,000,000.00
Paribas	\$ 44,000,000.00
Royal Bank of Canada	\$ 40,000,000.00
The Northern Trust Company	\$ 30,000,000.00
The Bank of New York	\$ 25,000,000.00
Fleet National Bank	\$ 25,000,000.00
First Chicago NBD Corp.	\$ 22,500,000.00
Comerica Bank	\$ 18,750,000.00
Bayerische Hypo-Und Vereinsbank AG, New York Branch	\$ 15,000,000.00
First American National Bank	\$ 10,000,000.00
TOTAL	\$1,000,000,000.00

Litigation

None

Schedule 3.16

Environmental Liabilities

None

Schedule 6.1

Existing Indebtedness and Guarantees

Lease Agreement dated 11/29/91 between Days Inns of America, Inc. and John Hancock Life Insurance Company in the amount of \$373,970.

Lease Agreement dated 8/1/93 between Coldwell Banker Corporation and Pitney Bowes in the amount of \$22,805.

Lease Agreement dated 6/1/95 between Coldwell Banker Corporation and Xerox Corporation in the amount of \$652,331.

Unsecured borrowings by Coldwell Banker Corporation from Wells Fargo Bank in principal amount of \$27,000,000.

Prior to March 31, 1999, \$100 million Credit Facility dated March 27, 1998 between Hebdo Mag Inc., the lenders thereto and the Canadian Imperial Bank of Commerce.

Existing Liens

Liens in connection with leases of office equipment incurred in the ordinary course of business.

AMENDMENT (this "Amendment"), dated as of October 30, 1998, to the TERM LOAN AGREEMENT dated as of May 29, 1998 (as the same may be amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"), by and among CENDANT CORPORATION, a Delaware corporation (the "Borrower"), the financial institutions parties thereto (the "Lenders"), the Syndication Agent, Co-Documentation Agents, Managing Agents and Co-Agents named therein and THE CHASE MANHATTAN BANK, a New York banking corporation, as agent for the Lenders (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrower has requested the Lenders to amend certain provisions of the Term Loan Agreement upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the undersigned hereby agree as follows:

1. Defined Terms. Terms defined in the Term Loan Agreement and used herein shall have the meanings given to them in the Term Loan Agreement.

2. Amendments. (a) Section 1 of the Term Loan Agreement is amended by adding the following to the definition of "Consolidated EBITDA" immediately after clause (vii) thereof:

minus (viii) any cash expenditures during such period to the extent such cash expenditures (x) did not reduce Consolidated Net Income for such period and (y) were applied against reserves that constituted non-cash items which reduced Consolidated Net Income during prior periods,

(b) Section 1 of the Term Loan Agreement is amended by adding at the end of the first sentence of the definition of "Consolidated Interest Expense" the following:

minus, without duplication, any interest income of the Borrower and its Consolidated Subsidiaries on a consolidated basis during such period.

(c) Section 1 of the Term Loan Agreement is amended by deleting clause (ii) from the definition of "Consolidated Net Income" and substituting therefor the phrase "(ii) [INTENTIONALLY OMITTED]".

(d) Schedules 6.1 and 6.5 of the Term Loan Agreement are hereby amended by replacing such Schedules with new Schedules 6.1 and 6.5 in the forms of Schedules 6.1 and 6.5, respectively, attached to this Amendment.

3. Effective Date. This Amendment shall become effective on the date (the "Effective Date") on which:

(a) the Borrower, the Administrative Agent and the Required Lenders shall have duly executed and delivered to the Administrative Agent this Amendment; and

(b) the Lenders shall have received the (i) revised audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of December 31, 1997 and December 31, 1996, as adjusted for the accounting irregularities disclosed in the Borrower's amended 1997 Form 10K/A filed with the Securities and Exchange Commission and (ii) unaudited consolidated financial statements of the Borrower and its Consolidated Subsidiaries as of March 31, 1998 and June 30, 1998.

4. No Other Amendments; Confirmation. Except as expressly amended hereby, the provisions of the Term Loan Agreement and each of the Fundamental Documents are and shall remain in full force and effect.

5. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

6. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

7. Representations and Warranties. The Borrower hereby represents and warrants that (a) each of the representations and warranties in Section 3 of the Term Loan Agreement (other than those set forth in Sections 3.4 and 3.5) shall be, after giving effect to this Amendment, true and correct in all material respects as if made on and as of the Effective Date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and (b) after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CENDANT CORPORATION

By: /s/ Michael Monaco

Name: Michael Monaco
Title: Chief Financial Officer

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Carol A. Ulmer

Name: Carol A. Ulmer
Title: Vice President

BANK OF AMERICA NT&SA

By: /s/ Steve A. Aronowitz

Name: Steve A. Aronowitz
Title: Managing Director

BARCLAYS BANK PLC

By: /s/ Karen M. Wagner

Name: Karen M. Wagner
Title: Associate Director

BANK BRUSSELS LAMBERT, NEW YORK
BRANCH

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA

By: /s/ S. Lockhart

Name: S. Lockhart
Title: Vice President

BANK OF TOKYO-MITSUBISHI TRUST
COMPANY

By: /s/ William DiNicola

Name: William DiNicola
Title: Attorney-In-Fact

BANQUE NATIONALE DE PARIS, NEW YORK
BRANCH

By: _____
Name:
Title:

By: _____
Name:
Title:

PARIBAS, NEW YORK BRANCH

By: /s/ Sean Reddington

Name: Sean Reddington
Title: Vice President

By: /s/ Russell Pomerantz

Name: Russell Pomerantz
Title: Vice President

CANADIAN IMPERIAL
BANK OF COMMERCE

By: /s/ Gerald Girardi

Name: Gerald Girardi
Title: Executive Director

COMERICA BANK

By: /s/ Kimberly S. Kersten

Name: Kimberly S. Kersten
Title: Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Vladimir Labun

Name: Vladimir Labun
Title: First Vice President-Manager

CREDIT SUISSE FIRST BOSTON

By: /s/ Bill O'Daly

Name: Bill O'Daly
Title: Vice President

By: /s/ Joel Glodowski

Name: Joel Glodowski
Title: Managing Director

FIRST UNION NATIONAL BANK

By: /s/ Christopher McLaughlin

Name: Christopher McLaughlin
Title: Vice President

FLEET NATIONAL BANK

By: /s/ Marlene K. Haddad

Name: Marlene K. Haddad
Title: Vice President

THE FUJI BANK, LIMITED
NEW YORK BRANCH

By:

Name:
Title:

THE INDUSTRIAL BANK OF JAPAN,
LIMITED NEW YORK BRANCH

By: /s/ Christian Giordano

Name: Christian Giordano
Title: Vice President

MELLON BANK, N.A.

By: /s/ Donald G. Cassidy, Jr.

Name: Donald G. Cassidy, Jr.
Title: First Vice President

ROYAL BANK OF CANADA

By: /s/ Sheryl L. Greenberg

Name: Sheryl L. Greenberg
Title: Senior Manager

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH

By: /s/ J. Bruce Meredith

Name: J. Bruce Meredith
Title: Senior Vice President

WELLS FARGO BANK, N.A.

By: /s/ Donald Hartmann

Name: Donald Hartmann
Title: Senior Vice President

By: /s/ David Hollingsworth

Name: David HollingsworthFrieda Youlios
Title: Vice President

Schedule 6.1

Existing Indebtedness and Guarantees

Lease Agreement dated 11/29/91 between Days Inns of America, Inc. and John Hancock Life Insurance Company in the amount of \$373,970.

Lease Agreement dated 8/1/93 between Coldwell Banker Corporation and Pitney Bowes in the amount of \$22,805.

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Prior to March 31, 1999, \$100 million Credit Facility dated March 27, 1998 between Hebdo Mag Inc., the lenders thereto and the Canadian Imperial Bank of Commerce.

Existing Liens

Liens in connection with leases of office equipment incurred in the ordinary course of business.

CENDANT CORPORATION REPORTS THIRD QUARTER RESULTS
ADJUSTED EPS \$0.24 VS. \$0.20
REPORTED EPS \$0.14 VS. \$0.23

Parsippany, NJ, November 4, 1998 -- Cendant Corporation (NYSE:CD) today reported third quarter results. Revenues from continuing operations were \$1.46 billion, a 23% increase over \$1.19 billion in 1997. Adjusted earnings from continuing operations were \$0.24 per share, up 20% from \$0.20 per share in the third quarter of 1997.

Adjusted third quarter 1998 results reflect the impact of \$0.06 per share for the cost of the Company's investigation of previously disclosed accounting irregularities at the former CUC International including the severance payment to the Company's former chairman and \$0.04 per share with respect to the non-cash write-off of the Company's equity investment in NetGrocer and the goodwill associated with the National Library of Poetry. Adjusted 1997 results reflect \$0.03 per share from the reduction in the Company's ownership of Avis-Rent-A-Car from 100% in 1997 to 20% in 1998 and certain one-time gains.

