

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): MARCH 10, 1998 (MARCH 5,  
1998)

CENDANT CORPORATION

-----  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

DELAWARE

1-10308

06-0918165

-----  
(STATE OR OTHER  
JURISDICTION OF  
INCORPORATION)

(COMMISSION  
FILE NUMBER)

(IRS EMPLOYER  
IDENTIFICATION NO.)

6 SYLVAN WAY, PARSIPPANY, NJ

07054

-----  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE

973-428-9700  
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NOT APPLICABLE

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FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT

ITEM 5. OTHER EVENTS.

On March 5, 1998, Cendant Corporation ("Cendant") entered into a Distribution Agreement in connection with the establishment of a program for the offering of up to \$1,010,000,000 aggregate principal amount of fixed and floating rate Medium-Term Notes (the "Notes") under Cendant's shelf Registration Statement on Form S-3 (Registration No. 333-45227).

Copies of the Distribution Agreement, the Officers' Certificate delivered pursuant to the Indenture (the "Indenture"), dated as of February 24, 1998, between Cendant Corporation and The Bank of Nova Scotia Trust Company of New York, as trustee, the forms of fixed and floating rate Notes and the Indenture are being filed as exhibits to this Current Report on Form 8-K, and hereby are incorporated by reference herein.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

- 1.1 Distribution Agreement, dated March 5, 1998, among Cendant Corporation, Bear, Stearns & Co. Inc., Chase Securities Inc., Lehman Brothers and Merrill Lynch & Co. Merrill Lynch, Pierce, Fenner & Smith Incorporated.
- 4.1 Officers' Certificate of Cendant Corporation, dated March 5, 1998, delivered pursuant to the terms of the Indenture, dated as of February 24, 1998, between Cendant Corporation and The Bank of Nova Scotia Trust Company of New York.
- 4.2 Indenture , dated as of February 24, 1998, between Cendant Corporation and The Bank of Nova Scotia Trust Company of New York, as trustee, (incorporated by reference to Exhibit 4.4 to Cendant's Current Report on Form 8-K dated March 6, 1998).

- 4.3 Form of Fixed Rate Note.
- 4.4 Form of Floating Rate Note.
- 5.1 Opinion of Eric J. Bock regarding the legality of the Notes registered in the Registration Statement on Form S-3 (File No. 333-45227).

SIGNATURES

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

Cendant Corporation  
(Registrant)

Date: March 9, 1998

By: /s/ Jeanne M. Murphy  
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Jeanne M. Murphy  
Senior Vice President, Corporate  
Counsel and Assistant Secretary

EXHIBIT INDEX

Exhibit No.	Description
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CENDANT CORPORATION

U.S. \$1,010,000,000  
Medium-Term Notes

DISTRIBUTION AGREEMENT

March 5, 1998

Bear, Stearns & Co. Inc.  
245 Park Avenue  
New York, NY 10167

Chase Securities Inc.  
270 Park Avenue  
New York, New York 10017

Lehman Brothers Inc.  
3 World Financial Center  
12th Floor  
New York, NY 10285

Merrill Lynch & Co.,  
Merrill Lynch, Pierce, Fenner &  
Smith Incorporated  
North Tower  
World Financial Center  
New York, New York 10281

Dear Sirs:

Section 1. Introductory. Cendant Corporation, a Delaware corporation (the "Company"), has filed with the Securities and Exchange Commission (the "Commission"), and the Commission declared effective on February 23, 1998, a registration statement on Form S-3 (Registration No. 333-45227, hereinafter called the "Registration Statement"), covering up to U.S. \$4,000,000,000 aggregate principal amount of the Company's debt and equity securities (the "Securities"). Any reference herein to the term "Registration Statement" shall be deemed to refer, unless the context otherwise indicates, to the Registration Statement, including the form of final prospectus, financial statements and other documents included or incorporated by reference therein and all exhibits included therein, as

from time to time amended, and the term "Prospectus" shall be deemed to refer collectively, unless the context otherwise indicates, to the final prospectus in the form filed with the Commission pursuant to Rule 424(b) under the Securities Act of 1933 (the "Act") and each prospectus as supplemented mailed to the Commission pursuant to Rule 424(c) under the Act, including documents incorporated by reference therein, as from time to time amended or supplemented (exclusive of any supplements relating solely to Securities that are not Offered Securities as hereinafter defined). The Securities will be issued under one or more indentures (the "Indentures") identified and described in the Registration Statement between the Company and one or more commercial banks, as trustees (the "Trustees"). One class of Securities that the Company is authorized to issue under the Indentures is Medium-Term Notes (the "Offered Securities"). Without limitation on the Company's right to sell all other classes of Securities through underwriters (which may include any or all of you) or dealers, or directly to one or more institutional investors, or through agents (which may include any or all of you), and without limitation on the Company's right to sell Offered Securities through other agents as provided in Section 3(a) hereof, the Company confirms its agreement with you with respect to the issue and sale by the Company of up to U.S. \$1,010,000,000 (or the equivalent in foreign currency or currency units) principal amount of the Offered Securities issued under the Indentures, subject to reduction as a result of the concurrent sale of other Securities of the Company.

Section 2. Representations and Warranties of the Company. The Company represents and warrants to each of you, as of the date hereof, as of the Closing Time hereinafter referred to and as of the times referred to in Sections 4(k) and 4(l) (in each case the "Representation Date"), as follows:

(a) The Registration Statement and the Prospectus, on their respective dates of effectiveness and filing did, and as of the applicable Representation Date will, conform in all material respects to the requirements of the Act, the Trust Indenture Act of 1939 (the "Trust Indenture Act") and the rules and regulations (the "Rules and Regulations") of the Commission; as of the respective dates of their effectiveness and filing, neither the Registration Statement nor the Prospectus did, nor as of the applicable Representation Date will, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties contained in this paragraph do not apply to (i) statements or omissions in the Registration Statement or the Prospectus based upon written information furnished to the Company by any of you or any of the Trustees expressly for use therein or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility under the Trust Indenture Act on Form T-1 of any Trustee, except statements or omissions in such Statement made in reliance upon information furnished in writing to such Trustee by or on behalf of the Company for use therein.

(b) The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware and has full power and authority to conduct the businesses presently being conducted by it.

(c) Neither the execution or delivery of this Agreement, the Offered Securities or the Indentures, the consummation of the transactions herein or therein contemplated, nor compliance with the terms, conditions or provisions of any such instruments, will result in a breach or violation of any of the terms and provisions of, or constitute (with due notice or lapse of time, or both) a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Company or any material subsidiary of the Company is a party or by which it or any of its assets is bound, any statute, the charter or by-laws of the Company or any material subsidiary or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any material subsidiary or over its assets (except, no representation, warranty or agreement is being made in this paragraph as to the Blue Sky or securities laws of any State of the United States or the District of Columbia, the Commonwealth of Puerto Rico or foreign jurisdictions).

(d) This Agreement has been duly authorized, executed and delivered on behalf of the Company and is a valid and legally binding agreement of the Company enforceable in accordance with its terms (except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally); the Offered Securities have been duly authorized and, when authenticated as contemplated by the applicable Indenture or Indentures and delivered and paid for in accordance with this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms (except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally) and will be entitled to the benefits provided by the applicable Indenture or Indentures.

(e) There is no consent, approval, authorization, order, registration or qualification of or with any court or any regulatory authority or other governmental body having jurisdiction over the Company or any material subsidiary which is required for, or the absence of which would materially affect, the issue and sale of the Offered Securities as contemplated by this Agreement or the execution, delivery or performance of the Indentures, except the registration under the Act of the Offered Securities, the qualification of the Indentures under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the securities or "Blue Sky" laws of any jurisdiction in connection with the offering of the Offered Securities by the Company and the Agent in the manner contemplated hereby.



(f) All financial statements of the Company provided to the Agent(s) by the Company (including those contained in the Registration Statement) fairly present the financial condition of the Company in all material respects and have been prepared in conformity with U.S. generally accepted accounting principles.

(g) The Company has complied with all provisions of section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida).

Section 3. Solicitations as Agent; Purchases as Principal or Underwriter.

(a) Solicitations as Agent. On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, each of you will use your best efforts to solicit offers to purchase the Offered Securities upon the terms and conditions set forth in the Prospectus as then amended or supplemented. You are hereinafter sometimes referred to in your capacity as agents, individually as an "Agent" and collectively as the "Agents". The Company reserves the right, and may submit offers, to purchase and sell Offered Securities directly to the public on its own behalf in jurisdictions in which it is authorized to do so. In addition, after notice to each of the Agents, the Company may appoint any additional agent to solicit and receive offers to purchase Offered Securities from the Company upon the terms and conditions set forth in the Prospectus, provided that any such additional agent is made a party to this Agreement or executes a distribution agreement substantially identical to this Agreement.

Each Agent further undertakes that in connection with the distribution of Offered Securities denominated in any foreign currency or currency unit, it will comply with the further restrictions in respect of offers and sales of Offered Securities so denominated set forth in Exhibit C hereto.

The Company agrees to pay each Agent a commission for each Offered Security sold, the purchase of which is solicited by such Agent, as follows:

Maturity	Commission as a Percentage of Principal Amount
9 months to less than 1 year	.125%
1 year to less than 18 months	.150
18 months to less than 2 years	.200
2 years to less than 3 years	.250

3 years to less than 4 years	.350
4 years to less than 5 years	.450
5 years to less than 6 years	.500
6 years to less than 7 years	.550
7 years to less than 10 years	.600
10 years to less than 15 years	.625
15 years to less than 20 years	.700
20 years to 30 years	.750
More than 30 years to 40 years	To be negotiated

The authorized denominations of Offered Securities denominated in a currency or currency unit other than United States dollars shall be the equivalent, as determined by the Market Exchange Rate (as defined herein) for such currency or currency unit on the business day immediately preceding the trade date for such Offered Securities, of U.S. \$1,000 (rounded down to an integral multiple of 1,000 units of such currency or currency unit), and any larger amount that is an integral multiple of 1,000 units of such currency or currency unit. The authorized denominations of Offered Securities denominated in United States dollars shall be U.S. \$1,000 and any larger amount that is an integral multiple of U.S. \$1,000. The Agents shall communicate to the Company, orally or in writing, each offer to purchase Offered Securities other than those rejected by the Agents. The Company shall have the sole right to accept offers to purchase the Offered Securities and may reject any such offer in whole or in part. The Agents shall have the right to reject any offer to purchase the Offered Securities in whole or in part, and any such rejection shall not be deemed a breach of their agreements contained herein.

The "Market Exchange Rate" on a given date for a given foreign currency means the noon buying rate in New York City for cable transfers in such currency as certified for customs purposes by the Federal Reserve Bank of New York on such date; provided, however, that in the case of European Currency Units, Market Exchange Rate means the rate of exchange determined by the Council of European Communities (or any successor thereto) as published on such date or the most recently available date in the Official Journal of the European Communities (or any successor publication).

(b) Purchases as Principal or Underwriter. Each sale of Offered Securities to any or all of you as principal or underwriter for resale to others shall be made in accordance with the terms of this Agreement and a separate agreement to be entered into between us which will provide for the sale of such Offered Securities to, and the purchase and reoffering thereof by, any or all of you. Each such separate agreement is herein referred to as a "Terms Agreement". Your commitment to purchase Offered Securities pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Terms Agreement shall specify the currency denomination, principal amount and maturity of Offered Securities to be purchased by you pursuant thereto, the price to be paid to the Company for such Offered Securities (which, if not so specified in a Terms Agreement, shall be at a discount equivalent to the applicable commission set forth in Section 3(a) hereof), the initial public offering price, if any, at which the Offered Securities are proposed to be reoffered, the time and place of delivery of and payment for such Offered Securities, and any provisions relating to rights of, and default by, any purchasers acting together with you in the reoffering of the Offered Securities. To the extent required, such Terms Agreement shall also specify any requirements for opinions of counsel, officer's certificates and letters from its independent certified public accountants (who must be of national standing) (the "Accountants") pursuant to Section 5 hereof. Terms Agreements, each of which shall be substantially in the form of Exhibit A hereto, may take the form of an exchange of any standard form of written communication (including a written confirmation of an oral agreement) between the Company and each of you participating in the sale referred to therein, including by telecopy or telex. If agreed to by the Company and any one or more Agents, such Agents may purchase Offered Securities as principal pursuant to the procedures for documentation and settlement applicable to agency sales. The Agents may utilize a selling or dealer group in connection with the resale of the Offered Securities.

(c) Procedures. Certain administrative functions are set forth in the Medium-Term Note Administrative Procedures (the "Procedure"), attached hereto as Exhibit B. You and the Company agree to perform the respective duties and obligations specifically provided to be performed by each of them herein and in the Procedure, as amended from time to time. The Procedure may only be amended by written agreement of all the parties hereto.

(d) Delivery. The documents required to be delivered by Section 5 hereof (subject to paragraph (b) above) shall be delivered at the office of Shearman & Sterling, 599 Lexington Avenue, New York, New York, on the date hereof, and at the delivery time specified in each Terms Agreement (each called a "Closing Time").

Section 4. Covenants of the Company. The Company covenants

with you that:

(a) The Company will make no amendment or supplement (other than by an amendment or supplement in the form previously agreed to by the parties providing solely for a change in the interest rates or maturities offered in the Offered Securities, or for a change in the currency in which the Offered Securities are denominated, chosen from among currencies that have previously been described in the Prospectus (a "Pricing Supplement")) to the Registration Statement or the Prospectus, whether by the filing of documents incorporated by reference in whole or in part into the Registration Statement or the Prospectus or otherwise, or make any change in the form of final prospectus prior to the time it is first filed with the Commission pursuant to Rule 424(b) under the Act, prior to having furnished each of you a reasonable opportunity to review the same and which shall not have been disapproved by you; the Company will advise each of you promptly of the filing and effectiveness of any amendment to the Registration Statement or the filing of any amendment or supplement (other than a Pricing Supplement) to the Prospectus (including the filing and effectiveness of any document incorporated by reference in whole or in part into the Registration Statement or the Prospectus), and of the institution by the Commission of any stop-order proceedings in respect of the Registration Statement, and will use its best efforts to prevent the issuance of any such stop-order and to obtain as soon as possible its lifting, if issued.