"Once again, the Travel and Real Estate businesses performed extremely well," said Henry R. Silverman, chairman, president and chief executive officer. "As recently announced, we have restructured the management and reporting relationships of the former CUC businesses and anticipate significant improvement in future periods. Together with continued superior performance from our Travel and Real Estate segments, we are confident that the Cendant growth story remains intact, and anticipate increases in operating earnings per share in the fourth quarter of 1998 and in fiscal 1999."

Third quarter EBITDA benefited from a 39% improvement in the Travel segment, to \$209.2 million in 1998 from \$150.5 million in 1997, and a 51% increase in the Real Estate segment to \$197.0 million in 1998 from \$130.8 million in 1997, reflecting increases in all lines of business within these segments. Alliance Marketing reported EBITDA of \$29.7 million in 1998 compared with \$73.9 million in 1997, a 60% decrease primarily due to the non-cash write-down of intangible assets in the National Library of Poetry business and higher marketing expenses, including a higher level of investment in the Company's Interactive Membership Services unit, which were incurred in the current period without a corresponding revenue benefit under the new accounting policy. EBITDA in the Company's Other segment was a loss of \$28.7 million in 1998, excluding investigation costs, compared with income of \$57.9 million in 1997, driven primarily by the reduction of the Company's interest in Avis-Rent-A-Car and the write-off of NetGrocer. Net income in the Other segment was affected by a \$26.6 million after tax increase in interest expense and minority interest, due to the Company's 1998 acquisitions of Harpur Group, Jackson Hewitt and National Parking Corp., and additional investments in NRT Incorporated.

Statements about future results made in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform act of 1995. These statements are based on current expectations and the current economic environment. The Company cautions that these statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-look statements are specified in the Company's Annual Report on Form 10-K/A for the year ended December 31, 1997.

Cendant is the world's premier provider of consumer and business services. The Company operates in three principal segments: Travel Services, Real Estate Services and Alliance Marketing. In Travel Services, Cendant is the leading franchisor of hotels and rental car agencies worldwide; the largest provider of vacation exchange services; a leading fleet management company; the UK's largest private car park operator; and a leading motorist assistance group in the UK. In Real Estate Services, Cendant is the world's largest franchisor of residential real estate brokerage offices, a major provider of mortgage services to consumers and a global leader in corporate employee relocation. In Alliance Marketing, Cendant provides access to insurance, travel, shopping, auto, and other services, primarily through direct marketing to customers of its affinity partners. Headquartered in Parsippany, NJ, the Company has more than 40,000 employees and operates in over 100 countries.

Media Contact:
Elliot Bloom
973-496-8414

Investor Contacts:
Denise L. Gillen
973-496-7303
Samuel J. Levenson
973-496-5023

	1998	1997	% CHANGE
	-----	-----	-----
Revenues	1,457.8	1,186.5	23
Expenses (1)	1,247.0	845.8	47
	-----	-----	
Income before income taxes and minority interest	210.8	340.7	(38)
Income from continuing operations	123.1	203.0	(40)
Loss from discontinued operations (2)	(12.1)	(.4)	--
	-----	-----	
Net income	111.0	202.6	(46)
EBITDA -- continuing operations (3)	330.7	413.1	(20)
Earnings per share -- diluted			
Continuing operations	.14	.23	(39)
Discontinued operations	(.01)	--	--
	-----	-----	
Net income	.13	.23	(43)
Earnings per share -- basic			
Continuing operations	.14	.25	(44)
Discontinued operations	(.01)	--	--
	-----	-----	
Net income	.13	.25	(48)
Weighted average shares -- diluted	877.3	889.0	

(1) 1998 includes \$76.4 million of costs associated with the investigation of previously disclosed irregularities at the former CUC International including the severance payment to the Company's former chairman and \$50.0 million with respect to the non-cash write-off of the Company's equity investment in NetGrocer and the goodwill associated with the National Library of Poetry.

(2) Discontinued operations include Hebdo Mag classified advertising unit and the Cendant Software unit.

(3) Earnings before interest, taxes, depreciation and amortization.

The following 1998 results were adjusted for a third quarter pre-tax charge of \$76.4 million, or \$0.06 per share after tax, associated with the investigation of previously disclosed accounting irregularities and related charges at the former CUC International and a third quarter non-cash pre-tax charge of \$50.0 million, or \$0.04 per share after tax, associated with the write-off of the Company's investment in NetGrocer and the goodwill associated with the National Library of Poetry. The following 1997 results were adjusted to exclude \$0.03 per share reflecting the reduction in the Company's ownership of Avis-Rent-A-Car from 100% in 1997 to 20% in 1998, and certain one-time gains.

	1998	1997	% CHANGE
	-----	-----	-----
Revenues	1,457.8	1,111.1	31
Expenses	1,120.6	822.6	36
	-----	-----	
Income before income taxes and minority interest	337.2	288.5	17
Income from continuing operations	203.9	171.9	19
Loss from discontinued operations (1)	(12.1)	(.4)	--
	-----	-----	
Net income	191.8	171.5	12
EBITDA -- continuing operations (2)	457.1	359.8	27
Earnings per share -- diluted			
Continuing operations	.24	.20	20
Discontinued operations	(.01)	--	--
	-----	-----	
Net income	.23	.20	15
Earnings per share -- basic			
Continuing operations	.24	.21	14
Discontinued operations	(.01)	--	--
	-----	-----	
Net income	.23	.21	10
Weighted average shares -- diluted	877.3	889.0	

(1) Discontinued operations include Hebdo Mag classified advertising unit and the Cendant Software unit.

(2) Earnings before interest, taxes, depreciation and amortization.

Nine Months Ended September 30 Financial Results -- As Reported Table 3 of 5
(Dollars in millions, except per share amounts)

	1998	1997	% CHANGE
	-----	-----	-----
Revenues	3,865.1	3,139.8	23
Expenses (1)	3,095.8	2,654.1	17
	-----	-----	
Income before income taxes and minority interest	769.3	485.7	58
Income from continuing operations before cumulative effect of accounting change	461.9	247.3	87
Cumulative effect of accounting change	--	(283.1)	--
Loss from discontinued operations (2)	(25.0)	(12.2)	(104)
	-----	-----	
Net income	436.9	(48.0)	--
EBITDA -- continuing operations (3)	1,083.4	697.4	55
Earnings per share -- diluted			
Continuing operations	.53	.29	83
Discontinued operations	(.03)	(.01)	(2)
	-----	-----	
Income before cumulative effect of accounting change	.50	.28	79
Cumulative effect of accounting change	--	(.32)	--
	-----	-----	
Net income	.50	(.04)	--
Earnings per share -- basic			
Continuing operations	.55	.31	77
Discontinued operations	(.03)	(.02)	(50)
	-----	-----	
Income before cumulative effect of accounting change	.52	.29	79
Cumulative effect of accounting change	--	(.35)	--
	-----	-----	
Net income	.52	(.06)	--
Weighted average shares -- diluted	895.0	877.1	

(1) 1998 includes \$108.6 million of costs associated with the investigation of previously disclosed irregularities at the former CUC International including the severance payment to the Company's former chairman and \$50.0 million with respect to the non-cash write-off of the Company's equity investment in NetGrocer and the goodwill associated with the National Library of Poetry. The nine months ended September 30, 1998 also includes a net credit of \$24.4 million to merger related costs and other unusual charges primarily as a result of changes to the original estimate of costs to be incurred.

(2) Discontinued operations includes Hebdo Mag classified advertising unit and the Cendant Software unit.

(3) Earnings before interest, taxes, depreciation and amortization.

THIRD QUARTER ENDED SEPTEMBER 30, 1998

	REVENUES			EBITDA (2)			EBITDA MARGIN	
	1998	1997	% CHANGE	1998	1997	% CHANGE	1998	1997
Travel	564.4	354.9	59	209.2	150.5	39	37	42
Real Estate	360.0	281.2	28	196.9	130.8	51	55	47
Alliance Marketing	499.1	437.6	14	29.7	73.9	(60)	6	17
Other	34.3	112.8	(70)	(105.1)	57.9	--	--	51
Continuing Operations (1)	1,457.8	1,186.5	23	330.7	413.1	(20)	23	35
Discontinued Operations (3)	184.6	142.0	30	(2.8)	11.4	125	(2)	8
Total	1,642.4	1,328.5	24	327.9	424.5	(23)	20	32