(b) If at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act any event occurs as a result of which the Registration Statement or Prospectus would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if, in your reasonable opinion or in the reasonable opinion of the Company, it is necessary at any time to amend or supplement the Registration Statement or Prospectus (including any document incorporated by reference in whole or part therein) to comply with the Act, the Company promptly will notify you, or you shall, as the case may be, suspend solicitation of offers to purchase Offered Securities and, if so notified by the Company, you shall forthwith suspend such solicitation and cease using the Prospectus; the Company will promptly prepare and file with the Commission an amendment or supplement to such Registration Statement or Prospectus (or to such document incorporated by reference therein) which will correct such statement or omission or effect such compliance and will supply such amended or supplemented Prospectus or document to each of you in such quantities as you may reasonably request; and if such amendment or supplement or document, and any documents, certificates and opinions furnished to each of you pursuant to paragraph (i) below in connection with the preparation or filing of such amendment or supplement, are satisfactory in all respects to you, you will, upon the filing of such amendment or supplement or document with the Commission or effectiveness of an

amendment to the Registration Statement, resume your respective obligation to solicit offers to purchase Offered Securities hereunder.

(c) As soon as practicable, the Company will make generally available to its security holders an earnings statement or statements that will satisfy the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(d) The Company will furnish to each of you copies of all amendments of and supplements (other than Pricing Supplements, copies of which need only be furnished to the Agents involved in the sale of the Offered Securities to which such Pricing Supplements relates) to the Registration Statement and the Prospectus, as soon as available and in such quantities as you reasonably request.

(e) The Company will take such action as you may request in order to qualify the Offered Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as you may request; provided, however, that in no event shall the Company be obligated to subject itself to taxation or to qualify to do business in any jurisdiction where it is not now so subject or qualified or to take any action which would subject it to service of process in suits, other than those arising out of the offering or sale of the Offered Securities, in any jurisdiction where it is not now so subject.

(f) So long as any Offered Security is outstanding, the Company will furnish to each of you, as soon as practicable after the end of each fiscal year, a balance sheet and statement of income of the Company as at the end of and for such fiscal year in reasonable detail and reported on by independent public accountants. The Company will furnish to each of you as soon as practicable after the end of each quarterly fiscal period (except for the last quarterly fiscal period of each fiscal year), a balance sheet and statement of income of each of the Company as at the end of such period and for the fiscal year to date, certified by either the Chief Financial Officer or Chief Accounting Officer of the Company. So long as the Company has active subsidiaries, such financial statements will be furnished on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated.

(g) The Company shall furnish to each of you as soon as practicable following the filing of any amendment or supplement (other than a Pricing Supplement) to the Registration Statement or Prospectus (including the filing of any document incorporated by reference in whole or in part into the Registration Statement or Prospectus), a certificate of (i) the Chairman of the Board, the President, any Executive Vice President or any Vice President and (ii) the Vice President and Treasurer, the Vice President and Controller or any other Vice President of the Company to the effect that, at the date of such certificate, neither the Registration Statement nor the Prospectus includes any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of

the circumstances under which they were made, not misleading, except that the foregoing does not apply to (i) statements or omissions in the Registration Statement or Prospectus based upon written information furnished to the Company by any of you expressly for use therein or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility under the Trust Indenture Act on Form T-1 of any Trustee, except statements or omissions in such Statement made in reliance upon information furnished in writing to such Trustee by or on behalf of the Company for use therein.

(h) The Company shall furnish to each of you (i) forthwith after the Company is required to file the same with the Commission, copies of its annual reports and quarterly reports on Forms 10-K and 10-Q, respectively, its proxy statements and of any other information, documents and reports that the Company is required to file with the Commission pursuant to Section 13, 14 or Section 15(d) of the Securities Exchange Act of 1934 or with the New York Stock Exchange, Inc., or any other national securities exchange on which any security of the Company is listed and (ii) at the earliest time the Company makes the same available to others, copies of annual reports and other financial reports of the Company furnished or made available to the public generally.

(i) The Company shall furnish to each of you such documents, certificates of officers of the Company and opinions of counsel for the Company relating to the business, operations and affairs of the Company, the Registration Statement, the Prospectus (including any amendments or supplements thereto), the Indenture, the Offered Securities, this Agreement, the Procedure and the performance by the Company and you of our respective obligations hereunder and thereunder as you may from time to time and at any time prior to the termination of this Agreement reasonably request.

(j) The Company shall pay all expenses incident to the performance of its obligations under this Agreement, including the fees and disbursements of its Accountants, the cost of printing and delivery of the Registration Statement, the Prospectus (including all amendments and supplements thereto) and the Indentures, the costs of preparing, printing, packaging and delivering the Offered Securities, the fees and disbursements of the Trustees and the fees of any agency that rates the Offered Securities, the reasonable fees of your counsel, and will reimburse you from time to time for all reasonable out-of-pocket expenses incurred by you, including in connection with the offering and sale of the Offered Securities and the qualification of the Offered Securities for sale and determination of eligibility for investment of the Offered Securities under the securities or Blue Sky laws of such jurisdictions as you designate and any advertising expenses connected with the offering and sale of Offered Securities.

(k) Each acceptance by the Company of an offer to purchase Offered Securities and each delivery of Offered Securities in any sale made to, or pursuant to an offer solicited by, you will be deemed to be an affirmation to any Agent that solicited such

offer or purchased such Offered Securities that the representations and warranties of the Company contained in Sections 2(a) through 2(f) are true and correct at the time of such acceptance or delivery, as though made at and as of such time, and a representation and warranty to any Agent that solicited such offer or purchased such Offered Securities that neither the Registration Statement nor the Prospectus includes any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that the foregoing does not apply to (i) statements or omissions in the Registration Statement or the Prospectus based upon written information furnished to the Company by any of you expressly for use therein or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility under the Trust Indenture Act on Form T-1 of any Trustee, except statements or omissions in such Statement made in reliance upon information furnished in writing to such Trustee by or on behalf of the Company for use therein.

(l) Each time that the Registration Statement or the Prospectus (including any portion of any document incorporated by reference in whole or part into either), is amended or supplemented (other than by a Pricing Supplement), the Company will deliver or cause to be delivered forthwith to each of you a certificate of the officers of the Company as specified in Section 4(g), dated the date of the effectiveness of such amendment or the date of filing of such supplement, in form reasonably satisfactory to you, to the effect that the statements contained in the certificate referred to in Section 5(c)(ii) that was last furnished to you (either pursuant to Section 5(c)(ii) or this Section 4(l)) are true and correct at the time of the effectiveness of such amendment or the filing of such supplement as though made at and as of such time or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in Section 5(c)(ii) dated the effective date of such amendment or the date of filing of such supplement.

(m) Each time that the Registration Statement or the Prospectus, including any portion of any document incorporated by reference in whole or part into either, is amended or supplemented (other than by a Pricing Supplement, and except for an amendment or supplement occasioned by the incorporation by reference of proxy materials of the Company or reports of the Company on Form 10-K, Form 10-Q or Form 8-K, in which case the written opinion furnished by the Company referred to hereafter shall be that of the General Counsel or Assistant General Counsel of the Company), the Company shall furnish or cause to be furnished forthwith to each of you a written opinion of counsel for the Company acceptable to the Agents, dated the date of the effectiveness of such amendment or the date of filing of such supplement or the filing of such document incorporated by reference into the Registration Statement or the Prospectus, in form satisfactory to you, relating to the Registration Statement and the Prospectus.

(n) Each time that the Registration Statement or the Prospectus is amended or supplemented to set forth amended or supplemental financial information, whether by

incorporation by reference in whole or in part or otherwise, the Company shall cause its Accountants forthwith to furnish to each of you a letter, dated the date of the effectiveness of such amendment or the date of filing of such supplement, in form satisfactory to you, of the same tenor as the letter referred to in Section 5(d) with such changes as may be necessary to reflect the amended or supplemental financial information included in the Registration Statement and the Prospectus and the other financial information of the Company available within five days of the date of such letter; provided, however, that such Accountants need only furnish you a letter in compliance with SAS 71, as appropriately modified, where such amendment or supplement or document incorporated by reference only sets forth unaudited quarterly financial information contained in the Company's Quarterly Report on Form 10-Q.

(o) Between the date of any Terms Agreement and the settlement date with respect to the Offered Securities covered thereby, the Company will not, without the prior consent of each of you that is a party to such Terms Agreement, offer or sell, or enter into any agreement to sell, any debt securities of the Company, other than (i) borrowings under the Company's revolving credit agreements and lines of credit and (ii) issuances of the Company's commercial paper.

(p) The Company shall offer to any person who has agreed to purchase Offered Securities as a result of an offer to purchase solicited by any of you the right to refuse to purchase and pay for such Offered Securities if, on the related settlement date fixed pursuant to the Procedure, (i) the condition set forth in Section 5(a) hereof shall not be satisfied, (ii) the rating assigned by any nationally recognized securities rating agency to any debt securities of the Company as of the date of the applicable Terms Agreement shall have been lowered since such date or any such agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its ratings of any debt securities of the Company or (iii) if any of the events set forth in clause (ii) or clause (iii) of the second sentence of Section 9 hereof shall have occurred (it being understood that, for purposes of this paragraph (p), the judgment of such person shall be substituted for the judgment of the Agent with respect to the matters referred to in clause (ii) of the second sentence of Section 9 hereof, and that the Agent shall have no duty or obligation to exercise its judgment on behalf of such person). This paragraph (p) shall not affect any other right of any person who has agreed to purchase Offered Securities to refuse to purchase and pay for such Offered Securities that arises under any other provision of this Agreement.

Section 5. Conditions of Obligations. Your several obligations to solicit offers to purchase the Offered Securities as Agent(s) and your obligations to purchase Offered Securities pursuant to any Terms Agreement or otherwise will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of the Company's officers made in each certificate furnished pursuant to the provisions hereof, to the performance and observance by the Company of all



covenants and agreements herein contained on its part to be performed and observed and to the following additional conditions precedent:

(a) At and subsequent to the date hereof and at each Closing Time no stop-order suspending the effectiveness of the Registration Statement shall have been issued and remain outstanding and no proceedings for that purpose shall have been instituted or, to your knowledge or the knowledge of the Company, threatened or contemplated by the Commission.

(b) At the date hereof and at each Closing Time if called for by the applicable Terms Agreement, each of you (or, with respect to a Closing Time called for by any Terms Agreement, each of you that is a party to such Terms Agreement) shall have received an opinion, dated, as applicable, either the date hereof or such Closing Time, of counsel for the Company acceptable to the Agents (it being understood that the opinion of the General Counsel or Vice President, Legal of the Company shall be acceptable to the Agents unless otherwise provided in the Terms Agreement), substantially identical to the proposed form of their opinion heretofore delivered to each of you.

(c) (i) At the date hereof and at each Closing Time, subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus (except as set forth in or contemplated by the Registration Statement and the Prospectus), the Company shall not have incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions not in the ordinary course of business, nor shall there have been any material decrease in the stockholders' equity or any material increase in the long-term debt of the Company or any material adverse change in the condition, financial or otherwise, or in the earnings, affairs or business prospects of the Company, whether or not arising in the ordinary course of business.

(ii) At the date hereof and at each Closing Time if called for by the applicable Terms Agreement, each of you (or, with respect to a Closing Time called for by any Terms Agreement, each of you that is a party to such Terms Agreement) shall have received a certificate, dated, as applicable, the date hereof or such Closing Time, signed by the officers of the Company specified in Section 4(g), certifying that, to the best of their knowledge after reasonable investigation, the statements made in the immediately preceding paragraph (i) are accurate and to the effect that (A) no stop-order suspending the effectiveness of the Registration Statement has been issued, and no proceedings for that purpose have been instituted or, to the knowledge of such officers, are threatened or contemplated by the Commission, (B) the Registration Statement and the Prospectus conform in all material respects to the requirements of the Act, the Trust Indenture Act and the Rules and Regulations, (C) neither the Registration Statement nor the Prospectus contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under

which they were made, not misleading, except that the foregoing does not apply to (i) statements or omissions in the Registration Statement or the Prospectus made in reliance upon information furnished in writing to the Company by any of you or on your behalf expressly for use therein, it being understood and agreed that the only such information consists of the information described as such in Section 6(b) hereof, or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility under the Trust Indenture Act on Form T-1 of any Trustee, except statements or omissions in such Statement made in reliance upon information furnished in writing to such Trustee by or on behalf of the Company for use therein, and (D) the representations and warranties of the Company included in Sections 2(a) through 2(g) are, as of the Closing Time, accurate in all material respects and the Company has performed and observed all covenants and agreements herein contained on its part to be performed and observed prior to the Closing Time.

(d) At the date hereof, and at each Closing Time if called for by the applicable Terms Agreement, each of you (or, with respect to a Closing Time called for by any Terms Agreement, each of you that is a party to such Terms Agreement) shall have received a letter, dated as of the Closing Time, signed by the Accountants, substantially identical to the proposed form of such letter heretofore delivered to each of you.

(e) At the date hereof and at each Closing Time if called for by the applicable Terms Agreement, each of you (or with respect to a Closing Time called for by any Terms Agreement, each of you that is a party to such Terms Agreement) shall have received an opinion, dated such date, of Shearman & Sterling, or other counsel selected by the Agents, with respect to the Company, the Offered Securities, the Registration Statement, including the form of final prospectus included therein, this Agreement and the form and sufficiency of all proceedings taken in connection with the authorization, sale and delivery of the Offered Securities, all of which shall be satisfactory in all respects to you, and the Company shall have furnished to your counsel such documents as such counsel may reasonably request for the purpose of enabling them to render such opinion.

(f) At the date hereof and at each Closing Time if called for by the applicable Terms Agreement, the Company shall have furnished to each of you (or, with respect to a Closing Time called for by any Terms Agreement, each of you that is a party to such Terms Agreement) such further information and documents as you may have reasonably requested.

(g) There shall not have occurred any change, or any development involving a prospective change, involving currency exchange rates, exchange controls, taxation or similar matters that in your respective judgments makes it impracticable or inadvisable to proceed with your solicitation of offers to purchase the Offered Securities denominated in the affected currency or currencies, or your purchase of such Offered Securities from the Company as principal; provided, however, that any such change or

development shall not affect your respective obligations with respect to Offered Securities denominated in any currency not so affected.