NINE MONTHS ENDED SEPTEMBER 30, 1998

	REVENUES			EBITDA (2)			EBITDA MARGIN	
	1998	1997	% CHANGE	1998	1997	% CHANGE	1998	1997
Travel	1,415.4	1,015.0	40	595.3	384.3	55	42	38
Real Estate	993.9	726.7	37	490.3	237.6	106	49	33
Alliance Marketing	1,248.3	1,123.9	11	18.3	136.6	(87)	2	12
Other	207.5	274.2	(24)	(20.5)	(61.1)	(67)	(10)	(22)
Continuing Operations (1)	3,865.1	3,139.8	23	1,083.4	697.4	55	28	22
Discontinued Operations (3)	548.1	407.2	35	22.3	18.7	20	4	5
Total	4,413.2	3,547.0	24	1,105.7	716.1	54	25	20

(1) 1998 includes \$76.4 million and \$108.6 million of costs associated with the investigation of previously disclosed irregularities at the former CUC International including the severance payment to the Company's former chairman for the three months and nine months, respectively. The three months and nine months ended September 30, 1998 also includes \$50.0 million with respect to the non-cash write-off of the Company's equity investment in NetGrocer and the goodwill associated with the National Library of Poetry. The nine months ended September 30, 1998 also includes a net credit of \$24.4 million to merger related costs and other unusual charges primarily as a result of changes to the original estimate of costs to be incurred.

(2) Earnings before interest, taxes, depreciation and amortization.

(3) Discontinued operations includes Hebdo Mag classified advertising unit and the Cendant Software unit.

	3Q ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	1998	1997	% CHANGE	1998	1997	% CHANGE
TRAVEL						
Lodging	137.5	124.5	10	349.3	322.4	8
Timeshare	106.7	86.9	23	307.1	265.9	16
Car Rental	47.0	41.4	14	140.2	114.5	23
Fleet	94.8	73.9	28	287.5	244.6	18
Other	178.4	28.2	532	331.3	67.6	390
	-----	-----		-----	-----	
Total Travel	564.4	354.9	59	1,415.4	1,015.0	40
REAL ESTATE						
Franchise	126.7	98.3	29	342.5	237.4	44
Relocation	130.8	112.0	17	340.7	308.2	11
Mortgage	79.9	51.6	55	251.8	127.8	97
Other	22.6	19.3	17	58.9	53.3	10
	-----	-----		-----	-----	
Total Real Estate	360.0	281.2	28	993.9	726.7	37
ALLIANCE MARKETING						
Individual	201.6	171.0	18	548.5	493.7	11
Insurance Wholesale	135.5	118.5	14	406.3	349.1	16
Lifestyle	162.0	148.1	9	293.5	281.1	4
	-----	-----		-----	-----	
Total Alliance Marketing	499.1	437.6	14	1,248.3	1,123.9	11
OTHER	34.3	112.8	(70)	207.5	274.2	(24)
TOTAL CONTINUING	1,457.8	1,186.5	23	3,865.1	3,139.8	23
DISCONTINUED OPERATIONS						
Hebdo Mag	65.2	51.3	27	202.4	145.8	39
Software	119.4	90.7	32	345.7	261.4	32
	-----	-----		-----	-----	
Total	184.6	142.0	30	548.1	407.2	35
TOTAL COMPANY	1,642.4	1,328.5	24	4,413.2	3,547.0	24

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CENDANT CORPORATION
SEGMENT SUMMARY
(\$ in millions)

	1st Quarter			2nd Quarter		
	1997	1998(2)	%	1997	1998(2)	%
Revenue						
Travel	\$ 327.0	\$ 361.5	11%	\$ 333.1	\$ 489.4	47%
Real Estate	191.1	279.1	46%	246.0	354.9	44%
Alliance Marketing	353.9	372.0	5%	332.3	377.2	14%
Other	81.7	116.8	43%	88.2	56.4	-36%
	-----	-----	---	-----	-----	---
Total Continuing Ops	953.7	1,129.4	18%	999.6	1,277.9	28%
Discontinued Ops	137.3	158.7	16%	127.9	204.8	60%
	-----	-----	---	-----	-----	---
Total Cendant	\$ 1,091.0	\$ 1,288.1	18%	\$ 1,127.5	\$ 1,482.7	32%
	=====	=====	==	=====	=====	==
EBITDA(1)						
Travel	\$ 134.4	\$ 179.2	33%	\$ 143.6	\$ 200.2	39%
Real Estate	60.9	123.1	102%	100.6	176.7	76%
Alliance Marketing	47.1	4.6	-90%	25.2	(16.0)	-163%
Other	15.6	77.3	396%	35.6	15.5	-56%
	-----	-----	---	-----	-----	---
Total Continuing Ops	258.0	384.2	49%	305.0	376.4	23%
Discontinued Ops	17.5	(3.0)	-117%	6.2	28.1	353%
	-----	-----	---	-----	-----	---
Total Cendant	\$ 275.5	\$ 381.2	38%	\$ 311.2	\$ 404.5	30%
	=====	=====	==	=====	=====	==

	3rd Quarter			4th Quarter	Total
	1997	1998(2)	%	1997	1997
Revenue					
Travel	\$ 354.9	\$ 564.4	59%	\$ 322.2	\$ 1,337.2
Real Estate	281.3	360.0	28%	268.6	987.0
Alliance Marketing	437.6	499.1	14%	446.5	1,570.3
Other	112.7	34.3	-70%	62.9	345.5
	-----	-----	---	-----	-----
Total Continuing Ops	1,186.5	1,457.8	23%	1,100.2	4,240.0
Discontinued Ops	142.0	184.6	30%	235.0	642.2
	-----	-----	---	-----	-----
Total Cendant	\$ 1,328.5	\$ 1,642.4	24%	\$ 1,335.2	\$ 4,882.2
	=====	=====	==	=====	=====
EBITDA(1)					
Travel	\$ 150.5	\$ 209.1	39%	\$ 132.7	\$ 561.2
Real Estate	130.8	197.0	51%	112.1	404.4
Alliance Marketing	73.8	29.7	-60%	33.5	179.6
Other	57.9	(28.7)	-150%	(5.0)	104.1
	-----	-----	---	-----	-----
Total Continuing Ops	413.0	407.1	-1%	273.3	1,249.3
Discontinued Ops	11.4	(2.8)	-125%	53.2	88.3
	-----	-----	---	-----	-----
Total Cendant	\$ 424.4	\$ 404.3	-5%	\$ 326.5	\$ 1,337.6
	=====	=====	==	=====	=====

(1) Earnings before interest, taxes, depreciation and amortization. Excludes merger related costs and other unusual charges in 1997 and 1998, and investigation related costs in 1998.

(2) The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.

CENDANT CORPORATION
INCOME STATEMENT SUMMARY
(\$ in millions)

	1st Quarter			2nd Quarter		
	1997	1998(1)	%	1997	1998(1)	%
Travel Segment						
Lodging	\$ 89.8	\$ 94.7	5%	\$ 108.1	\$ 117.2	8%
Timeshare	93.8	106.3	13%	85.3	94.0	10%
Car Rental	34.5	45.1	31%	38.6	48.2	25%
Fleet Management	91.5	96.6	6%	79.2	96.0	21%
Other (NPC and Global Refund)	17.4	18.8	8%	21.9	134.0	509%
-----	-----	-----	--	-----	-----	--
Total revenue	327.0	361.5	11%	333.1	489.4	47%
	=====	=====	==	=====	=====	==
Real Estate Segment						
Real Estate Franchise	55.4	84.3	52%	83.7	131.5	57%
Relocation Services	85.2	99.7	17%	102.7	110.2	7%
Mortgage Services	33.6	78.0	132%	42.5	94.0	121%
New Mover	16.8	17.1	2%	17.1	19.2	12%
-----	-----	-----	--	-----	-----	--
Total revenue	191.1	279.1	46%	246.0	354.9	44%
	=====	=====	==	=====	=====	==
Alliance Marketing Segment						
Individual	167.7	171.9	2%	154.9	175.0	13%
Insurance/Wholesale	111.9	134.0	20%	118.7	136.8	15%
Lifestyle	74.3	66.1	-11%	58.7	65.4	11%
-----	-----	-----	--	-----	-----	--
Total revenue	353.9	372.0	5%	332.3	377.2	14%
	=====	=====	==	=====	=====	==
Other Segment	81.7	116.8	43%	88.2	56.4	-36%
	=====	=====	==	=====	=====	==
Discontinued Operations						
Hebdo Mag	45.6	62.8	38%	48.9	74.4	52%
Software	91.7	95.9	5%	79.0	130.4	65%
-----	-----	-----	--	-----	-----	--
Total revenue	\$ 137.3	\$ 158.7	16%	\$ 127.9	\$ 204.8	60%
	=====	=====	==	=====	=====	==

(1) The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.