Your respective obligations to purchase Offered Securities pursuant to any Terms Agreement (or as contemplated by the last sentence of Section 3(b) hereof) will be subject to the following further conditions: (a) the rating assigned by any nationally recognized securities rating agency to any debt securities of the Company as of the date of the applicable Terms Agreement shall not have been lowered since that date nor shall any such organization have publicly announced that it has under surveillance or review, with possible negative implications, its ratings of any debt securities of the Company and (b) there shall not have come to your attention any facts that would cause you to believe that the Prospectus, at the time it was required to be delivered to a purchaser of the Offered Securities, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

Section 6. Indemnification. (a) The Company shall indemnify and hold harmless each of you, each of your partners, directors, officers and employees and each person, if any, who controls you within the meaning of Section 15 of the Act against any and all losses, claims, damages, and liabilities, joint or several (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which you or they, or any of you or them, may become subject under the Act, the Securities Exchange Act of 1934 or other Federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement or the Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except that the foregoing does not apply to (i) untrue statements or omissions or alleged untrue statements or omissions in such preliminary prospectus, the Registration Statement or the Prospectus, based upon written information furnished to the Company by any of you expressly for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below, or (ii) that part of the Registration Statement that constitutes the Statement of Eligibility under the Trust Indenture Act on Form T-1 of any Trustee; provided, however, that the aforesaid indemnity agreement with respect to the Registration Statement and the Prospectus shall not inure to your or their benefit (if the person asserting any such loss, claim, damage or liability purchased the Offered Securities which are the subject thereof through you), or to the benefit of any person controlling you, if the Company shall have furnished an amendment or supplement to the Prospectus to you prior to the time a written confirmation of the sale of such Offered Securities was sent or given to the person asserting such loss, claim, damage, liability or action for which indemnification is sought, and the Prospectus as so supplemented

or amended (i) corrected the alleged misstatement or omission on which the asserted loss, claim, damage or liability was based and (ii) was not sent or given to such person at or prior to the written confirmation of the sale of such Offered Securities to such person.

(b) Each Agent shall indemnify and hold harmless the Company, each person, if any, who controls the Company within the meaning of Section 15 of the Act, each director of the Company and each officer of the Company who signs the Registration Statement or any amendment thereto to the same extent as the foregoing indemnity from the Company to you but only insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission which was made in any preliminary prospectus, the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished in writing to the Company by such Agent expressly for use therein, it being understood and agreed that the only such information furnished by the Agents consists of the following information in the prospectus supplement dated March 5, 1998 (the "Prospectus Supplement"), relating to the Offered Securities: (i) the paragraph on page S-2 (the inside cover page) concerning stabilization by the Agents; (ii) the first sentence in the first paragraph of text under the caption "Supplemental Plan of Distribution" in the Prospectus Supplement, but only with respect to any determination of price by the Agents; (iii) the second sentence in the second paragraph of text under the caption "Supplemental Plan of Distribution" in the Prospectus Supplement; (iv) the third sentence in the second paragraph of text under the caption "Supplemental Plan of Distribution" in the Prospectus Supplement, but only with respect to any determination of price by the Agents; (v) the last sentence in the second paragraph of text under the caption "Supplemental Plan of Distribution" in the Prospectus Supplement; (vi) the third paragraph of text under the caption "Supplemental Plan of Distribution" in the Prospectus Supplement; and (vii) the second sentence in the fifth paragraph of text under the caption "Supplemental Plan of Distribution" in the Prospectus Supplement.

(c) Any party which proposes to assert the right to be indemnified under this Section 6 shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim is to be made against an indemnifying party under paragraph (a) or (b) of this Section 6, notify each such indemnifying party of the commencement of such action, suit or proceeding, enclosing a copy of all papers served, but the omission so to notify such indemnifying party of any such action, suit or proceeding shall not relieve it from any liability which it may have to any indemnified party otherwise than under paragraph (a) or (b) of this Section 6. In case any such action, suit or proceeding is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other indemnifying party, similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not except with the consent of the indemnified party be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified

party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party for any legal or other expenses, other than reasonable costs of investigation subsequently incurred by such indemnified party in connection with the defense thereof. The indemnified party shall have the right to employ its own counsel in any such action, but the fees and expenses of such counsel will be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized by the indemnifying party, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying party and the indemnified party in the conduct of the defense of such action (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party) or (iii) the indemnifying party has not in fact employed counsel satisfactory to such indemnified party to assume the defense of such action, in any of which events such fees and expenses shall be borne by the indemnifying party. An indemnifying party shall not be liable for any settlement of any action or claim effected without its consent (which shall not be unreasonably withheld). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any action or claim in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in this Section 6 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and each of you on the other from the offering of the Offered Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and each of you on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and each of you on the other shall be deemed to be in the same proportion as the total net proceeds received by the Company (before deducting expenses) from the sale of the Offered Securities to which such loss, claim, damage or liability (or action in respect thereof) relates bear to the total commissions or discounts received by each of you in respect thereof. The relative fault shall be determined by reference to, among other things, whether the

untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading relates to information supplied by the Company on the one hand or by you on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and you agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Agent shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities purchased by or through such Agent and to which such loss, claim, damage or liability (or action in respect thereof) relates were sold exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Agents' obligations to contribute pursuant to this Section 6(d) are several, in proportion to the respective principal amounts of Offered Securities to which such loss, claim, damage or liability (or action in respect thereof) relates and purchased or sold by each of such Agents, and not joint.

(e) The obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls you within the meaning of the Act; and your obligations under this Section 6 shall be in addition to any liability which you may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

Section 7. Position of the Agent(s). In soliciting purchases of the Offered Securities, each Agent is acting solely as agent for the Company, and not as principal. Each Agent shall make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Offered Securities has been solicited by such Agent and accepted by the Company, but such Agent shall not have any liability to the Company in the event any such purchase is not consummated for any reason.

Section 8. Representations and Indemnities to Survive Delivery. Your respective indemnities, agreements, representations, warranties and other statements and those of the Company or its officers set forth in or made pursuant to this Agreement shall

remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any of you or on behalf of the Company or any of its officers or directors or any controlling person, and will survive each delivery of and payment for any of the Offered Securities.

Section 9. Termination. This Agreement may be terminated at any time (i) by the Company with respect to any Agent by giving written notice of such termination to such Agent or (ii) by any Agent, as to the rights and obligations of such Agent only, by giving written notice to the Company. Any Agent that is a party to any Terms Agreement may also terminate such Terms Agreement (or other obligation to purchase Offered Securities as principal as contemplated by the penultimate sentence of Section 3(b) hereof), immediately upon notice to the Company, at any time prior to the Closing Time relating thereto (i) if there has been, since the respective dates as of which information is given in the Registration Statement and Prospectus, any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States, or of any other country in the currency of which the Offered Securities are denominated, is such as to make it, in the judgment of such Agent, impracticable to market the Offered Securities or enforce contracts for the sale of the Offered Securities, or (iii) if trading in any securities of the Company has been suspended by the Commission or a national securities exchange, or if trading generally on either the American Stock Exchange or the New York Stock Exchange has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the Commission or any other governmental authority, or if a banking moratorium has been declared by either Federal or New York State authorities or by authorities in any other country in the currency of which the Offered Securities are denominated. In the event of such termination by the Company, the Company and any Agent as to which this Agreement has been terminated shall have no liability or other obligation to each other, and in the event of such termination by an Agent, such Agent and the Company shall have no further liability or obligation to each other, in each case except as provided in the first sentence of the third paragraph of Section 3(a), Section 4(c), Section 4(j), Section 6 and Section 8 and except that, if at the time of termination (i) an offer to purchase any of the Offered Securities has been accepted by the Company but the time of delivery to the purchaser or its agent of the Offered Security or Offered Securities relating thereto has not occurred or (ii) any Agent shall own any of the Offered Securities which were bought by such Agent as principal with the intention of reselling them, the Company's obligations provided in Sections 4(k) through 4(n) and, in the circumstances described in clause (ii) of this sentence, all obligations of the Company relating to such Agent's ability to resell such Offered Securities, shall not be terminated.

Section 10. Notices. All communications hereunder will be in writing and, if sent to you, will be mailed, delivered or telegraphed and confirmed in duplicate originals to:

Chase Securities Inc.  
270 Park Avenue  
New York, New York 10017  
Attention: Medium-Term Note Desk  
Telephone: 212-834-4421  
Telecopier: 212-834-6081

Bear, Stearns & Co. Inc.  
245 Park Avenue  
New York, NY 10167  
Attention: Medium-Term Note Desk  
Telephone: 212-272-5371  
Telecopier: 212-272-6227

Lehman Brothers Inc.  
3 World Financial Center  
12th Floor  
New York, NY 10285  
Attention: MTN Product Management  
Telephone: 212-526-2040  
Telecopier: 212-528-1718

Merrill Lynch & Co.,  
Merrill Lynch, Pierce, Fenner &  
Smith Incorporated  
North Tower  
World Financial Center  
New York, New York 10281  
Attention: MTN Product Management  
Telephone: 212-449-7476  
Telecopier: 212-449-2234

or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at 6 Sylvan Way, Parsippany, New Jersey 07054, Attention of Vice President and Treasurer.

Section 11. Parties. This Agreement will inure to the benefit of and be binding upon each of the parties hereto and their respective successors. Nothing expressed or mentioned in this Agreement is intended or is to be construed to give any person, firm or



corporation, other than the parties hereto and their respective successors and the controlling persons, directors, officers and employees referred to in Section 6, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole exclusive benefit of the parties hereto and their respective successors and said controlling persons and said directors, officers and employees, and for the benefit of no other person, firm or corporation. No purchaser of any Offered Securities through any Agent will be deemed to be a successor by reason merely of such purchase.

Section 12. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York.

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

Very truly yours,

CENDANT CORPORATION

By /s/ Eric J. Bock

-----  
Name: Eric J. Bock  
Title: Vice President, Legal

Confirmed and Accepted,  
as of the date first  
above-written:

BEAR, STEARNS & CO. INC.

By /s/ Timothy A. O'Neill

-----  
Name: Timothy A. O'Neill  
Title: Senior Managing Director

CHASE SECURITIES INC.

By /s/ Kevin J. Kulak

-----  
Name: Kevin J. Kulak  
Title: Vice President

LEHMAN BROTHERS INC.

By /s/ Robert H. Swindell

-----  
Name: Robert H. Swindell  
Title: Managing Director

MERRILL LYNCH, PIERCE, FENNER  
& SMITH INCORPORATED

By /s/ Scott G. Primrose

-----  
Name: Scott G. Primrose  
Title: Authorized Signatory

EXHIBIT A

CENDANT CORPORATION  
(A Delaware corporation)

Medium-Term Notes

TERMS AGREEMENT

[Date]

Cendant Corporation  
6 Sylvan Way  
Parsippany, New Jersey 07054  
Attention: \_\_\_\_\_

Re: Distribution Agreement for  
Above-Mentioned Securities

Pursuant to the Distribution Agreement dated March 5, 1998 between Cendant Corporation (the "Company") and Bear, Stearns & Co. Inc., Chase Securities Inc., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Agents, the undersigned agrees to purchase the Company's Medium-Term Notes having the principal amounts (denominated in the respective currencies), maturities, interest rates and other terms set forth in Schedule I hereto.

[The opinions referred to in Sections 5(b) and 5(e) of the Distribution Agreement, the accountants' letter referred to in Section 5(d) of the Distribution Agreement [and the officer's certificate referred to in Section 5(c)(ii) of the Distribution Agreement] will be required.]

[AGENT]

By  
Name:  
Title:

Accepted:

CENDANT CORPORATION

By

Schedule I

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Maturity Date	Settlement Date	Principal Amount and Currency	Interest Rate	Discount (as % of Principal Amount)	Initial Public Offering Price	Trustee
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- A.
- B.
- C.
- D.
- E.
- F.
- G.
- H.

Time of delivery  
Place of delivery  
[Other terms]  
[Closing date]

EXHIBIT B

CENDANT CORPORATION

Administrative Procedures

These Administrative Procedures relate to the Offered Securities defined in the Distribution Agreement, dated March 5, 1998 (the "Distribution Agreement"), between Cendant Corporation (the "Company") and Bear, Stearns & Co. Inc., Chase Securities Inc., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (together, the "Agents"), to which this Administrative Procedure is attached as Exhibit B. Defined terms used herein and not defined herein shall have the meanings given such terms in the Distribution Agreement, the Prospectus as amended or supplemented, or the applicable Indenture. As used in these Administrative Procedures, the "Indenture" refers to the Indenture pursuant to which the subject Offered Securities are issued and the "Trustee" refers to the Trustee under such Indenture.

The procedures to be followed with respect to the settlement of sales of Offered Securities directly by the Company to purchasers solicited by an Agent, as agent, are set forth below. The terms and settlement details related to a purchase of Offered Securities by an Agent, as principal, from the Company will be set forth in a Terms Agreement pursuant to the Distribution Agreement, unless the Company and such Agent otherwise agree as provided in Section 3(b) of the Distribution Agreement, in which case the procedures to be followed in respect of the settlement of such sale will be as set forth below. An Agent, in relation to a purchase of an Offered Security by a purchaser solicited by such Agent, is referred to herein as the "Selling Agent" and, in relation to a purchase of an Offered Security by such Agent as principal other than pursuant to a Terms Agreement, as the "Purchasing Agent."

The Company will advise each Agent in writing of those persons with whom such Agent is to communicate regarding offers to purchase Offered Securities and the related settlement details.

Each Offered Security will be issued only in fully registered form and will be represented by either a global security (a "Global Security") delivered to the Trustee, as agent for The Depository Trust Company (the "Depository") and recorded in the book-entry system maintained by the Depository (a "Book-Entry Security") or a certificate issued in definitive form (a "Certificated Security") delivered to a person designated by an Agent, as set forth in the applicable Pricing Supplement. An owner of a Book-Entry Security will not be entitled to receive a certificate representing such a Security, except as provided in the Indenture.

Certificated Securities will be issued in accordance with the Administrative Procedure set forth in Part I hereof, and Book-Entry Securities will be issued in accordance with the Administrative Procedure set forth in Part II hereof.

PART I: ADMINISTRATIVE PROCEDURE FOR CERTIFICATED SECURITIES

Posting Rates by Company:

The Company and the Agents will discuss from time to time the rates of interest per annum to be borne by and the maturity of Certificated Securities that may be sold as a result of the solicitation of offers by an Agent. The Company may establish a fixed set of interest rates and maturities for an offering period ("posting"). If the Company decides to change already posted rates, it will promptly advise the Agents to suspend solicitation of offers until the new posted rates have been established with the Agents.

Acceptance of Offers by Company:

Each Agent will promptly advise the Company by telephone or other appropriate means of all reasonable offers to purchase Certificated Securities, other than those rejected by such Agent. Each Agent may, in its discretion reasonably exercised, reject any offer received by it in whole or in part. Each Agent also may make offers to the Company to purchase Certificated Securities as a Purchasing Agent. The Company will have the sole right to accept offers to purchase Certificated Securities and may reject any such offer in whole or in part.

The Company will promptly notify the Selling Agent or Purchasing Agent, as the case may be, of its acceptance or rejection of an offer to purchase Certificated Securities. If the Company accepts an offer to purchase Certificated Securities, it will confirm such acceptance in writing to the Selling Agent or Purchasing Agent, as the case may be, and the Trustee.

Communication of Sale Information to Company by Selling Agent:

After the acceptance of an offer by the Company, the Selling Agent or Purchasing Agent, as the case may be, will communicate the following details of the terms of such offer (the "Sale Information") to the Company by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means:

- (1) Principal amount of Certificated Securities to be purchased;

(2) If a Fixed Rate Certificated Security, the interest rate and the initial interest payment date;

(3) Maturity Date;

(4) Specified Currency and, if the Specified Currency is other than U.S. dollars, the applicable Exchange Rate for such Specified Currency;

(5) Indexed Currency, the Base Rate and the Exchange Rate Determination Date, if applicable;

(6) Issue Price;

(7) Selling Agent's commission or Purchasing Agent's discount, as the case may be;

(8) Net proceeds to the Company;

(9) Settlement Date;

(10) If a redeemable Certificated Security, such of the following as are applicable:

(i) Redemption Commencement Date,

(ii) Initial Redemption Price (% of par), and

(iii) Amount (% of par) that the Redemption Price shall decline (but not below par) on each anniversary of the Redemption Commencement Date;

(11) If a Floating Rate Certificated Security, such of the following as are applicable:

(i) Interest Rate Basis,

(ii) Index Maturity,

(iii) Spread or Spread Multiplier,

(iv) Maximum Rate,

(v) Minimum Rate,

- (vi) Initial Interest Rate,
- (vii) Interest Reset Dates,
- (viii) Calculation Dates,
- (ix) Interest Determination Dates,
- (x) Interest Payment Dates, and
- (xi) Calculation Agent;

(12) Name, address and taxpayer identification number of the registered owner(s);

(13) Denomination of certificates to be delivered at settlement; and

(14) Name of the Trustee.

Preparation of Pricing Supplement by Company:

If the Company accepts an offer to purchase a Certificated Security, it will prepare a Pricing Supplement. The Company will supply at least ten copies of such Pricing Supplement to the Selling Agent or Purchasing Agent, as the case may be, not later 3:00 p.m., New York City time, on the second business day following the date of acceptance of such offer, or if the Company and the purchaser agree to settlement on the date of such acceptance, not later than noon, New York City time, on such date. The Company will arrange to have ten Pricing Supplements filed with the Commission not later than the close of business of the Commission on the fifth business day following the date on which such Pricing Supplement is first used.

Pricing Supplements will be delivered to the Selling Agent or Purchasing Agent as follows:

Bear, Stearns & Co. Inc.  
245 Park Avenue  
New York, NY 10167  
Attention: Medium-Term Note desk  
Telephone: 212-272-5371  
Telecopier: 212-272-6227



Chase Securities Inc.  
270 Park Avenue  
New York, New York 10017  
Attention: Medium-Term Note Desk  
Telephone: 212-834-4421  
Telecopier: 212-834-6081

Lehman Brothers Inc.  
3 World Financial Center  
9th Floor  
New York, NY 10285  
Attention: Brunnie Vasquez  
Telephone: 212-526-8400  
Telecopier: 212-528-6139

Merrill Lynch & Co. - Tritech Services  
44-B Colonial Drive  
Corporate Park 287  
Piscataway, NJ 08854  
Attn: Final Prospectus Unit  
Telephone: (732) 885-2768  
Telecopy: (732) 885-2775

with a copy to:

Merrill Lynch & Co.,  
Merrill Lynch, Pierce, Fenner &  
Smith Incorporated  
North Tower  
World Financial Center  
New York, New York 10281  
Attention: MTN Product Management  
Telephone: 212-449-7476  
Telecopier: 212-449-2234

Delivery of Confirmation and Prospectus to Purchaser by Selling Agent:

The Selling Agent will deliver to the purchaser of a Certificated Security a written confirmation of the sale and delivery and payment instructions. In addition, the Selling Agent will deliver to such Purchaser or its agent the Prospectus as amended or supplemented (including the Pricing Supplement) in relation to such Certificated Security

prior to or with the earlier of the delivery to such purchaser or its agent of (a) the confirmation of sale or (b) the Certificated Security.

Date of Settlement:

All offers solicited by a Selling Agent or made by a Purchasing Agent and accepted by the Company will be settled on a date (the "Settlement Date") which is the third business day after the date of acceptance of such offer, unless the Company and the purchaser agree to settlement (a) on any other business day after the acceptance of such offer or (b) with respect to an offer accepted by the Company prior to 10:00 a.m., New York City time, on the date of such acceptance.

Instruction from Company to Trustee for Preparation of Certificated Securities:

After receiving the Sale Information from the Selling Agent or Purchasing Agent, as the case may be, the Company will communicate such Sale Information to the Trustee by facsimile transmission or other acceptable written means.

The Company will instruct the Trustee by facsimile transmission or other acceptable written means to authenticate and deliver the Certificated Securities no later than 2:15 p.m., New York City time, on the Settlement Date. Such instruction will be given by the Company prior to 3:00 p.m., New York City time, on the business day prior to the Settlement Date unless the Settlement Date is the date of acceptance by the Company of the offer to purchase Certificated Securities in which case such instruction will be given by the Company by 11:00 a.m., New York City time.

Preparation and Delivery of Certificated Securities by Trustee and Receipt of Payment Therefor:

The Trustee will prepare each Certificated Security and appropriate receipts that will serve as the documentary control of the transaction.

In the case of a sale of Certificated Securities to a purchaser solicited by an Agent, the Trustee will, by 2:15 p.m., New York City time, on the Settlement Date, deliver the Certificated Securities to the Selling Agent for the benefit of the purchaser or such Certificated Securities against delivery by the Selling Agent of a receipt therefor. On the Settlement Date the Selling Agent will deliver payment for such Certificated Securities in immediately available funds to the Company in an amount equal to the issue price of the Certificated Securities less the Selling Agent's commission; provided that the Selling Agent reserves the right to withhold payment for which it has not received funds from the purchaser. The Company shall not use any proceeds advanced by a Selling Agent to acquire securities.

In the case of a sale of Certificated Securities to a Purchasing Agent, the Trustee will, by 2:15 p.m., New York City time, on the Settlement Date, deliver the Certificated Securities to the Purchasing Agent against delivery of payment for such Certificated Securities in immediately available funds to the Company in an amount equal to the issue price of the Certificated Securities less the Purchasing Agent's discount.

Certificated Securities will be delivered to the Agents as follows:

Chase Securities Inc.  
55 Water Street  
Room 226  
New York, New York 10041  
Attention: Window 17 or 18  
Telephone: 212-638-6787  
Telecopier: 212-638-5618

Bear, Stearns & Co. Inc.  
245 Park Avenue  
New York, NY 10167  
Attention: Medium-Term Note desk  
Telephone: 212-272-5371  
Telecopier: 212-272-6227

The Chase Manhattan Bank  
4 New York Plaza  
Ground Floor  
New York, NY 10004  
Attention: Verna Covington  
For the account of Lehman Brothers Inc.

Merrill Lynch & Co.,  
Merrill Lynch, Pierce, Fenner &  
Smith Incorporated  
North Tower  
World Financial Center  
New York, New York 10281  
Attention: MTN Product Management  
Telephone: 212-449-7476  
Telecopier: 212-449-2234

Failure of Purchaser to Pay Selling Agent:

If a purchaser (other than a Purchasing Agent) fails to make payment to the Selling Agent for a Certificated Security, the Selling Agent will promptly notify the Trustee and the Company thereof by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means. The Selling Agent will immediately return the Certificated Security to the Trustee. Immediately upon receipt of such Certificated Security by the Trustee, the Company will return to the Selling Agent an amount equal to the amount previously paid to the Company in respect of such Certificated Security. The Company will reimburse the Selling Agent on an adequate basis for its loss of the use of funds during the period when they were credited to the account of the Company.

The Trustee will cancel the Certificated Security in respect of which the failure occurred, make appropriate entries in its records and, unless otherwise instructed by the Company, destroy the Certificated Security.

PART II: ADMINISTRATIVE PROCEDURE FOR BOOK-ENTRY SECURITIES

In connection with the qualification of the Book-Entry Securities for eligibility in the book-entry system maintained by the Depository, the Trustee will perform the custodial, document control and administrative functions described below, in accordance with its respective obligations under a Letter of Representation from the Company and the Trustee to the Depository, dated the date hereof, and a Medium-Term Note Certificate Agreement between the Trustee and the Depository (the "Certificate Agreement"), and its obligations as a participant in the Depository, including the Depository's Same Day Funds Settlement System ("SDFS").

Posting Rates by the Company:

The Company and the Agents will discuss from time to time the rates of interest per annum to be borne by the maturity of Book-Entry Securities that may be sold as a result of the solicitation of offers by an Agent. The Company may establish a fixed set of interest rates and maturities for an offering period ("posting"). If the Company decides to change already posted rates, it will promptly advise the Agents to suspend solicitation of offers until the new posted rates have been established with the Agents.

Acceptance of Offers by the Company:

Each Agent will promptly advise the Company by telephone or other appropriate means of all reasonable offers to purchase Offered Securities, other than those rejected by such Agent. Each Agent may, in its discretion reasonably exercised, reject any

offer received by it in whole or in part. Each Agent also may make offers to the Company to purchase Book-Entry Securities as a Purchasing Agent. The Company will have the sole right to accept offers to purchase Book-Entry Securities and may reject any such offer in whole or in part.

The Company will promptly notify the Selling Agent or Purchasing Agent, as the case may be, of its acceptance or rejection of an offer to purchase Book-Entry Securities. If the Company accepts an offer to purchase Book-Entry Securities, it will confirm such acceptance in writing to the Selling Agent or Purchasing Agent, as the case may be, and the Trustee.

Communication of Sale Information to the Company by Selling Agent and Settlement Procedures:

A. After the acceptance of an offer by the Company, the Selling Agent or Purchasing Agent, as the case may be, will communicate promptly, but in no event later than the time set forth under "Settlement Procedure Timetable" below, the following details of the terms of such offer (the "Sale Information") to the Company by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means:

- (1) Principal amount of Book-Entry Securities to be purchased;
- (2) If a Fixed Rate Book-Entry Security, the interest rate and the initial interest payment date;
- (3) Maturity Date;
- (4) Specified Currency and, if the Specified Currency is other than U.S. dollars, the applicable Exchange Rate for such Specified Currency (it being understood that currently the Depository accepts deposits of Global Securities denominated in U.S. dollars only);
- (5) Indexed Currency, the Base Rate and the Exchange Rate Determination Date, if applicable;
- (6) Issue Price;
- (7) Selling Agent's commission or Purchasing Agent's discount, as the case may be;
- (8) Net Proceeds to the Company;

(9) Settlement Date;

(10) If a redeemable Book-Entry Security, such of the following as are applicable:

(i) Redemption Commencement Date,

(ii) Initial Redemption Price (% of par), and

(iii) Amount (% of par) that the Redemption Price shall decline (but not below par) on each anniversary of the Redemption Commencement Date;

(11) If a Floating Rate Book-Entry Security, such of the following as are applicable:

(i) Interest Rate Basis,

(ii) Index Maturity,

(iii) Spread or Spread Multiplier,

(iv) Maximum Rate,

(v) Minimum Rate,

(vi) Initial Interest Rate,

(vii) Interest Reset Dates,

(viii) Calculation Dates,

(ix) Interest Determination Dates,

(x) Interest Payment Dates, and

(xi) Calculation Agent; and

(12) Name of the Trustee.

B. After receiving the Sale Information from the Selling Agent or Purchasing Agent, the Company will communicate such Sale Information to the Trustee by facsimile transmission or other acceptable written means. The Company will assign a CUSIP

number to the Global Security representing such Book-Entry Security and then advise the Trustee and the Selling Agent or Purchasing Agent, as the case may be, of such CUSIP number.

C. The Trustee will enter a pending deposit message through the Depository's Participant Terminal System, providing the following settlement information to the Depository, and the Depository shall forward such information to such Agent and Standard & Poor's Corporation:

- (1) The applicable Sale Information;
- (2) CUSIP number of the Global Security representing such Book-Entry Security;
- (3) Whether such Global Security will represent any other Book-Entry Security (to the extent known at such time);
- (4) Number of the Participant account maintained by the Depository on behalf of the Selling Agent or Purchasing Agent, as the case may be;
- (5) The interest payment period;
- (6) Initial Interest Payment Date for such Book-Entry Security, number of days by which such date succeeds the record date for the Depository's purposes (which, in the case of Floating Rate Offered Securities which reset weekly shall be the date five calendar days immediately preceding the applicable Interest Payment Date and in the case of all other Book-Entry Securities shall be the Regular Record Date, as defined in the Offered Security) and, if calculable at that time, the amount of interest payable on such Interest Payment Date per \$1,000 principal amount.

D. The Trustee will complete and authenticate the Global Security previously delivered by the Company representing such Book-Entry Security.

E. The Depository will credit such Book-Entry Security to the Trustee's participant account at the Depository.

F. The Trustee will enter an SDFS deliver order through the Depository's Participant Terminal System instructing the Depository to (i) debit such Book-Entry Security to the Trustee's participant account and credit such Book-Entry Security to such Agent's participant account and (ii) debit such Agent's settlement account and credit the Trustee's settlement account for an amount equal to the price of such Book-Entry Security less such Agent's commission or discount, as applicable. The entry of such a deliver order shall

constitute a representation and warranty by the Trustee to the Depository that (a) the Global Security representing such Book-Entry Security has been issued and authenticated and (b) the Trustee is holding such Global Security pursuant to the Certificate Agreement.

G. Such Agent will enter an SDFS deliver order through the Depository's Participant Terminal System instructing the Depository (i) to debit such Book-Entry Security to such Agent's participant account and credit such Book-Entry Security to the participant accounts of the Participants with respect to such Book-Entry Security and (ii) to debit the settlement accounts of such Participants and credit the settlement account of such Agent for an amount equal to the price of such Book-Entry Security.

H. Transfers of funds in accordance with SDFS deliver orders described in Settlement Procedures "F" and "G" will be settled in accordance with SDFS operating procedures in effect on the settlement date.

I. Upon confirmation of receipt of funds, the Trustee will transfer to an account of the Company previously specified by the Company to the Trustee funds available for immediate use in the amount transferred to the Trustee in accordance with Settlement Procedure "F".

J. Upon request, the Trustee will send to the Company a statement setting forth the principal amount of Book-Entry Securities outstanding as of that date under the Indenture.

K. Such Agent will confirm the purchase of such Book-Entry Security to the purchaser either by transmitting to the Participants with respect to such Book-Entry Security a confirmation order or orders through the Depository's institutional delivery system or by mailing a written confirmation to such purchaser.