	3rd Quarter			4th Quarter	Total
	1997	1998(1)	%	1997	1997
Travel Segment					
Lodging	\$ 124.5	\$ 137.5	10%	\$ 101.5	\$ 424.0
Timeshare	86.9	106.7	23%	80.3	346.3
Car Rental	41.4	47.0	14%	35.7	150.2
Fleet Management	73.9	94.8	28%	79.6	324.2
Other (NPC and Global Refund)	28.2	178.5	533%	25.1	92.6
Total revenue	354.9	564.4	59%	322.2	1,337.2
Real Estate Segment					
Real Estate Franchise	98.3	126.7	29%	97.2	334.6
Relocation Services	112.0	130.8	17%	101.6	401.5
Mortgage Services	51.6	79.9	55%	51.5	179.2
New Mover	19.4	22.6	17%	18.3	71.6
Total revenue	281.3	360.0	28%	268.6	987.0
Alliance Marketing Segment					
Individual	171.0	201.6	18%	178.6	672.2
Insurance/Wholesale	118.5	135.5	14%	133.5	482.6
Lifestyle	148.1	162.0	9%	134.4	415.5
Total revenue	437.6	499.1	14%	446.5	1,570.3
Other Segment	112.7	34.3	-70%	62.9	345.5
Discontinued Operations					
Hebdo Mag	51.3	65.2	27%	62.7	208.5
Software	90.7	119.4	32%	172.3	433.7
Total revenue	\$ 142.0	\$ 184.6	30%	\$ 235.0	\$ 642.2

(1) The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.

CENDANT CORPORATION
TRAVEL SEGMENT REVENUE DRIVER ANALYSIS
(Revenue \$ in millions)

	1st Quarter			2nd Quarter		
	1997	1998(1)	%	1997	1998(1)	%
Lodging						
Rooms	480,599	488,206	2%	488,145	496,706	2%
Royalty per Available Room	\$ 76.46	\$ 79.70	4%	\$ 97.78	\$ 101.27	4%
Total Royalty	36.7	38.9	6%	47.7	50.3	5%
Other	53.1	55.8	5%	60.4	66.9	11%
Total Revenue	\$ 89.8	\$ 94.7	5%	\$ 108.1	\$ 117.2	8%
Timeshare						
Number of Exchanges	475,086	492,436	4%	405,120	411,711	2%
Annual Number of Exchanges	1,900,344	1,969,744	4%	1,620,480	1,646,844	2%
Average Members	2,039,811	2,177,050	7%	2,049,972	2,186,424	7%
Total Units	3,940,155	4,146,794	5%	3,670,452	3,833,268	4%
Average Fee	\$ 20.47	\$ 21.01	3%	\$ 20.11	\$ 20.87	4%
Total Member/Exchange Fees	80.7	87.1	8%	73.8	80.0	8%
Other	13.1	19.2	47%	11.5	14.0	22%
Total Revenue	\$ 93.8	\$ 106.3	13%	\$ 85.3	\$ 94.0	10%
Car Rental						
Rental days	12,821,008	12,464,857	-3%	13,340,886	13,867,489	4%
Royalty per Rental day	\$ 1.79	\$ 1.90	6%	\$ 1.84	\$ 1.85	1%
Total Royalty	23.0	23.7	3%	24.5	25.7	5%
Other	11.5	21.4	86%	14.1	22.5	60%
Total Revenue	\$ 34.5	\$ 45.1	31%	\$ 38.6	\$ 48.2	25%
Fleet Management						
Number of Cars/Cards	2,660,407	3,877,657	46%	2,804,170	4,054,128	45%
Revenue per Car/Card	\$ 34.39	\$ 24.91	-28%	\$ 28.24	\$ 23.68	-16%
Total Revenue	\$ 91.5	\$ 96.6	6%	\$ 79.2	\$ 96.0	21%

(1) The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.