L. The Depository will, at any time, upon request of the Company or the Trustee, promptly furnish to the Company or the Trustee a list of the names and addresses of the Participants for whom the Depository has credited Book-Entry Securities.

Preparation of Pricing Supplement:

If the Company accepts an offer to purchase a Book-Entry Security, it will prepare a Pricing Supplement reflecting the terms of such Book-Entry Security and arrange to have delivered to the Selling Agent or Purchasing Agent, as the case may be, at least ten copies of such Pricing Supplement, not later than 3:00 p.m., New York City time, on the second Business Day following the receipt of the Sale Information, or if the Company and the purchaser agree to settlement on the Business Day following the date of acceptance, not later than noon, New York City time, on such date. The Company will arrange to have ten



Pricing Supplements filed with the Commission not later than the close of business of the Commission on the fifth Business Day following the date on which such Pricing Supplement is first used.

Pricing Supplements will be delivered to the Selling Agent or Purchasing Agent as follows:

Chase Securities Inc.  
270 Park Avenue  
New York, New York 10017  
Attention: Medium-Term Note Desk  
Telephone: 212-834-4421  
Telecopier: 212-834-6081

Bear, Stearns & Co. Inc.  
245 Park Avenue  
New York, NY 10167  
Attention: Medium-Term Note Desk  
Telephone: 212-272-5371  
Telecopier: 212-272-6227

Lehman Brothers Inc.  
3 World Financial Center  
9th Floor  
New York, NY 10285  
Attention: Brunnie Vasquez  
Telephone: 212-526-8400  
Telecopier: 212-528-6139

Merrill Lynch & Co. - Tritech Services  
44-B Colonial Drive  
Corporate Park 287  
Piscataway, NJ 08854  
Attn: Final Prospectus Unit  
Telephone: (732) 885-2768  
Telecopy: (732) 885-2775

with a copy to:

Merrill Lynch & Co.,  
Merrill Lynch, Pierce, Fenner &  
Smith Incorporated  
North Tower  
World Financial Center  
New York, New York 10281  
Attention: MTN Product Management  
Telephone: 212-449-7476  
Telecopier: 212-449-2234

Delivery of Confirmation and Prospectus  
to Purchaser by Selling Agent:

The Selling Agent will deliver to the purchaser of a Book-Entry Security a written confirmation of the sale and delivery and payment instructions. In addition, the Selling Agent will deliver to such purchaser or its agent the Prospectus as amended or supplemented (including the Pricing Supplement) in relation to such Book-Entry Security prior to or with the earlier of the delivery to such purchaser or its agent of (a) the confirmation of sale or (b) the Book-Entry Security.

Date of Settlement:

The receipt by the Company of immediately available funds in payment for a Book-Entry Security and the authentication and issuance of the Global Security representing such Book-Entry Security shall constitute "settlement" with respect to such Book-Entry Security. All orders accepted by the Company will be settled on the third Business Day pursuant to the timetable for settlement set forth below unless the Company and the purchaser agree to settlement on another day which shall be no earlier than the next Business Day.

Settlement Procedure Timetable:

For orders of Book-Entry Securities solicited by an Agent, as agent, and accepted by the Company for settlement on the first Business Day after the sale date, Settlement Procedures "A" through "I" set forth above shall be completed as soon as possible but not later than the respective times (New York City time) set forth below:

Settlement Procedure	Time	
A	5:00 p.m.	on the Business Day following the acceptance of an offer by the Company or 10:00 a.m. on the Business Day prior to the settlement date, whichever is earlier
B	12:00 noon	on the sale date
C	2:00 p.m.	on the sale date
D	9:00 a.m.	on settlement date
E	10:00 a.m.	on settlement date
F-G	2:00 p.m.	on settlement date
H	4:45 p.m.	on settlement date
I	5:00 p.m.	on settlement date

If a sale is to be settled more than one Business Day after the sale date, Settlement Procedures "B" and "C" shall be completed as soon as practicable but not later than 2:00 p.m. on the first Business Day after the sale date. If the initial interest rate for a Floating Rate Book-Entry Security has not been determined at the time that Settlement Procedure "A" is completed, Settlement Procedures "B" and "C" shall be completed as soon as such rate has been determined but no later than 2:00 p.m. on the second Business Day before the settlement date. Settlement Procedure "H" is subject to extension in accordance with any extension of Fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the settlement date.

If settlement of a Book-Entry Security is rescheduled or cancelled, the Trustee, upon obtaining knowledge thereof, will deliver to the Depository, through the Depository's Participation Terminal System, a cancellation message to such effect by no later than 2:00 p.m. on the Business Day immediately preceding the scheduled settlement date.

#### Failure to Settle:

If the Trustee fails to enter an SDFS deliver order with respect to a Book-Entry Security pursuant to Settlement Procedure "F", the Trustee may deliver to the Depository, through the Depository's Participant Terminal System, as soon as practicable a withdrawal message instructing the Depository to debit such Book-Entry Security to the Trustee's participant account, provided that the Trustee's participant account contains a principal amount of the Global Security representing such Book-Entry Security that is at least

equal to the principal amount to be debited. If a withdrawal message is processed with respect to all the Book-Entry Securities represented by a Global Security, the Trustee will mark such Global Security "cancelled", make appropriate entries in the Trustee's records and send such cancelled Global Security to the Company. The CUSIP number assigned to such Global Security shall, in accordance with CUSIP Service Bureau procedures, be cancelled and not immediately reassigned. If a withdrawal message is processed with respect to one or more, but not all, of the Book-Entry Securities represented by a Global Security, the Trustee will exchange such Global Security for two Global Securities, one of which shall represent such Book-Entry Security or Securities and shall be cancelled immediately after issuance and the other of which shall represent the remaining Book-Entry Securities previously represented by the surrendered Global Security and shall bear the CUSIP number of the surrendered Global Security.

If the purchase price for any Book-Entry Security is not timely paid to the Participants with respect to such Book-Entry Security by the beneficial purchaser thereof (or a person, including an indirect participant in the Depository, acting on behalf of such purchaser), such participants and, in turn, the Agent for such Book-Entry Security may enter deliver orders through the Depository's Participant Terminal System debiting such Book-Entry Security to such participant's account and crediting such Book-Entry Security to such Agent's account and then debiting such Book-Entry Security to such Agent's participant account and crediting such Book-Entry Security "free" to the Trustee's participant account and shall notify the Company and the Trustee thereof. Thereafter, the Trustee will (i) immediately notify the Company of such order and the Company shall transfer to such Agent funds available for immediate use in an amount equal to the price of such Book-Entry Security which was transferred to the Company in accordance with Settlement Procedure I, and (ii) deliver the withdrawal message and take the related actions described in the preceding paragraph. If such failure shall have occurred for any reason other than default by the applicable Agent to perform its obligations hereunder or under the Distribution Agreement, the Company will reimburse such Agent on an equitable basis for the loss of its use of funds during the period when the funds were credited to the account of the Company.

Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Security, the Depository may take any actions in accordance with its SDFS operating procedures then in effect. In the event of a failure to settle with respect to one or more, but not all, of the Book-Entry Securities to have been represented by a Global Security, the Trustee will provide, in accordance with Settlement Procedure "D" for the authentication and issuance of a Global Security representing the other Book-Entry Securities to have been represented by such Global Security and will make appropriate entries in its records. The Company will, from time to time, furnish the Trustee with a sufficient quantity of Offered Securities.

EXHIBIT C

Restrictions on Sale of  
Medium-Term Notes

No Offered Securities denominated in a currency other than United States dollars will be sold or offered for sale in the country issuing such currency.

CENDANT CORPORATION

Officers' Certificate  
Pursuant to Sections 201 and 301

THE UNDERSIGNED, being the duly elected and qualified Senior Vice President - Finance and Vice President - Legal and Assistant Secretary, respectively, of Cendant Corporation (the "Company"), hereby certify pursuant to Sections 201 and 301 of the Indenture dated as of February 24, 1998 (as amended, the "Indenture") by and between the Company and The Bank of Nova Scotia Trust Company of New York, as follows:

- A. There has been established, pursuant to resolutions duly adopted by the Pricing Committee of the Board of Directors of the Company a series of Securities (as defined in the Indenture) having the following terms:
1. The title of the series of Securities to be issued is Medium-Term Notes due from 9 Months to 40 Years from Date of Issuance (the "Notes").
  2. The limit on the aggregate principal amount of Notes which may be authenticated and delivered under the Indenture (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes of the series pursuant to Section 304, 305, 306, 906, 1107 or 1305) is U.S. \$1,010,000,000.
  3. The date or dates on which principal of (and premium, if any on) the Notes shall be payable shall be as specified to the Trustee by the Chief Financial Officer, any Vice President, the Treasurer or any Assistant Treasurer in accordance with the Administrative Procedures attached as Exhibit B (the "Procedures") to the Distribution Agreement, dated as of March 5, 1998, among Cendant Corporation and Bear, Stearns & Co. Inc., Chase Securities Inc., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.
  4. The Notes shall bear interest as specified to the Trustee by the Chief Financial Officer, any Vice President, the Treasurer or any Assistant Treasurer in accordance with the Procedures.
  5. The other terms of the Notes, including the Currency, denomination and redemption provisions, shall be specified to the Trustee by the Chief Financial Officer, any Vice President, the Treasurer or any Assistant Treasurer in accordance with the Procedures and as set forth in the

forms of the Notes attached hereto, the Prospectus Supplement dated March 5, 1998 relating to the Notes and the resolutions relating to the Notes of the Pricing Committee of the Board of Directors of the Company dated March 4, 1998.

6. The Notes will be issued as Global Notes through the facilities of The Depository Trust Company, as Depository.

The Notes will be issued as Registered Securities in global form and shall be substantially in the form of Fixed Rate Notes or Floating Rate Notes attached hereto as Annex A and Annex B, respectively, with such additions and changes or; in any other form as the Chief Financial Officer, any Vice President, the Treasurer or any Assistant Treasurer delivering the Notes shall approve, such approval to be conclusively evidenced by his or her delivery thereof.

- B. Each of the undersigned has read the Indenture, including the provisions of Sections 102, 201 and 301 and the definitions relating thereto, and the resolutions adopted by the Board of Directors of the Company and the Pricing Committee thereof, which are attached as Exhibit A to the Secretary's Certificate delivered herewith. In the opinion of each of the undersigned officers of the company, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not all conditions precedent provided in the Indenture relating to the establishment of the form and terms of a series of Securities under the Indenture, defined as the Notes in this Officers' Certificate, have been complied with. In the opinion of each of the undersigned, all such conditions precedent have been complied with.

IN WITNESS WHEREOF, we have set our hands to this Officers'  
Certificate Pursuant to Sections 201 and 301 of the Indenture as of March 5,  
1998.

CENDANT CORPORATION

By: /s/ Scott E. Forbes  
Scott E. Forbes  
Senior Vice President - Finance

By: /s/ Eric J. Bock  
Eric J. Bock  
Vice President - Legal and  
Assistant Secretary



REGISTERED  
No. FXR-  
CUSIP NO.

CENDANT CORPORATION  
MEDIUM-TERM NOTE  
(FIXED RATE)

If this Debt Security is registered in the name of The Depository Trust Company (the "Depository") (55 Water Street, New York, New York) or its nominee, this Debt Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository unless and until this Debt Security is exchanged in whole or in part for Debt Securities in definitive form. Unless this certificate is presented by an authorized representative of the Depository to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ORIGINAL ISSUE DATE:	PRINCIPAL AMOUNT AND CURRENCY OR CURRENCY UNIT:
	OPTION TO RECEIVE PAYMENTS IN SPECIFIED CURRENCY: YES: ____ NO: ____
INTEREST RATE:	MATURITY DATE:
REDEMPTION PROVISIONS, IF ANY:	REPAYMENT PROVISIONS, IF ANY:
REDEEMABLE ON OR AFTER: INITIAL REDEMPTION PERCENTAGE: ANNUAL REDEMPTION PERCENTAGE REDUCTION:	OPTIONAL REPAYMENT DATE: OPTIONAL REPAYMENT PRICE:
OTHER PROVISIONS:	EXCHANGE RATE AGENT:

If this Debt Security is issued with original issue discount, the following information is supplied for purposes of Sections 1273 or 1275 of the Internal Revenue Code: Issue Price (for each \$1,000 principal amount): \$ \_\_\_\_\_ ; Original Issue Discount Under Section 1272 of the Internal Revenue Code (for each \$1,000 principal amount): \$ \_\_\_\_\_ ; Yield To Maturity: \_\_\_\_\_ ; Method Used to Determine Yield To Maturity For Short Accrual Period of \_\_\_\_\_ to \_\_\_\_\_ ; and Original Issue Discount for Short Accrual Period of \_\_\_\_\_ to \_\_\_\_\_ :

CENDANT CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Corporation"), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum of set forth above in the currency set forth above (any currency or currency unit other than U.S. dollars being hereinafter referred to as a "Specified Currency"), on the Stated Maturity shown above (the "Maturity Date"), in such coin or currency specified above as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest thereon from the Original Issue Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on February 15 and August 15 in each year (the "Interest Payment Dates"), unless otherwise provided above, commencing with the Interest Payment Date immediately following the Original Issue Date shown above, and on the Maturity Date, at the interest rate per annum shown above until the principal hereof is paid or made available for payment; provided, however, that if the Original Issue Date shown above is after a Regular Record Date and on or before the immediately following Interest Payment Date, interest payments will commence on the Interest Payment Date following the next succeeding Regular Record Date to the person in whose name this Note is registered in the security register (the "Security Register") of the Corporation (the "Holder") on such next succeeding Regular Record Date and provided, further, that, unless the Holder hereof is entitled to make, and has made, a Specified Currency Payment Election (as hereinafter defined) with respect to one or more such payments, the Corporation will make all such payments in U.S. dollars in amounts determined as set forth below. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture dated as of February 24, 1998, as supplemented (hereinafter called the "Indenture"), between the Corporation and The Bank of Nova Scotia Trust Company of New York, as trustee (hereinafter called the "Trustee", which term includes any successor trustee under the Indenture), be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 31 or July 31 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date will be paid to the Person to whom said principal sum is payable. Any interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Payment of the principal of (and premium, if any) and any interest on this Note due to the Holder hereof at the Maturity Date will be made in immediately available funds, upon surrender of this Note at the offices of the Trustee, One Liberty Plaza, New York, New York 10006, provided that the Note is presented to the Trustee or its agent in time for the Trustee to make such payments in such funds in accordance with its normal procedures. Payment of interest on this Note due on any Interest Payment Date (other than interest on this Note due to the Holder hereof at Maturity) will be made by check mailed to the address of the person entitled thereto at the Holder's last address as it appears on the Security Register. Payments of principal, premium if any, and interest on Global Notes will be made to the Depositary by wire transfer, either in same day funds or in next day funds. Notwithstanding the foregoing, a Holder of \$10,000,000 or more in aggregate principal amount of Notes of like tenor and term shall, upon written request, be entitled to receive payments of interest (other than interest on said

Notes due to the Holder at Maturity) by wire transfer to an account maintained by such Holder with a bank located in the United States of America.

Any such designation for wire transfer purposes shall be made by filing the appropriate information with the Trustee at its office, One Liberty Plaza, New York, New York 10006, on or prior to the Regular Record Dates relating to the applicable Interest Payment Dates and any such designation made with respect to any Note by a registered Holder shall remain in effect with respect to any further payments with respect to this Note payable to such Holder unless revoked or changed by written instructions received by the Trustee from such Holder, provided that any such written revocation or change which is received by the Trustee after a Regular Record Date and before the related Interest Payment Date shall not be effective with respect to such Interest Payment Date.

If this Note is denominated in a Specified Currency, payment of the principal of (and premium, if any) and any interest due on this Note will be made in Specified Currency provided that the Holder hereof is entitled to make, and has made, a Specified Currency Payment Election with respect to such payments, the Exchange Rate Agent is able to convert such payments as provided below, the Specified Currency is not unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Corporation and the Specified Currency is used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community. Unless otherwise specified, if this Note is denominated in a Specified Currency, the Holder hereof may elect to receive payments of principal of (and premium, if any) and interest in such Specified Currency (a "Specified Currency Payment Election") by delivery of a written request for such payment to the principal office of the Trustee, One Liberty Plaza, New York, New York 10006, on or prior to the Regular Record Date or at least fifteen days prior to the Maturity Date, as the case may be. Such request may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. A Holder of a Foreign Currency Note may elect to receive payment in the Specified Currency for all principal, premium, if any, and interest payments and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, One Liberty Plaza, New York, New York 10006, but written notice of any such revocation must be received by the Trustee on or prior to the Regular Record Date or at least fifteen days prior to the Maturity Date, as the case may be.

In the event of an official redenomination of a foreign currency or currency unit, the obligations of the Corporation with respect to payments hereunder denominated or payable in such foreign currency or currency unit shall, in all cases, be deemed immediately following such redenomination to provide for payment of that amount of redenominated currency representing the amount of such obligations immediately before such redenomination. In no event, however, shall any adjustment be made to any amount payable hereunder as a result of any change in the value of such foreign currency or currency unit relative to any other currency due solely to fluctuations in exchange rates.

If any Interest Payment Date or the Maturity Date (or date of redemption or repayment) of this Note would fall on any day which is not a Business Day (as defined below), the payment of interest and principal (and premium, if any) need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date.

This Note is one of a duly authorized issue of securities of the Corporation (hereinafter called the "Securities"), issued and to be issued in one or more series under the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the respective rights, obligations, duties and immunities thereunder of the Corporation, the Trustee and the holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and events of default, and may otherwise vary as in the Indenture provided or permitted. This Note is one of a series of the Securities, which series is unlimited in aggregate principal amount and is designated as the Medium-Term Notes (the "Notes") of the Corporation, of which series the Corporation initially has designated \$1,010,000,000 aggregate principal amount, or the equivalent thereof in foreign currencies or currency units. The Notes may be issued from time to time in various principal amounts and currencies or currency units, mature at different times, bear interest, if any, at different rates, be redeemable at different times or not at all, and may have other terms as may be designated with respect to a Note.

Interest payments for this Note will include interest accrued to but excluding the Interest Payment Dates. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months, unless otherwise provided above.

If this Note is denominated in a Specified Currency, unless the Holder hereof has elected otherwise, payment in respect of a Foreign Currency Note shall be made in U.S. dollars based upon the exchange rate as determined by the Exchange Rate Agent based on the quotation for such non-U.S. dollar currency or composite currency appearing at approximately 11:00 a.m., New York City time, on the second Business Day (as defined below) preceding the applicable date of payment, on the bank composite or multi-contributor pages of the Telerate Monitor Foreign Exchange Service (or, if such service is not then available to the Exchange Rate Agent, the Reuters Monitor Foreign Exchange Service or, if neither is available, on a comparable display or in a comparable manner as the Corporation and the Exchange Rate Agent shall agree), for the first three banks (or two, if three are not available), in chronological order, appearing on a list of banks agreed to by the Corporation and the Exchange Rate Agent prior to such second Business Day, which are offering quotes. The Exchange Rate Agent shall then select from among the selected quotations in a manner specified in the applicable Pricing Supplement. If fewer than two bids are available, then such conversion will be based on the Market Exchange Rate (as defined below) as of the second Business Day preceding the applicable payment date. "Business Day" means any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: the day is (a) not a legal holiday or a day on which banking institutions are authorized or required by law or regulation to be closed in the City of New York and (b) if the Note is denominated or payable in a Specified Currency other than U.S. dollars, (i) not a day on which banking institutions are authorized or required by law or regulation to close in the major financial center of the country issuing the Specified Currency or, if this Note is denominated in or indexed to a composite European currency, Brussels and (ii) a day on which banking institutions in such financial center are carrying out transactions in such Specified Currency. "Market Exchange Rate" means the noon U.S. dollar buying rate in the City of New York for cable transfers of the relevant currency as certified for customs purposes by the Federal Reserve Bank of New York. If no Market Exchange Rate as of the second Business Day preceding the applicable payment date is available, payments will be made in the

Specified Currency, unless such Specified Currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Corporation's control, in which case payment will be made in U.S. dollars. All currency exchange costs will be borne by the Holders of such Notes by deductions from such payments.

Unless otherwise indicated above, this Note may not be redeemed by the Corporation prior to Maturity. If so indicated above, this Note may be redeemed on any date on or after the date set forth above, either in whole or in part, at the option of the Corporation, at a redemption price equal to the product of the principal amount of this Note to be redeemed multiplied by the Redemption Percentage. The Redemption Percentage shall initially equal the Initial Redemption Percentage specified above, and shall decline at each anniversary of the initial date that this Note is redeemable by the amount of the Annual Redemption Percentage Reduction specified above, until the Redemption Percentage is equal to 100%.

If this Note is subject to redemption, notice of redemption shall be mailed to the registered Holders of the Notes designated for redemption at their addresses as the same shall appear in the Security Register not less than 30 and not more than 60 days prior to the date of redemption, subject to all conditions and provisions of the Indenture. In the event of redemption of this Note in part, a new Note for the amount of the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

Unless otherwise indicated above, this Note may not be repaid prior to Maturity. If so indicated above, this Note may be payable prior to Maturity at the option of the Holder on the Optional Repayment Dates shown above at a price equal to 100% of the principal amount to be repaid, together with accrued interest to the date of repayment. In order for this Note to be repaid, the Trustee must receive at least 30 but not more than 45 days prior to an Optional Repayment Date (i) this Note with the form below entitled "Option to Elect Repayment" duly completed; or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank of trust company in the United States of America setting forth the name of the Holder of this Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that this Note with the form below entitled "Option to Elect Repayment" duly completed will be received by the Trustee not later than five Business Days after the date of such telegram, telex, facsimile transmission or letter. If the procedure described in clause (ii) of the preceding sentence is followed, this Note with form duly completed must be received by the Trustee by such fifth Business Day. Any tender of this Note for repayment shall be irrevocable. The repayment option may be exercised by the Holder of this Note for less than the entire principal amount of the Note provided that the principal amount of this Note remaining outstanding after repayment is an authorized denomination. Upon such partial repayment, this Note shall be cancelled and a new Note or Notes for the remaining principal amount hereof shall be issued in the name of the Holder of this Note.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment or supplementing thereof and the modification of the rights and obligations of the Corporation and the rights of the holders of the Securities of each series to be affected under the Indenture at any time by the Corporation and the Trustee with the consent of the holders of not less than a majority in principal amount of the Securities at the time outstanding of each series to be affected. The Indenture also contains a provision permitting the holders of not less than a majority in aggregate principal amount of the Securities of any series at the time outstanding, on behalf of the holders of all Securities of such series, to waive any past defaults under the Indenture with respect to such series of Securities and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As set forth in, and subject to, the provisions of the Indenture, no Holder of any Note of this series will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to this series, the Holder of not less than 25% in principal amount of the Notes of this series at the time outstanding shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of the Notes of this series at the time outstanding a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days, provided, however, that such limitations do not apply to a suit instituted by the Holder hereof for the enforcement of payment of the principal of (and premium, if any) or interest on this Note on or after the respective due date expressed herein.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Note at the times, places and rate herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Corporation in any place where the principal of (and premium, if any) and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series of like tenor and of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for the same aggregate principal amount of Notes of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof (or in the case of

Securities denominated in a Specified Currency, in such minimum denomination not less than the equivalent of \$1,000 in such Specified Currency on the basis of the Market Exchange Rate).

Prior to due presentation of this Note for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

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

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by an authorized officer of the Trustee or its duly authorized agent under the Indenture.

IN WITNESS WHEREOF, CENDANT CORPORATION has caused this instrument to be signed by its duly authorized officers, and has caused its corporate seal or a facsimile thereof to be affixed hereto or imprinted hereon.

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein issued under the within-mentioned Indenture.

CENDANT CORPORATION

By: \_\_\_\_\_  
Title:

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

Attest:

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Title: Assistant Secretary

[SEAL]



ASSIGNMENT FORM

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

Please Insert Social Security or \_\_\_\_\_

Other Identifying Number of Assignee \_\_\_\_\_

Please Print or Typewrite Name and Address Including Postal Zip Code of Assignee

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- - - - -

the within Note of CENDANT CORPORATION and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Note on the books of the Corporation, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Your Signature: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the within instrument in every particular, without alteration or enlargement or any change whatever.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Corporation to repay \$ principal amount of the within Note, pursuant to its terms, on the "Optional Repayment Date" first occurring after the date of receipt of the within Note as specified below, together with Interest thereon accrued to the date of repayment, to the undersigned at

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(Please Print or Type Name and Address of the Undersigned)

and to issue to the Undersigned, pursuant to the terms of the Indenture, a new Note or Notes representing the remaining principal amount of this Note, if any.

For the Option to Elect Repayment to be effective, this Note with the Option to Elect Repayment duly completed must be received by the Corporation within the relevant time period set forth above at the offices of the Trustee, at One Liberty Plaza, New York, New York 10006.

Dated: \_\_\_\_\_

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

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

Please Insert Social Security or \_\_\_\_\_

Other Identifying Number of Assignee \_\_\_\_\_

Please Print or Typewrite Name and Address Including Postal Zip Code of Assignee

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the within Note of CENDANT CORPORATION and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Note on the books of the Corporation, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Your Signature: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the within instrument in every particular, without alteration or enlargement or any change whatever.

REGISTERED  
No. FLR-  
CUSIP NO.

CENDANT CORPORATION  
MEDIUM-TERM NOTE  
(FLOATING RATE)

If this Debt Security is registered in the name of The Depository Trust Company (the "Depository") (55 Water Street, New York, New York) or its nominee, this Debt Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository unless and until this Debt Security is exchanged in whole or in part for Debt Securities in definitive form. Unless this certificate is presented by an authorized representative of the Depository to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

PRINCIPAL AMOUNT  
AND CURRENCY OR  
CURRENCY UNIT:  
ORIGINAL ISSUE DATE:

INITIAL INTEREST RATE:  
INDEX MATURITY:

MATURITY DATE:  
SPREAD: +/-  
SPREAD MULTIPLIER: %

OPTION TO RECEIVE  
PAYMENT IN SPECIFIED  
CURRENCY:  
YES: \_\_\_\_\_ NO: \_\_\_\_\_

BASE RATE:

COMMERCIAL PAPER  
RATE

CD RATE

FEDERAL FUNDS  
EFFECTIVE RATE

LIBOR  
LIBOR REUTERS\_\_\_\_  
LIBOR TELERATE\_\_\_\_

TREASURY RATE

PRIME RATE

Other \_\_\_\_\_  
(See Below)

MAXIMUM INTEREST RATE: %

INTEREST PAYMENT PERIOD: \_\_\_\_\_  
(monthly, quarterly, semi-annually or annually)

MINIMUM INTEREST RATE: %

INTEREST RATE RESET PERIOD: \_\_\_\_\_  
(daily, weekly, monthly, quarterly, semi-annually or annually)

INTEREST RESET DATES:  
INTEREST PAYMENT DATES:  
INTEREST DETERMINATION DATES:  
REDEMPTION PROVISIONS, IF ANY:  
    REDEEMABLE ON OR AFTER:

REPAYMENT PROVISIONS, IF ANY:  
OPTIONAL REPAYMENT DATE:  
OPTIONAL REPAYMENT PRICE:

INITIAL REDEMPTION PERCENTAGE:  
ANNUAL REDEMPTION PERCENTAGE REDUCTION:  
CALCULATION AGENT:  
OTHER PROVISIONS:

If this Debt Security is issued with original issue discount, the following information is supplied for purposes of Sections 1273 or 1275 of the Internal Revenue Code: Issue Price (for each \$1,000 principal amount): \$ ; Original Issue Discount Under Section 1272 of the Internal Revenue Code (for each \$1,000 principal amount): \$ ; Yield To Maturity: ; Method Used to Determine Yield To Maturity For Short Accrual Period of to : ; and Original Issue Discount for Short Accrual Period of to : .