	3rd Quarter			4th Quarter	Total
	1997	1998(1)	%	1997	1997
Lodging					
Rooms	497,020	499,740	1%	503,183	492,254
Royalty per Available Room	\$ 115.09	\$ 119.46	4%	\$ 79.45	\$ 369.03
Total Royalty	57.2	59.7	4%	40.0	181.7
Other	67.3	77.8	16%	61.5	242.3
Total Revenue	\$ 124.5	\$ 137.5	10%	\$ 101.5	\$ 424.0
Timeshare					
Number of Exchanges	406,936	419,725	3%	360,825	1,647,967
Annual Number of Exchanges	1,627,744	1,678,900	3%	1,443,300	1,647,967
Average Members	2,074,412	2,207,678	6%	2,089,700	2,155,795
Total Units	3,702,156	3,886,578	5%	3,533,000	3,803,762
Average Fee	\$ 20.83	\$ 21.64	4%	\$ 20.44	\$ 79.86
Total Member/Exchange Fees	77.1	84.1	9%	72.2	303.8
Other	9.8	22.6	131%	8.1	42.5
Total Revenue	\$ 86.9	\$ 106.7	23%	\$ 80.3	\$ 346.3
Car Rental					
Rental days	15,021,195	15,996,768	6%	12,506,732	53,689,821
Royalty per Rental day	\$ 1.82	\$ 1.84	1%	\$ 1.89	\$ 1.84
Total Royalty	27.4	29.4	7%	23.7	98.6
Other	14.0	17.6	26%	12.0	51.6
Total Revenue	\$ 41.4	\$ 47.0	14%	\$ 35.7	\$ 150.2
Fleet Management					
Number of Cars/Cards	3,162,740	4,134,422	31%	3,215,953	2,960,817
Revenue per Car/Card	\$ 23.37	\$ 22.93	-2%	\$ 24.75	\$ 109.50
Total Revenue	\$ 73.9	\$ 94.8	28%	\$ 79.6	\$ 324.2

(1) The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.

CENDANT CORPORATION
REAL ESTATE SEGMENT REVENUE DRIVER ANALYSIS
(Revenue \$ in millions)

	1st Quarter			2nd Quarter		
	1997	1998(1)	%	1997	1998(1)	%
Real Estate Franchise						
Closed sides Domestic	265,896	322,995	21%	402,386	498,893	24%
Average Price	118,362	135,445	14%	122,285	142,735	17%
Adj Royalty Rate (roy x comm)	0.15%	0.16%	0.01	0.15%	0.15%	0.00
Total Royalties	48.3	71.1	47%	74.6	108.7	46%
Other	7.1	13.2	86%	9.1	22.8	151%
Total Revenue	\$ 55.4	\$ 84.3	52%	\$ 83.7	\$ 131.5	57%
Mortgage Services						
Production Loan Closings (000's)	\$ 1,783	\$ 4,615	159%	\$ 2,480	\$ 6,576	165%
Avg Fee - Basis Points	107.6	116.4	8%	124.1	122.2	-2%
Production Fees	19.2	53.7	180%	30.8	80.4	161%
Avg Servicing Loan Portfolio	\$ 25,103	\$ 30,908	23%	\$ 25,636	\$ 34,004	33%
Avg Fee - Basis Points	5.8	7.6	31%	4.6	4.0	-13%
Service Fees	14.4	24.3	68%	11.7	13.6	16%
Total Revenue	\$ 33.6	\$ 78.0	132%	\$ 42.5	\$ 94.0	121%
3rd Quarter						
4th Quarter						
Total						
	1997	1998(1)	%	1997	1997	
Real Estate Franchise						
Closed sides Domestic	438,120	540,981	23%	431,423	1,537,825	
Average Price	131,285	146,366	11%	130,909	126,590	
Adj Royalty Rate (roy x comm)	0.15%	0.15%	(0.00)	0.15%	0.15%	
Total Royalties	85.8	116.8	36%	85.2	293.9	
Other	12.5	9.9	-21%	12.0	40.7	
Total Revenue	\$ 98.3	\$ 126.7	29%	\$ 97.2	\$ 334.6	
Mortgage Services						
Production Loan Closings (000's)	\$ 3,547	\$ 6,936	96%	\$ 3,907	\$ 11,717	
Avg Fee - Basis Points	98.7	111.9	13%	84.9	100.8	
Production Fees	35.0	77.6	122%	33.2	118.2	
Avg Servicing Loan Portfolio	\$ 27,074	\$ 38,398	42%	\$ 28,999	\$ 26,703	
Avg Fee - Basis Points	6.1	0.5	-92%	6.3	22.9	
Service Fees	16.6	2.3	-86%	18.3	61.0	
Total Revenue	\$ 51.6	\$ 79.9	55%	\$ 51.5	\$ 179.2	

(1) The 1998 financial information is derived from unaudited financial information. 1998 quarterly results are not necessarily indicative of the financial results that may be expected for the year ending December 31, 1998.