CENDANT CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Corporation"), for value received, hereby promises to pay to Cede & Co. or registered assigns the principal sum set forth above in the currency set forth above (any currency or currency unit other than U.S. dollars being hereinafter referred to as a "Specified Currency"), on the Stated Maturity shown above (the "Maturity Date"), in such coin or currency specified above as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest thereon from the Original Issue Date shown above (the "Issue Date") or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, in arrears on the Interest Payment Dates set forth above ("Interest Payment Dates"), and on the Maturity Date, commencing with the Interest Payment Date immediately following the Issue Date, at the interest rate per annum determined in accordance with the provisions hereof, depending on the Base Rate specified above, until the principal hereof is paid or made available for payment, provided, however, that if the Issue Date is after a Regular Record Date, as hereinafter defined, and on or before the immediately following Interest Payment Date, the first payment of interest will be made on the Interest Payment Date following the next succeeding Regular Record Date to the person in whose name this Note is registered in the security register (the "Security Register") of the Corporation (the "Holder") on such next succeeding Regular Record Date and provided, further, that unless the Holder hereof is entitled to make, and has made, a Specified Currency Payment Election (as hereinafter defined) with respect to one or more such payments, the Corporation will make all such payments in U.S. dollars in amounts determined as set forth below. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture dated as of February 24, 1998, as supplemented (hereinafter called the "Indenture"), between the Corporation and The Bank of Nova Scotia Trust Company of New York, as trustee (hereinafter called the "Trustee", which term includes any successor trustee under the Indenture), be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which unless otherwise specified above shall be the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date, provided, however, that interest payable at the Maturity Date will be paid to the Person to whom said principal sum is payable. Any interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, to be fixed by the Trustee, notice whereof to be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Payment of the principal of (and premium, if any) and any interest on this Note due to the Holder hereof at the Maturity Date will be made in immediately available funds, upon surrender of this Note at the offices of the Trustee, One Liberty Plaza, New York, New York 10006, provided that the

Note is presented to the Trustee in time for the Trustee to make such payments in such funds in accordance with its normal procedures. Payment of interest on this Note due on an Interest Payment Date (other than interest on this Note due to the Holder hereof at Maturity) will be made by check mailed to the address of the person entitled thereto at the Holder's last address as it appears on the Security Register. Payments of principal, premium, if any, and interest on Global Notes will be made to the Depositary by wire transfer, either in same day funds or in next day funds. Notwithstanding the foregoing, a Holder of \$10,000,000 or more in aggregate principal amount of Notes of like tenor and term shall, upon written request, be entitled to receive payments of interest (other than interest on said Notes due to the Holder at Maturity) by wire transfer to an account maintained by such Holder with a bank located in the United States of America.

Any such designation for wire transfer purposes shall be made by filing the appropriate information with the Trustee at its offices, One Liberty Plaza, New York, New York 10006, on or prior to the Regular Record Dates relating to the applicable Interest Payment Dates and, any such designation made with respect to any Note by a registered Holder shall remain in effect with respect to any further payments with respect to this Note payable to such Holder unless revoked or changed by written instructions received by the Trustee from such Holder, provided that any such written revocation or change which is received by the Trustee after a Regular Record Date and before the related Interest Payment Date shall not be effective with respect to such Interest Payment Date.

If this Note is denominated in a Specified Currency, payment of the principal of (and premium, if any) and any interest due on this Note will be made in Specified Currency provided that the Holder hereof is entitled to make, and has made, a Specified Currency Payment Election with respect to such payments, the Exchange Rate Agent is able to convert such payments as provided below, the Specified Currency is not unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Corporation and the Specified Currency is used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community. Unless otherwise specified above, if this Note is denominated in a Specified Currency, the Holder hereof may elect to receive payments of principal of (and premium, if any) and interest in such Specified Currency (a "Specified Currency Payment Election") by delivery of a written request for such payment to the principal office of the Trustee, One Liberty Plaza, New York, New York 10006, on or prior to the Regular Record Date or at least fifteen days prior to the Maturity Date, as the case may be. Such request may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. A Holder of a Foreign Currency Note may elect to receive payment in the Specified Currency for all principal, premium, if any, and interest payments and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, One Liberty Plaza, New York, New York 10006, but written notice of any such revocation must be received by the Trustee on or prior to the Regular Record Date or at least fifteen days prior to the Maturity Date, as the case may be.

In the event of an official redenomination of a foreign currency or currency unit, the obligations of the Corporation with respect to payments hereunder denominated or payable in such foreign currency or currency unit shall, in all cases, be deemed immediately following such redenomination to provide for payment of that amount of redenominated currency representing the amount of such obligations immediately before such redenomination. In no event, however, shall any adjustment be made to any amount payable hereunder as a result of any change in the value of such foreign currency or currency unit relative to any other currency due solely to fluctuations in exchange rates.

If the Maturity Date (or date of redemption or repayment) of this Note would fall on any day which is not a Business Day (as defined below), the payment of interest and principal (and premium, if any) need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date.

This Note is one of a duly authorized issue of securities of the Corporation (hereinafter called the "Securities"), issued and to be issued in one or more series under the Indenture, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the respective rights, obligations, duties and immunities thereunder of the Corporation, the Trustee and the holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and events of default, and may otherwise vary as in the Indenture provided or permitted. This Note is one of a series of the Securities, which series is unlimited in aggregate principal amount and is designated as the Medium-Term Notes (the "Notes") of the Corporation, of which series the Corporation initially has designated \$1,010,000,000 aggregate principal amount, or the equivalent thereof in foreign currencies or currency units. The Notes may be issued from time to time in various principal amounts and currencies or currency units, mature at different times, bear interest, if any, at different rates, be redeemable at different times or not at all, and have other terms as may be designated with respect to a Note.

Commencing with the first Interest Reset Date specified herein following the Issue Date, the rate at which interest on this Note is payable shall be adjusted daily, weekly, monthly, quarterly, semi-annually or annually as shown above under Interest Rate Reset Period; unless otherwise specified above, the Interest Reset Dates will be, if this Note resets daily, each Business Day; if this Note (unless this Note is a Treasury Rate Note) resets weekly, Wednesday of each week; if this Note is a Treasury Rate Note that resets weekly, Tuesday of each week (except as provided below under "Determination of Treasury Rate"); if this Note resets monthly, the third Wednesday of each month; if this Note resets quarterly, the third Wednesday of February, May, August and November of each year; if this Note resets semiannually, the third Wednesday of the two months of each year specified above; and if this Note resets annually, the third Wednesday of the month of each year specified above, provided, however, that unless otherwise specified above, the interest rate in effect from the Issue Date to the first Interest Reset Date specified above will be the Initial Interest Rate. Each such adjusted interest rate shall be applicable on and after the Interest Reset Date to which it relates, to but not including the next succeeding Interest Reset Date or until the Maturity Date, as the case may be. If any Interest Reset Date specified above is a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day, except that if (i) the rate of interest on this Note shall be determined in accordance with the provisions under the heading "Determination of LIBOR" below, and (ii) such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date, the rate of interest on this Note shall be the rate determined in accordance with the provisions under the relevant heading and paragraphs below, as specified by the Base Rate set forth above.

Unless otherwise specified above, interest will be payable, if this Note resets daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of February, May, August and November of each year as specified above; if this Note resets quarterly, on the third Wednesday of February, May, August and November of each year; if this Note resets semiannually, on the third Wednesday of the two months of each year specified above; and if this Note resets annually, on the third Wednesday of the month of each year specified above (each such day being an "Interest Payment Date") and, in each case, at Maturity. If any Interest Payment Date specified above would fall on a day that is not a Business Day, such Interest Payment Date shall be the following day that is a Business Day, except that if (i) the rate of interest on this Note shall be determined in accordance with the provisions under the heading "Determination of LIBOR" below, and (ii) such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day.

"Business Day" means any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: the day is (a) not a legal holiday or a day on which banking institutions are authorized or required by law or regulation to be closed in The City of New York, (b) if this Note is denominated or payable in a Specified Currency other than U.S. dollars, (i) not a day on which banking institutions are authorized or required by law or regulation to close in the major financial center of the country issuing the Specified Currency or, if this Note is denominated in or indexed to a composite European currency, Brussels and (ii) a day on which banking institutions in such financial center are carrying out transactions in such Specified Currency and (c) with respect to LIBOR Notes (as defined below), also a London Banking Day. "London Banking Day" means any day on which dealings on deposits in U.S. dollars are transacted in the London interbank market.

All percentages resulting from any calculation on this Note will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g.), 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655), and all dollar amounts used in or resulting from such calculation on this Note will be rounded to the nearest cent with one half cent being rounded upward.

#### Determination of Commercial Paper Rate

If the Base Rate on this Note is the Commercial Paper Rate, the interest rate with respect to this Note shall equal the Money Market Yield (calculated as described below) of the rate on each Interest Determination Date designated above for commercial paper having the Index Maturity designated above as such rate is published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates," or any successor publication of the Board of Governors, under the heading "Commercial Paper." In the event that such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Commercial Paper Rate will be the Money Market Yield (calculated as described below) of the rate on each Interest Determination Date designated above for commercial paper having the Index Maturity designated above as published by the Federal Reserve Bank of New York in its daily statistical release, "Composite 3:30 P.M. Quotations for U.S. Government Securities" under the heading "Commercial Paper." If such rate is not published by 3:00 P.M., New York City time, on such Calculation Date, the Commercial Paper Rate will be the Money Market Yield of the arithmetic mean (each as rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) of the offered rates, as of 11:00 A.M., New York City time on such Interest Determination Date, of three leading dealers of commercial paper in New York City selected by the Calculation Agent for commercial paper having the Index Maturity designated



above placed for an industrial issuer whose bond rating is "AA" or the equivalent, from a nationally recognized securities rating agency, provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate with respect to such Interest Determination Date will be the Commercial Paper Rate in effect on such Interest Determination Date.

"Money Market Yield" shall be a yield (expressed as a percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for the commercial paper, quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

If a Spread is designated above, this Note shall bear interest at the Commercial Paper Rate plus or minus such Spread. If a Spread Multiplier is designated above, this Note shall bear interest at the Commercial Paper Rate multiplied by such Spread Multiplier.

The Commercial Paper Rate determined with respect to any Interest Determination Date will become effective on and as of the Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Issue Date to the first Commercial Paper Reset Date will be the Initial Interest Rate specified above. The Interest Determination Date for a Note with respect to the Commercial Paper Rate will be the second Business Day prior to the Interest Reset Date for such Note.

#### Determination of CD Rate

If the Base Rate on this Note is the CD Rate, the interest rate with respect to this Note shall equal the rate on each Interest Determination Date designated above for negotiable certificates of deposit having the Index Maturity designated above as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication of the Board of Governors, under the heading "CDs (Secondary Market)." In the event that such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the CD Rate will be the rate on such Interest Determination Date for negotiable certificates of deposit of the Index Maturity designated above as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for U.S. Government Securities" under the heading "Certificates of Deposits." If such rate is not published by 3:00 P.M., New York City time, on such Calculation Date, the CD Rate will be the arithmetic mean (each as rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) of the secondary market offered rates as of the opening of business, New York City time, on such Interest Determination Date, of three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in New York City selected by the Calculation Agent (after consultation with the Corporation) for negotiable certificates of deposit of major United States money market banks of the highest credit standing (in the market for negotiable certificates of deposit) with a

remaining maturity closest to the Index Maturity designated above in a denomination of \$5,000,000; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate with respect to such Interest Determination Date will be the CD Rate in effect on such Interest Determination Date.

If a Spread is designated above, this Note shall bear interest at the CD Rate plus or minus such Spread. If a Spread Multiplier is designated above, this Note shall bear interest at the CD Rate multiplied by such Spread Multiplier.

The CD Rate determined with respect to any Interest Determination Date will become effective on and as of the Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Issue Date to the first CD Reset Date will be the Initial Interest Rate specified above. The Interest Determination Date with respect to a CD Rate Note will be the second Business Day prior to the Interest Reset Date for such Note.

#### Determination of Federal Funds Effective Rate

If the Base Rate on this Note is the Federal Funds Effective Rate, the interest rate payable with respect to this Note shall equal, on each Interest Determination Date designated above, the rate on that date for Federal Funds as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates," or any successor publication of the Board of Governors, under the heading "Federal Funds (Effective)." In the event that such rate is not published by 9:00 A.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Federal Funds Effective Rate will be the rate on such Interest Determination Date as published in "Composite 3:30 P.M. Quotations for U.S. Government Securities" under the heading "Federal Funds/Effective Rate." If such rate is not published by 9:00 A.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Federal Funds Effective Rate for such Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) of the rates as of 9:00 A.M., New York City time, on such Interest Determination Date for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent; provided, however, that if the brokers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Effective Rate with respect to such Interest Determination Date will be the Federal Funds Effective Rate in effect on such Interest Determination Date.

If a Spread is designated above, this Note shall bear interest at the Federal Funds Effective Rate plus or minus such Spread. If a Spread Multiplier is designated above, this Note shall bear interest at the Federal Funds Effective Rate multiplied by such Spread Multiplier.

The Federal Funds Effective Rate determined with respect to any Interest Determination Date will become effective on and as of the Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Issue Date to the first Federal Funds Effective Reset Date will be the Initial Interest Rate specified above. The Interest Determination Date with respect to a Federal Funds Effective Rate Note will be the second Business Day prior to the Interest Reset Date for such Note.

## Determination of LIBOR

LIBOR, with respect to any Interest Reset Date, will be determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to a LIBOR Interest Determination Date, LIBOR will be either (a) the arithmetic mean of the offered rates for deposits in U.S. dollars having the Index Maturity designated above, commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date, that appears on the Reuters Screen LIBO page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, if at least two such offered rates appear on the Reuters Screen LIBO Page ("LIBOR Reuters"), or (b) the rate for deposits in U.S. dollars having the Index Maturity designated above, commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date, that appears on the Telerate Page 3750 as of 11:00 A.M., London time, on such LIBOR Interest Determination Date ("LIBOR Telerate"). "Reuters Screen LIBO Page" means the display designated as page "LIBO" on the Reuters Monitor Money Rates Service (or such other page as may replace page LIBO on that service for the purpose of displaying London interbank offered rates of major banks). "Telerate Page 3750" means the display designated as page "3750" on the Telerate Service (or such other page as may replace the 3750 page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits). If neither LIBOR Reuters nor LIBOR Telerate is specified above, LIBOR will be determined as if LIBOR Telerate had been specified. If at least two such offered rates appear on the Reuters Screen LIBO Page, the rate in respect of such LIBOR Interest Determination Date will be the arithmetic mean of such offered rates as determined by the Calculation Agent. If fewer than two offered rates appear on the Reuters Screen LIBO Page, or if no rate appears on the Telerate Page 3750, as applicable, LIBOR in respect of such LIBOR Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) On any LIBOR Interest Determination Date on which fewer than two offered rates appear on the Reuters Screen LIBO Page as specified in (i)(a) above, or on which no rate appears on the Telerate Page 3750, as specified in (i)(b) above, as applicable, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars are offered by four major banks in the London interbank market selected by the Calculation Agent (the "Reference Banks") at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date to prime banks in the London interbank market, having the Index Maturity designated above, commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time. The Calculation Agent will request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR in respect of such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted by three major banks in New York City selected by the Calculation Agent at approximately 11:00 A.M., New York City time, on such LIBOR Interest Determination Date for loans in U.S. dollars to leading

European banks, having the Index Maturity designated in the applicable Pricing Supplement, such loans commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks in New York City selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR with respect to such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

If a Spread is designated above, this Note shall bear interest at LIBOR plus or minus such Spread. If a Spread Multiplier is designated above, this Note shall bear interest at LIBOR multiplied by such Spread Multiplier.

LIBOR determined with respect to any Interest Determination Date will become effective on and as of the Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Issue Date to the first LIBOR Reset Date will be the Initial Interest Rate specified above. The Interest Determination Date with respect to a LIBOR Note will be the second London Banking Day prior to the Interest Reset Date for such Note.

#### Determination of Treasury Rate

If the Base Rate on this Note is the Treasury Rate, the interest rate with respect to this Note shall equal the interest rate on each Interest Determination Date designated above for the most recent auction of direct obligations of the United States ("Treasury Bills") having the Index Maturity designated above as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates," or any successor publication of the Board of Governors, under the heading "Pricing U.S. Government Securities - Treasury Bills -- auction average (investment)." In the event that such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Treasury Rate shall be the auction average rate (expressed as a bond equivalent, rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, on the basis of a year of 365 days or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the United States Department of the Treasury. In the event that the result of the auction of Treasury Bills having the Index Maturity designated above is not otherwise reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or, if no such auction is held in a particular week, then the Treasury Rate shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent, rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, on the basis of a year of 365 days or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity designated above; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate with respect to such Interest Determination Date will be the Treasury Rate in effect on such Determination Date.

If a Spread is designated above, this Note shall bear interest at the Treasury Rate plus or minus such Spread. If a Spread Multiplier is designated above, this Note shall bear interest at the Treasury Rate multiplied by such Spread Multiplier.

The Interest Determination Date pertaining to the Interest Reset Date for this Note if the Base Rate designated above is the Treasury Rate (the "Treasury Interest Determination Date") will be the day of the week in which such Interest Reset Date falls on which Treasury Bills would normally be auctioned. Treasury Bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the Tuesday following, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. If an auction date shall fall on any Interest Reset Date for this Note if the Base Rate designated above is the Treasury Rate, then such Interest Reset Date shall instead be the first Business Day immediately following such auction date. The interest rate in effect for the period from the Issue Date to the first Treasury Reset Date will be the Initial Interest Rate specified above.

#### Determination of Prime Rate

If the Base Rate on this Note is the Prime Rate, the interest rate with respect to this Note shall equal, on each Interest Determination Date designated above, the rate of interest set forth on the Interest Determination Date as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519)", under the heading "Bank Prime Loan." In the event that such rate is not published by 9:00 A.M., New York City time on the Calculation Date pertaining to such Interest Determination Date, the Prime Rate in respect of such Interest Determination Date shall be determined by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page (as defined below) as such bank's prime rate or base lending rate as in effect for that Interest Determination Date. If fewer than four such rates but more than one such rate appear on the Reuters Screen USPRIME1 Page for the Interest Determination Date, the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Interest Determination Date by four major money center banks in New York City selected by the Calculation Agent. If fewer than two such rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be determined by the Calculation Agent on the basis of the rates furnished in New York City by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by Federal or State authority, selected by the Calculation Agent to provide such rate or rates; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, the Prime Rate will be the Prime Rate in effect on such Interest Determination Date. "Reuters Screen USPRIME1 Page" means the display designated as page "USPRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace the USPRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

If a Spread is designated above, this Note shall bear interest at the Prime Rate plus or minus such Spread. If a Spread Multiplier is designated above, this Note shall bear interest at the Prime Rate multiplied by such Spread Multiplier.

The Prime Rate determined with respect to any Prime Interest Determination Date will become effective on and as of the Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Issue Date to the first Prime Reset Date will be the Initial Interest Rate specified above. The Interest Determination Date with respect to a Prime Rate Note will be the second Business Day prior to the Interest Reset Date for such Note.

Notwithstanding the determinations under the foregoing paragraphs with respect to the applicable Base Rate, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown above. The Calculation Agent shall calculate the interest rate on this Note in accordance with the foregoing relevant section applicable to the Base Rate of this Note, on or before each Calculation Date.

The interest rate on this Note will in no event be higher than the maximum interest rate permitted under the laws of the State of New York as the same may be modified by the United States law of general applicability.

The Calculation Agent will, upon the request of the Holder of this Note, provide to such Holder the interest rate of this Note then in effect and the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date with respect to this Note.

Unless otherwise specified above, the Calculation Date, if applicable, pertaining to any Interest Determination Date is the earlier of (i) the 10th calendar day after such Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day and (ii) the Business Day next preceding the relevant Interest Payment Date or Maturity, as the case may be.

Unless otherwise specified above, interest payments for this Note will include interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid (or from and including the date of issue, if no interest has been paid with respect to this Note) to but excluding the Interest Payment Date. Accrued interest hereon from the Issue Date or from the last date for which interest hereon has been paid, as the case may be, shall be an amount calculated by multiplying the principal amount of this Note as set forth above by an accrued interest factor. Such accrued interest factor shall be computed by adding the interest factors calculated for each day from the Issue Date, or from the last date to which interest shall have been paid, as the case may be, to the date for which accrued interest is being calculated. Unless otherwise specified above, the interest factor (expressed as a decimal rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) for each such day shall be computed by dividing the interest rate (expressed as a decimal rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) applicable to such day by 360, in the case of the Commercial Paper Rate, CD Rate, LIBOR, Prime Rate or Federal Funds Effective Rate, or by the actual number of days in the year in the case of the Treasury Rate.

If this Note is denominated in a Specified Currency, unless the Holder hereof has elected otherwise, or unless otherwise specified above, payment in respect of a Foreign Currency Note shall be made in U.S. dollars based upon the exchange rate as determined by the Exchange Rate Agent based on the quotation for such non-U.S. dollar currency or composite currency appearing at approximately 11:00 a.m., New York City time, on the second Business Day preceding the applicable date of payment, on the bank composite or multi-contributor pages of the Telerate Monitor Foreign Exchange Service (or, if such service is not then available to the Exchange Rate Agent, the Reuters Monitor Foreign Exchange Service or, if neither is available, on a comparable display or in a comparable manner as the Corporation and the Exchange Rate Agent shall agree), for the first three banks (or two, if three are not available), in chronological order, appearing on a list of banks agreed to by the Corporation and the Exchange Rate Agent prior to such second Business Day, which are offering quotes. The Exchange Rate Agent shall then select from among the selected quotations in a manner specified in the applicable Pricing Supplement. If fewer than two bids are available, then such conversion will be based on the Market Exchange Rate (as defined below) as of the second Business Day preceding the applicable payment date. "Market Exchange Rate" means the noon U.S. dollar buying rate in The City of New York for cable transfers of the relevant currency as certified for customs purposes by the Federal Reserve Bank of New York. If no Market Exchange Rate as of the second Business Day preceding the applicable payment date is available, payments will be made in the Specified Currency, unless such Specified Currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Corporation's control, in which case payment will be made in U.S. dollars. All currency exchange costs will be borne by the Holder of this Note by deductions from such payments.

Unless otherwise indicated above, this Note may not be redeemed prior to Maturity. If so indicated above, this Note may be redeemed, at the option of the Corporation, on any date on or after the date set forth above, either in whole or in part, at the option of the Corporation, at a redemption price equal to the product of the principal amount of this Note to be redeemed multiplied by the Redemption Percentage. The Redemption Percentage shall initially equal the Initial Redemption Percentage specified above, and shall decline at each anniversary of the initial date that this Note is redeemable by the amount of the Annual Redemption Percentage Reduction specified above, until the Redemption Percentage is equal to 100%.

If this Note is subject to redemption, notice of redemption shall be mailed to the registered Holder of the Note designated for redemption at Holder's address as the same shall appear in the Security Register not less than 30 and not more than 60 days prior to the date of redemption, subject to all conditions and provisions of the Indenture. In the event of redemption of this Note in part, a new Note for the amount of the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

Unless otherwise indicated above, this Note may not be repaid prior to maturity. If so indicated above, this Note may be payable prior to Maturity at the option of the Holder on the Optional Repayment Dates shown above at a price equal to 100% of the principal amount to be repaid, together with accrued interest to the date of repayment. In order for this Note to be repaid, the Trustee must receive at least 30 but not more than 45 days prior to an Optional Repayment Date (i) this Note with the form below entitled "Option to Elect Repayment" duly completed; or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the

United States of America setting forth the name of the Holder of this Note, the principal amount of the Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that this Note with the form below entitled "Option to Elect Repayment" duly completed will be received by the Trustee not later than five Business Days after the date of such telegram, telex, facsimile transmission or letter. If the procedure described in clause (ii) of the preceding sentence is followed, this Note with form duly completed must be received by the Trustee by such fifth Business Day. Any tender of this Note for repayment shall be irrevocable. The repayment option may be exercised by the Holder of this Note for less than the entire principal amount of the Note provided that the principal amount of this Note remaining outstanding after repayment is an authorized denomination. Upon such partial repayment, this Note shall be canceled and a new Note or Notes for the remaining principal amount hereof shall be issued in the name of the Holder of this Note.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment or supplementing thereof and the modification of the rights and obligations of the Corporation and the rights of the holders of the Securities of each series to be affected under the Indenture at any time by the Corporation and the Trustee with the consent of the holders of not less than a majority in principal amount of the Securities at the time outstanding of each series to be affected. The Indenture also contains a provision permitting the holders of not less than a majority in aggregate principal amount of the Securities of any series at the time outstanding, on behalf of the holders of all Securities of such series, to waive any past defaults under the Indenture with respect to such series of Securities and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As set forth in, and subject to, the provisions of the Indenture, no Holder of any Note of this series will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to this series, the Holders of not less than 25% in principal amount of the Notes of this series at the time outstanding shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of the Notes of this series at the time outstanding a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days, provided, however, that such limitations do not apply to a suit instituted by the Holder hereof for the enforcement of payment of the principal of (and premium, if any) or interest on this Note on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Note at the times, places, and rate herein prescribed.



As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Corporation in any place where the principal of (and premium, if any) and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series of like tenor and of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for the same aggregate principal amount of Notes of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof (or in the case of Securities denominated in a Specified Currency, in such minimum denomination not less than the equivalent of \$1,000 in such Specified Currency on the basis of the Market Exchange Rate).

Prior to due presentation of this Note for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

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

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by an authorized officer of the Trustee or its duly authorized agent under the Indenture.

IN WITNESS WHEREOF, CENDANT CORPORATION has caused this instrument to be signed by its duly authorized officers, and has caused its corporate seal or a facsimile thereof to be affixed hereto or imprinted hereon.

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein issued under the within-mentioned Indenture.

CENDANT CORPORATION

By: \_\_\_\_\_  
Title:

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

Attest:

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Title: Assistant Secretary

[SEAL]

ASSIGNMENT FORM

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

Please Insert Social Security or Other Identifying Number of Assignee \_\_\_\_\_

Please Print or Typewrite Name and Address Including Postal Zip Code of Assignee

- .....  
- .....

the within Note of CENDANT CORPORATION and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Note on the books of the Corporation, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Your Signature: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the within instrument in every particular, without alteration or enlargement or any change whatever.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Corporation to repay \$ principal amount of the within Note, pursuant to its terms, on the "Optional Repayment Date" first occurring after the date of receipt of the within Note as specified below, together with Interest thereon accrued to the date of repayment, to the undersigned at

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(Please Print or Type Name and Address of the Undersigned)

and to issue to the Undersigned, pursuant to the terms of the Indenture, a new Note or Notes representing the remaining principal amount of this Note, if any.

For the Option to Elect Repayment to be effective, this Note with the Option to Elect Repayment duly completed must be received by the Corporation within the relevant time period set forth above at the offices of the Trustee, at One Liberty Plaza, New York, New York 10006.

Dated: \_\_\_\_\_

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

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

Please Insert Social Security or \_\_\_\_\_  
Other Identifying Number of Assignee \_\_\_\_\_

Please Print or Typewrite Name and Address Including Postal Zip Code of Assignee

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the within Note of CENDANT CORPORATION and does hereby irrevocably constitute and appoint \_\_\_\_\_  
attorney to transfer the said Note on the books of the Corporation, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Your Signature: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the within instrument in every particular, without alteration or enlargement or any change whatever.

CENDANT CORPORATION  
6 Sylvan Way  
Parsippany, New Jersey 07054  
Phone: (973) 496-7207

March 9, 1998

Eric J. Bock  
Vice President-Legal  
Cendant Corporation  
6 Sylvan Way  
Parsippany, New Jersey 07054

Ladies and Gentlemen:

I am Vice President, Legal and Assistant Secretary of Cendant Corporation, a Delaware corporation (the "Company"), and as such have acted as counsel in connection with the Company's filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement (File No. 333-45227) on Form S-3 (the "Registration Statement") with respect to, among other things, the Company's debt securities (the "Debt Securities"). Capitalized terms used but not defined herein are used as defined in the Registration Statement.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Act").

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Indenture (the "Indenture"), dated as of February 24, 1998, as amended, between the Company and The Bank of Nova Scotia Trust Company of New York, as trustee; (ii) certain resolutions of the Board of Directors of the Company and the Pricing Committee thereof relating to among other things, the Registration Statement, the Indenture, the Debt Securities and the creation of a series of Debt Securities entitled "Medium-Term Notes Due 9 Months to 40 Years from Date of Issue" (such series of Debt Securities hereinafter referred to as the "Notes"); and (iii) the forms of the Notes. I have also examined originals or copies, certified or otherwise identified to my satisfaction, of such other

documents, certificates and records as I have deemed necessary or appropriate as a basis for the opinions set forth herein.

In my examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such copies. In making my examination of documents executed by parties other than the Company, I have assumed that such parties had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by such parties of such documents and that such documents constitute valid and binding obligations of such parties. In addition, I have assumed that the Notes, when executed, will be substantially in the form reviewed by me. As to any facts material to the opinions expressed herein which were not independently established or verified, I have relied upon oral or written statements and representatives of officers and other representatives of the Company and others.

I am admitted to the bar in the States of New York and New Jersey, and I express no opinion as to the laws of any other jurisdiction other than the General Corporation Law of the State of Delaware and federal laws of the United States of America to the extent referred to specifically herein.

Based on the above, upon and subject to the foregoing, I am of the opinion that:

1. The Company is a corporation duly incorporate and validly existing pursuant to the laws of the State of Delaware.
2. The issuance by the Company of the Notes has been duly and validly authorized and, upon their due execution, authentication and delivery in accordance with the Indenture and upon payment therefor, the Notes will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms except as such enforcement is subject to any applicable bankruptcy insolvency, reorganization or other laws relating to or affecting creditors' rights generally and general principles of equity.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. I also consent to the use of my name under the heading "Legal Opinions" in the prospectus dated February 23, 1998 included in the Registration Statement. In giving this consent, I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable law.

Very truly yours,

/s/ Eric J. Bock

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Eric J. Bock  
Vice President, Legal and  
Assistant Secretary